



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

Indemnity Insurance Co of North America

MFDR Tracking Number

M4-19-2532-01

Carrier's Austin Representative

Box Number 15

MFDR Date Received

January 11, 2019

Response Submitted By:

ESIS

REQUESTOR'S POSITION SUMMARY

"The above claimant received compound medication on 7/12/2018 and are being denied by the carrier for lack of preauthorization. The compound medication does not require preauthorization based on the Rule 134.500."

RESPONDENT'S POSITION SUMMARY

"The bill for date of service 7/12/18 was denied for 'no proof of preauth'. Effective 7/1/18 compound drugs must be preauthorized."

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: July 12, 2018, Compound Medication, \$726.62, \$0.00

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 Codes §134.530(b)(1)(B) and (C) set out preauthorization requirements for compounds not subject to certified health care networks.
2. 28 Texas Administrative Code §134.540(b)(2) and (3) set out preauthorization requirements for compounds subject to certified health care networks.
3. The insurance carrier denied the compound in question based on preauthorization.

Issue

Is reimbursement due for the service in dispute?

Findings

Memorial asserts that preauthorization was not required for the compound in dispute. This compound was dispensed on July 12, 2018. Applicable amended Rule at 28 TAC 134.530[non-network] or 28 TAC 134.540

[network] (b)(1)(C) states, in pertinent part, that preauthorization is **only** required for any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018.

According to the adoption preamble, new section (b)(1)(C) **DOES NOT APPLY** to prescriptions for compounded drugs written before July 1, 2018, and refills for those prescriptions. Therefore, for compounds dispensed on or after July 1, 2018, a copy of the physician’s initial prescription is necessary for the division to make an informed decision about whether preauthorization is required.

On February 11, 2019, the division submitted a request for additional information to Memorial. The request sought “the initial and any subsequent prescription(s) that pertain to the dispensed medications” in dispute. Memorial was given a minimum of 14 days to provide the requested information. Memorial failed to provide the prescription. Therefore, the decision will be based on the information available.

Memorial has failed to provide prescription evidence sufficient to support its assertion that preauthorization was not required. Memorial has therefore failed to meet its burden to prove that reimbursement is due.

Conclusion

For the reasons stated above, the division finds that the requestor has not established that reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

_____	_____	3/6/2019
Signature	Medical Fee Dispute Resolution Officer	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

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, Option 1.