



# TEXAS DEPARTMENT OF INSURANCE

**Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)**  
7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645  
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## MEDICAL FEE DISPUTE RESOLUTION DECISION AND ORDER

### *General Information*

**Requestor Name**

Memorial Compounding Pharmacy

**Respondent Name**

Zurich American Insurance Co

**MFDR Tracking Number**

M4-19-1882-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

November 30, 2018

**Response Submitted By:**

Flahive, Ogden & Latson

### *Requestor's Position Summary*

"The carrier denied the reconsideration based on lack of preauthorization or preauthorization was absent."

### *Respondent's Position Summary*

"The medical necessity dispute is unresolved."

### *Service in Dispute*

Date of Service	Disputed Service	Amount in Dispute	Order
March 14, 2018	Compound Medication	\$702.68	\$0.00

### *Authority*

This medical fee dispute is processed pursuant to Texas Labor Code 413.031 (c) and 28 Texas Administrative Code §133.307 of the Texas Department of Insurance, Division of Workers' Compensation.

### **Background**

- The compound in question was denied during prospective review for medical necessity.
- The carrier attached a copy of documentation that supports an adverse determination as required by 28 Texas Administrative Code §133.307(d)(2)(I)

### **Findings**

The service in dispute is a compounded medication. Applicable 28 Texas Administrative Code §134.530 states that preauthorization is only required for any prescription drug created through compounding prescribed before July 1, 2018 that contains a drug identified with a status of "N" in the current edition of the ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates.

Although the compound in dispute did not contain an "N" drug, the prescriber in this case voluntarily sought preauthorization or prospective utilization review from the carrier. As a result, the carrier performed utilization review. The carrier presented evidence that it performed the utilization review in accordance with Insurance Code, Chapter 4201 and Chapter 19, Subchapter U of the Texas Administrative Code. Additionally, the carrier presented evidence that it performed utilization review prior to or concurrent with the processing of the medical bill in dispute as required by 28 Texas Administrative Code §133.240.

The prescriber's request for preauthorization was denied. Both the prescriber and Memorial Compounding Pharmacy were notified of the denial. There is no evidence that the prescriber or Memorial sought reconsideration of appeal of the denial.

For that reason, we conclude that no payment is due.

**Conclusion**

The prescriber requested preauthorization for the compound in dispute. The preauthorization request was denied. Memorial Compounding Pharmacy was notified of the denial. No payment is due.

**ORDER**

Based on the submitted information the division has determined that the requestor is not entitled to reimbursement for the services in dispute.

**Authorized Signature**

\_\_\_\_\_  
Signature

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

December 31, 2019  
\_\_\_\_\_  
Date

**RIGHT TO APPEAL**

Either party to this medical fee dispute may seek review of this division decision. To appeal, submit form division Form-045M titled **Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)** found at <https://www.tdi.texas.gov/forms/form20numeric.html>.

Follow the instructions on pages 3 and 4. The request must be received by the division within twenty days of your receipt of this decision. This decision becomes final if the request for review of this decision is not timely made.

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.

If you have questions about the division Form-045M, please call CompConnection at 1-800-252-7031, Option 3 or you may email your question to [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov)