



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

Electric Insurance Company

MFDR Tracking Number

M4-19-2750-01

Carrier's Austin Representative

Box Number 17

MFDR Date Received

January 17, 2019

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: \$328.07

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "... reimbursement is not owed due to failure of the Requestor to obtain preauthorization for the medications that are being prescribed for treatment exceeding the ODGs."

Response Submitted by: Downs-Stanford, P.C.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
August 31, 2018	Cyclobenzaprine 10 mg Tablets	\$150.87	\$120.71
August 31, 2018	Gabapentin 300 mg Capsules	\$177.20	\$153.63
	Total	\$328.07	\$274.34

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

- 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.
- 28 Texas Administrative Code §134.530 sets out the closed formulary requirements for claims not subject to certified networks.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 197 – Payment denied/reduced for absence of precertification/authorization.

- 5264 – Payment is denied-service not authorized.

Issues

1. Is the insurance carrier's reason for denial of payment based on preauthorization supported?
2. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the drug in question?

Findings

1. The insurance carrier denied the disputed drugs based on preauthorization. Preauthorization is only required for:
 - drugs identified with a status of "N" in the current edition of the ODG Appendix A¹;
 - 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 Cyclobenzaprine 10 mg tablets and Gabapentin 300 mg capsules 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 Cyclobenzaprine 10 mg tablets and Gabapentin 300 mg capsules constitute a compound drug. Therefore, this drug does not require preauthorization per 28 TAC §134.530(b)(2)(B).

The submitted documentation does not support that Cyclobenzaprine 10 mg tablets and Gabapentin 300 mg capsules are experimental or investigational. Therefore, this drug does not require preauthorization per 28 TAC §134.530(b)(2)(C).

The DWC concludes that the insurance carrier's denial of payment of Cyclobenzaprine 10 mg tablets and Gabapentin 300 mg capsules is not supported.

2. Because the insurance carrier failed to support its denial of payment, Memorial is entitled to reimbursement for the drug in question.

The reimbursement considered in this dispute is calculated as follows³:

- Cyclobenzaprine 10 mg tablets: $(1.0374 \times 90 \times 1.25) + \$4.00 = \$120.71$
- Gabapentin 300 mg capsules: $(1.3307 \times 90 \times 1.25) + \$4.00 = \$153.63$

The total reimbursement is therefore \$274.34. 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 \$274.34.

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 \$274.34, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

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)

Authorized Signature

Signature

Laurie Garnes

Medical Fee Dispute Resolution Officer

February 22, 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.