



# 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**

ARCH INSURANCE CO

**MFDR Tracking Number**

M4-20-2260-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

May 15, 2020

#### REQUESTOR'S POSITION SUMMARY

"Memorial Compounding Pharmacy has met the requirements to receive reimbursement."

**Amount in Dispute:** \$196.25

#### RESPONDENT'S POSITION SUMMARY

"This medications was denied through Coventry Connect by Resolution Manager ... Nothing on the system or on claimants file to indicate adjuster has requested to override these denial decisions."

**Response Submitted by:** Gallagher Bassett

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 18, 2020	Zolpidem Tartrate 10 mg Tablets	\$196.25	\$177.44

#### 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 §133.307 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 set out the preauthorization requirements for pharmaceutical services.
4. The insurance carrier denied payment for the disputed drug based on preauthorization.

## Issues

1. Is Arch Insurance Company's denial of payment for the disputed drug supported?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement for the drug in question?

## Findings

1. Memorial is seeking reimbursement for Zolpidem Tartrate 10 mg tablets dispensed on February 18, 2020.

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<sup>1</sup>;
- 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.<sup>2</sup>

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 for this reason.<sup>3</sup>

The submitted documentation does not support that the disputed drug is a compound. Therefore, this drug does not require preauthorization for this reason.<sup>4</sup>

The submitted documentation does not support that the disputed drug is experimental or investigational. Therefore, this drug does not require preauthorization for this reason.<sup>5</sup>

In its position statement, Gallagher Bassett argued on behalf of Arch Insurance Company that "This medications was denied through Coventry Connect by Resolution Manager ... Nothing on the system or on claimants file to indicate adjuster has requested to override these denial decisions." The DWC notes that preauthorization requirements are not subject to the approval of the claim's adjuster.

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<sup>6</sup>:

- Zolpidem Tartrate 10 mg tablets:  $(4.6251 \times 30 \times 1.25) + \$4.00 = \$177.44$

The total reimbursement is therefore \$177.44. 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 \$177.44.

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<sup>1</sup> ODG *Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*

<sup>2</sup> 28 TAC §134.530(b)(1) and §134.540(b)

<sup>3</sup> 28 TAC §134.530(b)(1)(A) and §134.540(b)(1)

<sup>4</sup> 28 TAC §134.530(b)(1)(B) and (C), and §134.540(b)(2) and (3)

<sup>5</sup> 28 TAC §134.530(b)(1)(D) and §134.540(b)(4)

<sup>6</sup> 28 Texas Administrative Code §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 \$177.44, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

**Authorized Signature**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

\_\_\_\_\_  
Date

July 8, 2020

**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.**