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
American Casualty Co of Reading PA

MFDR Tracking Number
M4-19-3692-01

Carrier's Austin Representative
Box Number 57

MFDR Date Received
April 3, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The carrier denied the reconsideration based on lack of preauthorization or preauthorization was absent. These medication due not require preauthorization..."

Amount in Dispute: $717.86

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Compensable injury does not extend to or include the diagnoses for which the disputed services were rendered."

Response Submitted by: Brian J Judis

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 19, 2018	Duloxetine, Meloxicam, Omeprazole	$717.86	$681.60

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 reimbursement guidelines for pharmacy services
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 197 – Precertification/authorization/notification/pre-treatment absent

Issues

1. Did the insurance carrier raise a new issue?
2. Are the insurance carrier's reasons for denial or reduction of payment supported?
3. What rule is applicable to reimbursement?
4. Is the requestor entitled to additional reimbursement?

Findings

1. The respondent states, "The Compensable injury does not extend to or include the diagnoses for which the disputed services were rendered." 28 TAC §133.307 states in pertinent part,

   28 Texas Administrative Code §133.307(d)(2)(F) states, in relevant part,

   > The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review."

   Review of the submitted documentation finds the only denial submitted to the requestor was "lack of preauthorization."

   The division concludes the defense presented in respondent's position statement is a new defense and will not be considered in this review.

2. The requestor is seeking $717.86 for oral medications dispensed on November 19, 2018. The insurance carrier denied disputed services based on lack of prior authorization. 28 Texas Administrative Code §134.530 (b)(1) (A) states in pertinent part,

   > (1) Preauthorization is only required for:
   > (A) 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 oral medications did not find to be listed as N drugs. The insurance carriers' denial is not supported." The medication will be reviewed per applicable fee guideline.

3. 28 TAC 134.503 states, (c) (1) states in pertinent part,

   > The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:
   >
   > (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:
   >
   > (A) Generic drugs: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount;
   >
   > (B) Brand name drugs: ((AWP per unit) x (number of units) x 1.09) + $4.00 dispensing fee per prescription = reimbursement amount;

   The applicable fee is calculated as follows:

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Duloxetine HCL	51991074801	G	$7.54	30	$282.75	$283.73	$282.75
Meloxicam	29300012410	G	$3.17	60	$237.60	$247.62	$237.60
Omeprazole	68462039610	G	$4.30	30	$161.25	$186.51	$161.25
						Total	$681.60

4. The total allowable is $681.60. 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 $681.60.

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 $681.60, plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this order.

Authorized Signature

		July 25, 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.