Texas Department of Insurance
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
Memorial Compounding Pharmacy

Respondent Name
New Hampshire Insurance Company

MFDR Tracking Number
M4-19-1254-01

Carrier's Austin Representative
Box Number 19

MFDR Date Received
November 5, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: $219.33

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier has issued Adverse Determinations for this prescription…"

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 1, 2018	Cyclobenzaprine 10 mg tablets	$90.26	$44.95
March 1, 2018	Naproxen 500 mg tablets	$129.07	$0.00
	Total	$219.33	$44.95

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.240 sets out the procedures for payment or denial of medical bills.
2. 28 Texas Administrative Code §133.305 sets out the general Medical Dispute Resolution guidelines.
3. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
4. 28 Texas Administrative Code §133.308 sets out the procedure for Medical Dispute Resolution of Medical Necessity Disputes.
5. 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
6. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.

7. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
    - X435 – Based on peer review, further treatment is not recommended.

Issues

1. What is the subject of this dispute?
2. Is the fee dispute for Naproxen 500 mg tablets subject to dismissal based on medical necessity?
3. Is the fee dispute for Cyclobenzaprine 10 mg tablets subject to dismissal based on medical necessity?
4. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the compound in question?

Findings

1. Memorial is seeking reimbursement for Naproxen 500 mg tablets and Cyclobenzaprine 10 mg tablets dispensed on March 1, 2018. These services are the subject of this dispute.
2. The insurance carrier denied the charge for Naproxen 500 mg tablets based on medical necessity. Review of the submitted documentation finds that this medical fee dispute contains information/documentation to support that the charge for this drug involves **unresolved** issues of medical necessity.[1] The insurance carrier notified Memorial of these issues in its explanation of benefits (EOB) response during the medical bill review process.

    Medical necessity disputes must be resolved prior to submission of a medical fee dispute.[2] The Texas Department of Insurance, Division of Workers' Compensation (DWC) hereby notifies the requestor that the appropriate process to dispute an unresolved issue of medical necessity requires filing for an independent review to be conducted by an IRO (independent review organization) appropriately licensed by the Texas Department of Insurance.[3] Information about filing for an IRO may be found at https://www.tdi.texas.gov/hmo/mcqa/iro_requests.html.

    A dismissal is not a final decision by the DWC.[4] The medical fee dispute may be submitted for review as a new dispute filed not later than 60 days after a requestor has received the final decision, including all appeals.[5] The DWC finds that due to the unresolved medical necessity issues for Naproxen 500 mg, the medical fee dispute request for this drug is dismissed as it is not eligible for review until a final decision has been issued.

3. The insurance carrier also denied the charge for Cyclobenzaprine 10 mg tablets based on medical necessity. The insurance carrier is required to perform a utilization review before a denial based on an adverse determination of medical necessity, including giving the health care provider – in this case, Memorial – an opportunity to discuss the treatment in question.[6]

    Flahive, Ogden & Latson submitted no documentation to support that the insurance carrier performed a utilization review addressing Cyclobenzaprine 10 mg tablets or that Memorial was given an opportunity to discuss this drug prior to the insurance carrier's denial based on an adverse determination of medical necessity.[7]

    The DWC concludes that the dispute for this drug is not subject to dismissal based on medical necessity.

4. Because the insurance carrier failed to support any denial of payment, Memorial is entitled to reimbursement.

    The reimbursement for the drugs considered in this dispute is calculated as follows[8]:

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[1] Utilization Review performed by Helmsman Management Services, LLC, dated March 23, 2018
[2] 28 Texas Administrative Code §133.305(b)
[3] 28 Texas Administrative Code §133.308
[4] 28 Texas Administrative Code § 133.307(f)(3)
[5] 28 Texas Administrative Code §133.307 (c)(1)(B)
[6] 28 Texas Administrative Code §133.240(q)
[7] 28 Texas Administrative Code §19.2009(b)
[8] 28 Texas Administrative Code §134.503(c)

- Cyclobenzaprine 10 mg tablets: (1.092 x 30 x 1.25) + $4.00 = $44.95

The total reimbursement is therefore $44.95. This amount is recommended.

Conclusion

For the reasons stated above, the DWC finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $44.95.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the DWC has determined the requestor is entitled to additional reimbursement for the disputed services. The DWC hereby ORDERS the respondent to remit to the requestor $44.95, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

	Laurie Garnes	November 29, 2018
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.