



# 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**

M4-19-3769-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

April 11, 2019

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "Memorial Compounding is an approved provider and should be reimbursed accordingly. The referral provider has been treating the patient for the injury sustained at work."

**Amount in Dispute:** \$310.32

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "This bill was originally denied as not authorized by the treating doctor, to which the Requestor has made no direct response. The Reconsideration ... was inadvertently coded as an original, and denied for untimely submission."

**Response Submitted by:** Flahive, Ogden & Latson

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 24, 2018	Tramadol HCl 50 mg tablets	\$107.47	\$66.47
October 24, 2018	Meloxicam 15 mg tablets	\$202.85	\$185.69
Total		\$310.32	\$252.16

#### 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. Texas Labor Code §408.021 establishes entitlement to medical benefits.
4. Texas Insurance Code §1305.101 defines the duties of networks to provide medical treatment.

5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
- 243 – Services not authorized by network/primary care providers
  - W – Not Timely Filed

### **Issues**

1. Did the insurance carrier maintain its denial based on timely filing?
2. Is the insurance carrier's denial based on authorization by "network/primary care providers" supported?
3. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the disputed drugs?

### **Findings**

1. Memorial is seeking reimbursement for Tramadol HCl 50 mg tablets and Meloxicam 15 mg tablets dispensed on October 24, 2018. The insurance carrier denied the drugs, in part, based on timely filing. In its position statement, the insurance carrier did not maintain this denial, stating the bill was "was inadvertently coded as an original, and denied for untimely submission." Therefore, the DWC will not consider this denial reason for this dispute.

2. The insurance carrier also denied the disputed drugs stating that they were "not authorized by network/primary care providers."

Prescription medication may not, directly or through a contract, be delivered through a workers' compensation health care network.<sup>1</sup> The division concludes that the disputed prescription medication dispensed by the provider in this case – Memorial Compounding Pharmacy – is not subject to the provisions of a workers' compensation health care network.

The documentation submitted by Memorial, includes a statement that "the referral provider has been treating the patient for the injury sustained at work." The insurance carrier failed to support that the prescribing doctor was not the primary care physician or a referral from the primary care physician. The insurance carrier's denial for this reason is not supported.

3. Because the insurance carrier failed to support its denial of payment, Memorial is entitled to reimbursement for the drug in question.

The reimbursement considered in this dispute is calculated as follows<sup>2</sup>:

- Tramadol HCl 50 mg tablets:  $(0.8329 \times 60 \times 1.25) + \$4.00 = \$66.47$
- Meloxicam 15 mg tablets:  $(4.845 \times 30 \times 1.25) + \$4.00 = \$185.69$

The total reimbursement is therefore \$252.16. 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 \$252.16.

### ***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 \$252.16, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

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<sup>1</sup> Texas Insurance Code §1305.101(c)

<sup>2</sup> 28 Texas Administrative Code §134.503(c)

**Authorized Signature**

\_\_\_\_\_  
Signature

Laurie Garnes  
\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

May 23, 2019  
\_\_\_\_\_  
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.**