



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

Arch Insurance Company

MFDR Tracking Number

M4-19-3127-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

February 14, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: \$295.14

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier is in the process of re-evaluating this bill as it appears it was miscoded."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Rows include Acetaminophen/Codeine #4 Tablets and Zolpidem Tartrate 10 mg Tablets, with a Total row.

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 services.
3. 28 Texas Administrative Codes §§134.530 and 134.540 set out the guidelines for preauthorization of pharmaceutical services.

Issues

1. What denial issue is considered in this dispute?
2. Is the insurance carrier's reason for denial of payment supported?
3. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the drug in question?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on October 30, 2018. The drugs in question are as follows:

Drug	NDC Number	Units	Billed Amount
Acetaminophen/Codeine #4	00093035005	75	\$98.89
Zolpidem Tartrate 10 mg	13668000810	30	\$196.25

Submitted documentation indicates that an explanation of benefits (EOB) dated January 28, 2019, was submitted to Memorial. This EOB referenced the NDC numbers, units, and billed amounts considered in this dispute. The EOB misidentifies both NDC numbers referenced as "IBUPROFEN 800 MG TABLETS." The denial reason provided in this EOB is based on preauthorization.

The evidence presented by Memorial included the statement, "Bill miscoded patient never been on Ibuprofen." However, in its position statement for medical fee dispute resolution, Memorial stated, "The carrier denied the reconsideration based on lack of preauthorization. **These medications** [emphasis added] do not require preauthorization therefore do not need a retrospective review."

In its response to the medical fee dispute resolution request, Flahive, Ogden & Latson stated, "The Carrier is in the process of re-evaluating this bill as it appears it was miscoded. The Carrier will supplement this response upon completion of that re-evaluation." To date, no subsequent response has been received.

For the reasons stated above, the DWC finds that Memorial accepted that the denial of payment for the drugs in question was based on preauthorization as submitted on the submitted EOB. Therefore, the denial issue considered in this dispute is preauthorization.

2. Preauthorization is only required for:

- drugs identified with a status of "N" in the current edition of the ODG Appendix A¹;
- any prescription drug created through compounding 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 the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization.³

The DWC finds that the drugs in question do not constitute a compound. Therefore, these drugs do not require preauthorization.⁴

The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization.⁵

The DWC concludes that the insurance carrier's denial of payment of the disputed drugs based on preauthorization is not supported.

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)(1) and (2)

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

3. Because the insurance carrier failed to support its denial of payment for the disputed drugs, Memorial is entitled to reimbursement.

The reimbursement considered in this dispute is calculated as follows⁶:

- Acetaminophen/codeine #4 tablets: $(0.55186 \times 75 \times 1.25) + \$4.00 = \$55.74$
- Zolpidem Tartrate 10 mg tablets: $(4.6251 \times 30 \times 1.25) + \$4.00 = \$177.44$

The total reimbursement is therefore \$233.18. 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 \$233.18.

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 \$233.18, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

_____	Laurie Garnes	July 30, 2019
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 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.

⁶ 28 Texas Administrative Code §134.503(c)