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
Church Mutual Insurance Company

MFDR Tracking Number
M4-19-1829-01

Carrier's Austin Representative
Box Number 17

MFDR Date Received
November 28, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The carrier has received the attached bill and has not processed according to Texas Labor Code 408.027."

Amount in Dispute: $615.76

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Payment has been disputed as the medication was not preauthorized as required per rule 134.530 and 134.540."

Response Submitted by: Broadspire

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 27, 2018	Meloxicam 15 mg Tablets	$202.85	$185.69
July 27, 2018	Tizanidine HCl 4 mg Tablets	$145.41	$113.89
July 27, 2018	Lenzapatch 4%-1%	$267.50	$0.00
	Total	$615.76	$299.58

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

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
3. 28 Texas Administrative Code §134.530 sets out the closed formulary requirements for claims not subject to certified networks.

4. The insurance carrier reduced payment for the disputed drugs based on preauthorization.

Issues

1. Is Church Mutual Insurance Company's reason for denial of payment supported for Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets?
2. Is the insurance carrier's reason for denial of payment supported for Lenzapatch 4%-1%?
3. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the drugs in question?

Findings

1. Memorial is seeking reimbursement for Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets. The insurance carrier denied the disputed service based on preauthorization. Preauthorization is only required for:

    - drugs identified with a status of "N" in the current edition of the ODG Appendix A[1];
    - any compound that contains a drug identified with a status of "N" in the current edition of the ODG Appendix A; and
    - any investigational or experimental drug.[2]

    The division finds that Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization per 28 TAC §134.530(b)(2)(A).

    The submitted documentation does not support that Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets constitute a compound drug. Therefore, these drugs do not require preauthorization per 28 TAC §134.530(b)(2)(B).

    The submitted documentation does not support that Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets is experimental or investigational. Therefore, these drugs do not require preauthorization per 28 TAC §134.530(b)(2)(C).

    The DWC concludes that the insurance carrier's denial of payment for Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets is not supported.

2. Memorial is also seeking reimbursement for Lenzapatch 4%-1%, dispensed on March 29, 2018.

    The DWC finds that Lenzapatch 4%-1% contains Lidocaine which is an ingredient identified with a status of "N" in the current edition of the ODG, Appendix A. No evidence was provided to support that Memorial requested or obtained preauthorization for this service. No reimbursement for Lenzapatch 4%-1% is recommended.

3. Because the insurance carrier failed to support its of payment for Meloxicam 15 mg tablets and Tizanidine HCl 4 mg tablets, Memorial is entitled to reimbursement.

    The reimbursement for the drugs considered in this dispute is calculated as follows[3]:

    - Meloxicam 15 mg tablets: (4.845 x 30 x 1.25) + $4.00 = $185.69
    - Tizanidine HCl 4 mg tablets: (1.46524 x 60 x 1.25) + $4.00 = $113.89

    The total reimbursement is therefore $299.58. This amount is recommended.

[1] *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*
[2] 28 Texas Administrative Code §134.540(b)
[3] 28 Texas Administrative Code §134.503(c)

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $299.58.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor $299.58, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

	Laurie Garnes	January 25, 2019
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.