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
New Hampshire Insurance Company

MFDR Tracking Number
M4-19-3722-01

Carrier's Austin Representative
Box Number 19

MFDR Date Received
April 5, 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: $97.98

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The original bill was denied for lack of preauthorization."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 5, 2018	Hydrocodone-APAP 10/325 Tablets	$97.98	$54.59

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.
4. The insurance carrier denied payment for the disputed services based on preauthorization.

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 drug in question?

Findings

1. Memorial is seeking reimbursement for Hydrocodone-APAP 10/325 tablets dispensed on December 5, 2018. Submitted documentation indicates that the insurance carrier denied the disputed drug based on preauthorization. Preauthorization is only required for:

    - drugs identified with a status of "N" in the current edition of the ODG Appendix A[1];
    - 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 the drug in question is not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, this drug does not require preauthorization.[3]

    The submitted documentation does not support that the disputed drug is a compound. Therefore, this drug does not require preauthorization.[4]

    The submitted documentation does not support that the disputed drug is experimental or investigational. Therefore, this drug does not require preauthorization.[5]

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

2. 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 follows[6]:

    - Hydrocodone-APAP 10/325 tablets: (0.67456 x 60 x 1.25) + $4.00 = $54.59

    The total reimbursement is therefore $54.59. This amount is recommended.

Conclusion

For the reasons stated above, the DWC finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $54.59.

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 $54.59, 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 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 Texas Administrative Code §134.503(c)

Authorized Signature

	Laurie Garnes	August 13, 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.