



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

Safety National Casualty Corporation

MFDR Tracking Number

M4-19-2037-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

December 10, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Bill for date of service 06/17/2018 was processed and paid incorrectly."

Amount in Dispute: \$670.87

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "In review of the medical billing for date of service 06/17/18 and related evidence it was determined the charges in dispute were appropriately denied with claim adjustment reason code (50: Services not Deemed 'Medically Necessary' by payer) based on retrospective utilization review conducted by Richard S. Kaplan, MD"

Response Submitted by: CorVel

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 17, 2018	Compound Medications	\$670.87	\$670.87

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 §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical compounds.
3. The insurance carrier reduced payment for the disputed compound based on medical necessity.

Issues

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

Findings

1. Memorial is seeking reimbursement for a compound dispensed on June 17, 2018. Per explanation of benefits dated September 5, 2018, the insurance carrier denied the disputed compound based on medical necessity.

Medical necessity disputes must be resolved prior to submission of a medical fee dispute.¹ 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.²

The respondent is required to submit documentation to support a denial based on lack of medical necessity.³ Safety National Casualty Company provided no evidence to support that it performed a utilization review on the drugs in question to determine medical necessity.⁴ This denial reason is not supported.

2. Because the insurance carrier failed to sufficiently support its denial of reimbursement, Memorial is entitled to reimbursement.

The compound in dispute was billed by listing each drug included in the compound and calculating the charge for each drug separately.⁵ Each ingredient is listed below with its reimbursement amount.⁶ The calculation of the total allowable amount is as follows:

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Meloxicam	38779274601	G	\$194.67	0.18	\$43.80	\$35.04	\$35.04
Flurbiprofen	38779036209	G	\$36.58	4.8	\$219.48	\$175.58	\$175.58
Tramadol	38779237409	G	\$36.30	6	\$272.25	\$217.80	\$217.80
Cyclobenzaprine	38779039509	G	\$46.33	1.8	\$104.24	\$83.39	\$83.39
Versapro Cream	38779252903	B	\$3.20	45.02	\$157.03	\$144.06	\$144.06
Fee	NA	NA	NA	NA	\$15.00	\$15.00	\$15.00
						Total	\$670.87

The total reimbursement is therefore \$670.87. This amount is recommended.

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 \$670.87.

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 \$670.87, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

¹ 28 Texas Administrative Code §133.305(b)

² 28 Texas Administrative Code §133.240(q)

³ 28 Texas Administrative Code §133.307(d)(2)(l)

⁴ 28 Texas Administrative Codes §§134.240 and 19.2009

⁵ 28 Texas Administrative Code §134.502(d)(2)

⁶ 28 Texas Administrative Code §134.503(c)

Authorized Signature

Signature

Laurie Garnes

Medical Fee Dispute Resolution Officer

May 23, 2019

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.