



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 RX

Respondent Name

NEW HAMPSHIRE INSURANCE CO

MFDR Tracking Number

M4-19-2806

Carrier's Austin Representative

Box Number 19

MFDR Date Received

January 22, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The request was submitted and received by the carrier on **12/27/2018** via **certified mail** still with no response."

Amount in Dispute: \$600.54

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "While the Table of Disputed Services only lists two oral medications (cyclobenzaprine and gabapentin) and one transdermal lidocaine medication (Lenzapatch), the prescription included a compound cream ... It is the combination of all these drugs and drug administration systems ... prescribed at once that compelled the requirement for preauthorization for the entire prescription..."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 28, 2018	Lenzapatch 4%-1%	\$267.50	\$0.00
September 28, 2018	Cyclobenzaprine 10 mg Tablets	\$155.78	\$126.85
September 28, 2018	Gabapentin 300 mg Capsules	\$177.26	\$153.70
Total		\$600.54	\$280.55

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 Codes §§134.530 and 134.540 set out the preauthorization requirements for

pharmaceutical services.

4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 197 – Precertification/authorization/notification/pre-treatment absent.
 - HE75 – Prior Authorization required to process this bill.
 - HEAL – The procedure requires prior authorization or approval
 - P13 – Payment reduced or denied based on workers’ compensation jurisdictional regulations or payment policies; use only if no other code is applicable.

Issues

1. Is New Hampshire Insurance Co.’s denial based on preauthorization supported?
2. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on September 28, 2018. New Hampshire Insurance Co. denied payment 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 prescribed before July 1, 2018 that contains a drug identified with a status of “N” in the current edition of the ODG Appendix A;
 - any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
 - any investigational or experimental drug.²

The DWC finds that Lenzapatch 4%-1% contains the drug Lidocaine, which has a status of “N” in the applicable edition of the ODG, *Appendix A*. Therefore, this drug required preauthorization. The insurance carrier’s denial of payment for this drug is supported.

The DWC finds that Cyclobenzaprine and Gabapentin are not identified with a status of “N” in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.³

The submitted documentation does not support that Cyclobenzaprine and Gabapentin are compounds. Therefore, these drugs do not require preauthorization for this reason.⁴

The submitted documentation does not support that Cyclobenzaprine and Gabapentin are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.⁵

The DWC concludes that the insurance carrier’s denial of payment of Cyclobenzaprine and Gabapentin based on preauthorization is not supported.

2. Because New Hampshire Insurance Co. failed to support its denial reason for the service in this dispute, the DWC finds that Memorial is entitled to reimbursement.

The reimbursement considered in this dispute is calculated as follows⁶:

- Cyclobenzaprine 10 mg tablets: $(1.092 \times 90 \times 1.25) + \$4.00 = \$126.85$
- Gabapentin 300 mg tablets: $(1.3307 \times 90 \times 1.25) + \$4.00 = \$153.70$

The total allowable reimbursement is \$280.55. This amount is recommended.

¹ ODG *Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary*

² 28 TAC §134.530(b)(1) and §134.540(b)

³ 28 TAC §134.530(b)(1)(A) and §134.540(b)(1)

⁴ 28 TAC §134.530(b)(1)(B) and (C), and §134.540(b)(2) and (3)

⁵ 28 TAC §134.530(b)(1)(D) and §134.540(b)(4)

⁶ 28 TAC §134.503 (c)

Conclusion

The outcome of each independent medical fee dispute relies upon the relevant evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence in this dispute may not have been discussed, it was considered. For the reasons stated above, the Texas Department of Insurance, Division of Workers' Compensation (DWC) finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$280.55.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the DWC has determined the requestor is entitled to additional reimbursement for the disputed services. The DWC hereby ORDERS the respondent to remit to the requestor \$280.55, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

		August 26, 2021
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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed, or personally delivered to the DWC 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.