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
INDEMNITY INSURANCE CO OF NORTH AMERICA

MFDR Tracking Number
M4-20-2090-01

Carrier's Austin Representative
Box Number 15

MFDR Date Received
April 30, 2020

REQUESTOR'S POSITION SUMMARY

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

Amount in Dispute: $261.20

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "… the Carrier obtained three retrospective medical necessity reviews on the issuance of the prescriptions for tramadol and cyclobenzaprine."

Response Submitted by: Quintairos, Prieto, Wood & Boyer, P.A.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 6, 2020	Tramadol HCl 50 mg tablets	$105.27	$63.71
February 6, 2020	Cyclobenzaprine 5 mg tablets	$155.93	$127.04
	Total	$261.20	$190.75

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

1. 28 Texas Administrative Code §133.240 sets out the procedures for payment and denial of medical bills.
2. 28 Texas Administrative Code §133.305 sets out the procedures for resolving medical disputes.
3. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
4. Texas Insurance Code, Chapter 19 sets out the requirements for utilization review.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 216 – Based on the findings of a review organization.

- W3 – Additional payment made on appeal/reconsideration.
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 1241 – No additional reimbursement allowed after review of appeal/reconsideration/request for second review.

Issues

1. Is this dispute subject to dismissal based on medical necessity?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement for the drugs in question?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on February 6, 2020. Per explanations of benefits dated February 19, 2020, and April 30, 2020, the insurance carrier denied the disputed compound based on medical necessity.

   If a dispute regarding medical necessity exists, the medical necessity dispute must be resolved prior to a request for medical fee dispute resolution.[1] A medical necessity denial of a medical bill must be based on an adverse determination by a utilization review agent.[2]

   The insurance carrier submitted reports to support for utilization reviews of the disputed drugs. These reports do not support that the insurance carrier performed utilization review of the compound in question for the following reasons[3]:

   - The documents do not include a description for filing a complaint with the Texas Department of Insurance,
   - The documents do not include information describing the processes for filing an appeal,

   For these reasons, the insurance carrier's denial is not sufficiently supported. This dispute is not subject to dismissal based on medical necessity.

2. Because the insurance carrier failed to support its denial reason for the service in this dispute, the DWC finds that Memorial is entitled to reimbursement.

   The reimbursement considered in this dispute is calculated as follows[4]:

   - Tramadol HCl 50 mg tablets: (0.79615 x 60 x 1.25) + $4.00 = $63.71
   - Cyclobenzaprine 5 mg tablets: (1.64050 x 60 x 1.25) + $4.00 = $127.04

   The total allowable reimbursement is $190.75. This amount is recommended.

Conclusion

The outcome of this medical fee dispute relied upon the evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence may not have been discussed, it was considered. 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 $190.75.

[1] 28 Texas Administrative Code §133.305(b)
[2] 28 Texas Administrative Code §133.240(q), 28 Texas Administrative Codes §§19.2009 and 19.2010
[3] 28 Texas Administrative Code §19.2009(b)
[4] 28 TAC §134.503 (c)

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 $190.75, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

		May 27, 2020
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 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.