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 Co

MFDR Tracking Number
M4-19-2817-01

Carrier's Austin Representative
Box 17

MFDR Date Received
January 22, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The Texas Labor Code Section 408.027 (b) requires that the carrier must pay, reduce, deny or determine to audit the health provider's claim no later than the 45th day after the date of receipt by the carrier. Memorial did not receive any correspondence as per rule..."

Amount in Dispute: $267.50

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The medication in dispute, Lenzapatch , is essentially lidocaine and menthol. The ODG Closed Formulary shows that lidocaine is a topical analgesic and is an N drug. Therefore, Lenzapatch requires preauthorization due to its ingredients."

Response Submitted by: Downs Stanford, PC

SUMMARY OF FINDINGS

Date of Service	Disputed Services	Amount In Dispute	Amount Due
September 12, 2018	Lenzapatch	$267.50	$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 Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
3. The insurance carrier denied payment for the disputed services with the following claim adjustment code:
   - 197 – Payment denied/reduced for absence of precertification/authorization

Issues

1. Is the carrier's reason for denial of payment supported?

Findings

1. The requestor is seeking reimbursement of $267.50 for Lenzapatch dispensed September 14, 2018. The carrier denied with claim adjustment reason code 197 – "Payment denied/reduced for absence of precertification/authorization."

   For the dates of service in dispute the applicable rule is 28 Texas Administrative Code §134.530(b)(2) which states that preauthorization is **only** required for:

   - drugs 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;

   Review of the Official Disability Guidelines (ODG), Appendix A found "Lidocaine" under Topical Analgesics is listed as a "N" drug. LenzaPatch: Generic name, (lidocaine & menthol) is a "N" drug and requires preauthorization. The carrier's denial is supported. No additional payment is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional 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

		February 15, 2019
Signature	Medical Fee Dispute Resolution Officer	Date

RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 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 with the Division. **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.