



# 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 RX

**Respondent Name**

PACIFIC EMPLOYERS INSURANCE CO

**MFDR Tracking Number**

M4-19-1484

**Carrier's Austin Representative**

Box Number 15

**MFDR Date Received**

November 15, 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:** \$333.04

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "Our bill audit company stands on their original view."

**Response Submitted by:** Gallagher Bassett

### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
April 24, 2018	Gabapentin 300 mg Capsules	\$177.26	\$153.70
April 24, 2018	Cyclobenzaprine 10 mg Tablets	\$155.78	\$126.85
	Total	\$333.04	\$280.55

### 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 (DWC).

**Background**

- 28 Texas Administrative Code §133.240 sets out the procedures for payment and denial of medical bills.
- 28 Texas Administrative Code §133.305 sets out the procedures for resolving medical disputes.
- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
- Texas Insurance Code, Chapter 19 sets out the requirements for utilization review.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 216 – Based on the findings of the review organization.

- Comments: “DR NASH AGREED TO DISCONTINUE AS OF 4/2017”

### **Issues**

1. Is this dispute subject to dismissal based on medical necessity?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement for the drugs in question?

### **Findings**

1. Per explanation of benefits dated May 10, 2018, the insurance carrier denied the disputed drugs stating that the denial was “based on the findings of the review organization” and that “Dr. Nash agreed to discontinue as of 4/2017.”

Medical necessity disputes must be resolved prior to submission of a medical fee dispute.<sup>1</sup> The insurance carrier is required to perform a utilization review before a denial based on medical necessity, including giving the health care provider – in this case, Memorial – an opportunity to discuss the treatment in question.<sup>2</sup>

The respondent is required to submit documentation to support a denial based on lack of medical necessity.<sup>3</sup> Pacific Employers Insurance Company provided no evidence to support that it performed a utilization review on the drugs in question to determine medical necessity.<sup>4</sup>

This denial reason is not supported. Therefore, this dispute is not subject to dismissal based on medical necessity.

2. Because Pacific Employers Insurance Company failed to support its denial reason for the service in this dispute, the DWC finds that Memorial is entitled to reimbursement for the drugs in question.

The reimbursement considered in this dispute is calculated as follows<sup>5</sup>:

- Gabapentin 300 mg tablets:  $(1.3307 \times 90 \times 1.25) + \$4.00 = \$153.70$
- Cyclobenzaprine HCl 10 mg tablets:  $(1.092 \times 90 \times 1.25) + \$4.00 = \$126.85$

The total allowable reimbursement is \$280.55. This amount is recommended.

### **Conclusion**

The outcome of each independent medical fee dispute relies upon the relevant evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence in this dispute may not have been discussed, it was considered. For the reasons stated above, the Texas Department of Insurance, Division of Workers’ Compensation (DWC) finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$280.55.

### ***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 \$280.55, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

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<sup>1</sup> 28 Texas Administrative Code §133.305(b)

<sup>2</sup> 28 Texas Administrative Code §133.240(q)

<sup>3</sup> 28 Texas Administrative Code §133.307(d)(2)(I)

<sup>4</sup> 28 Texas Administrative Codes §§134.240 and 19.2009

<sup>5</sup> 28 TAC §134.503 (c)

**Authorized Signature**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

\_\_\_\_\_  
August 24, 2021  
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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed, or personally delivered to the DWC 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.**