



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

MEMORIAL COMPOUNDING RX

Respondent Name

AMERICAN ZURICH INSURANCE CO

MFDR Tracking Number

M4-20-2380-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 26, 2020

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: \$130.66

RESPONDENT'S POSITION SUMMARY

"The issue of extent of injury/relatedness has been joined ... Pharbetol 500 mg. caps (prescription acetaminophen in that dosage and form) is not included in the Division's closed formulary, requiring preauthorization."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 13, 2020	Pharbetol 500 mg Caplets	\$58.66	\$5.27
February 13, 2020	Acetaminophen/Codeine #3 Tablets	\$72.00	\$22.12
	Total	\$130.66	\$27.39

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. The documentation submitted to the DWC did not include explanations of benefits.

Issues

1. Did American Zurich Insurance Company take final action on the bill for the service in question prior to the request for medical fee dispute resolution (MFDR)?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement for the drugs in question?

Findings

1. Memorial is seeking reimbursement for drugs dispense on February 13, 2020. Memorial argued that it had not received payment or an explanation of denial for medical bills submitted for the examination in question.

The insurance carrier is required to take final action by paying, reducing, or denying the service in question not later than 45 days after receiving the medical bill. This deadline is not extended by a request for additional information.¹

Flahive, Ogden & Latson, on behalf of American Zurich Insurance Company, argued that “The issue of extent of injury/relatedness has been joined.” It also asserted that “Pharbetol 500 mg. caps (prescription acetaminophen in that dosage and form) is not included in the Division’s closed formulary, requiring preauthorization.”

The response from the insurance carrier is required to address only the denial reasons presented to the health care provider before to the request for medical fee dispute resolution (MFDR) was filed with the DWC. Any new denial reasons or defenses raised shall not be considered in this review.²

The greater weight of evidence presented to the DWC supports that a complete bill for the drugs in question was received by the insurance carrier or its agent. No evidence was provided to support that the insurance carrier took final action on the bill for the service in question or that any denials of payment were presented to Memorial prior to this dispute.

For these reasons, the DWC will not consider these arguments in the current dispute review.

2. Because American Zurich Insurance Company failed to support any 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 follows³:

- Pharbetol 500 mg caplets: $(0.0387 \times 30 \times 1.09) + \$4.00 = \$5.27$
- Acetaminophen/codeine #3 tablets: $(0.48331 \times 30 \times 1.25) + \$4.00 = \$22.12$

The total allowable reimbursement is \$27.39. 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 \$27.39.

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 \$27.39, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

¹ 28 TAC §133.240 (a)

² 28 TAC §133.307 (d)(2)(F)

³ 28 TAC §134.503 (c)

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

July 21, 2020
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.