



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 RX

Respondent Name

Texas Mutual Insurance Company

MFDR Tracking Number

M4-20-0880-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

December 10, 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: \$815.97

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "MEMORIAL COMPOUNDING PHARMACY submitted a bill for Pregabalin 150mg capsule cam. According to the drug formulary this is both N and Y drug ...

Y drug status – the pharmacy did not provide documentation regarding how this prescription used is related to the treatment of the compensable injury. Audit staff did not locate a prescription or Doctor's orders regarding the administration or route of the drug. No documentation submitted to confirm relatedness ...

N drug status – preauthorization was not obtained for this drug. The requestor has not fully complied with the requirements of Rule 134.530(b)(1)."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
August 27, 2019	Pregabalin 150 mg Capsules	\$815.97	\$815.97

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 (DWC).

Background

- 28 Texas Administrative Code §133.210 sets out the requirements for medical documentation.
- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.

3. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
4. 28 Texas Administrative Code §134.530 sets out the closed formulary requirements for claims not subject to certified networks.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - A11 – Preauthorization required for “N” drugs in ODG Appendix A per rule 134.503 & 134.504
 - CAC-16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
 - CAC-197 – Precertification/authorization/notification absent.
 - 225 – The submitted documentation does not support the service being billed. We will re-evaluate this upon receipt of clarifying information.

Issues

1. Is the insurance carrier’s denial of payment based on billing errors supported?
2. Is the insurance carrier’s denial of payment based on lack of documentation supported?
3. Is the insurance carrier’s denial of payment based on preauthorization supported?
4. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for Pregabalin 150 capsules dispensed on August 27, 2019. Texas Mutual Insurance Company denied the drug, in part, based on billing errors. The documentation submitted does not support the insurance carrier’s denial of payment for this reason.
2. Texas Mutual Insurance Company also denied the disputed drug based on a lack of documentation. The DWC does not require documentation to be submitted with pharmaceutical services. If an insurance carrier needs additional information to process a medical bill, it may submit a request to the health care provider. The request must:¹
 - Be in writing;
 - Be specific to the bill or the bill's related episode of care;
 - Describe with specificity the information to be included in the response;
 - Be relevant and necessary for the resolution of the bill;
 - Be for information that is contained in or in the process of being incorporated into the injured employee's medical or billing record maintained by the health care provider;
 - the specific reason for the insurance carrier’s request for the information; and
 - include a copy of the medical bill in question.

The DWC did not receive evidence that the insurance carrier submitted a request for additional documentation as described above. Texas Mutual Insurance Company’s denial of payment for this reason is not supported.

3. The insurance carrier also denied the disputed compound based on preauthorization. Preauthorization is only required for:
 - drugs identified with a status of “N” in the current edition of the ODG, Appendix A²;
 - 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

¹ 28 TAC §133.210(d)

² ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary

- any investigational or experimental drug.³

Texas Mutual Insurance Company argued that “the drug formulary this is both N and Y drug.”

Review of the ODG, Appendix A finds that the brand name formulation of Pregabalin, Lyrica CR, has a status of “N” with no generic equivalents. Pregabalin as sought by Memorial, NDC 69238131409, is found to be a **generic** form of Pregabalin. The DWC concludes that the drug in question are not identified with a status of “N” in the current edition of the ODG, Appendix A.

The determination of a service’s investigational or experimental nature is determined on a case by case basis through utilization review.⁴ Texas Mutual Insurance Company provided no argument or evidence that the insurance carrier engaged in a prospective or retrospective utilization review to establish that the specific drug considered in this review is investigational or experimental.

The DWC finds that the insurance carrier failed to support that the drug in question required preauthorization.

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

The reimbursement considered in this dispute is calculated as follows⁵:

- Pregabalin 150 mg capsules: $(8.42744 \times 90 \times 1.25) + \$4.00 = \$952.09$

The total allowable reimbursement is \$952.09. Memorial is seeking \$815.97. 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 \$815.97.

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 \$815.97, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

	Laurie Garnes	January 9, 2020
Signature	Medical Fee Dispute Resolution Officer	Date

³ 28 TAC §134.530(b)(1) and §134.540(b)
⁴ Texas Insurance Code §19.2005(b)
⁵ 28 Texas Administrative Code §134.503(c)

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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the DWC 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.