



# 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

**Requester Name**

MEMORIAL COMPOUNDING RX

**Respondent Name**

AMERICAN ZURICH INSURANCE CO

**MFDR Tracking Number**

M4-20-2965-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

August 19, 2020

#### REQUESTER'S POSITION SUMMARY

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

**Amount in Dispute:** \$200.37

#### RESPONDENT'S POSITION SUMMARY

"The Carrier understands this bill was denied for reason the treatment was for non-covered (unrelated) diagnoses per the Decision and Order of April 11, 2020 ... The Carrier is in the process of confirming that with the bill review vendor, and to confirm whether the same scripts were paid to another pharmacy. The Carrier will supplement this Response upon completion of its investigation."

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

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
May 13, 2020	Diclofenac Sodium 1% Gel	\$110.12	\$69.78
May 13, 2020	Cyclobenzaprine 10 mg Tablets	\$90.25	\$44.93
Total		\$200.37	\$114.71

#### 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 requirements for payment or denial of medical bills.
2. 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. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - B20 – Procedure/service was partially or fully furnished by another provider.

- P12 – Workers’ compensation jurisdictional fee schedule adjustment.
- N3 – A reduction was made because a different provider has billed for the exact services on a previous bill.
- ZR – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.

**Issues**

1. Did American Zurich Insurance Company (Zurich) raise a new defense in its response?
2. Are Zurich’s reasons for denial of payment supported?
3. Is Memorial Compounding Rx entitled to reimbursement for the drugs in question?

**Findings**

1. Memorial is seeking reimbursement for Diclofenac Sodium gel and Cyclobenzaprine tablets dispensed May 13, 2020. In its position statement, Flahive, Ogden & Latson, on behalf of the insurance carrier, argued that “this bill was denied for reason the treatment was for non-covered (unrelated) diagnoses.”

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.<sup>1</sup>

The submitted documentation does not support that a denial based on relatedness or extent of injury was provided to Memorial before this request for MFDR was filed. Therefore, the DWC will not consider this argument in the current dispute review.

2. Zurich denied the disputed drugs stating, “The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended,” and “Procedure/service was partially or fully furnished by another provider.” The insurance carrier presented no evidence to support these denials.
3. Because Zurich failed to support its denial of payment for the drugs in question, the DWC finds that Memorial is entitled to reimbursement.

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

- Cyclobenzaprine 10 mg Tablets:  $(1.0915 \times 30 \times 1.25) + \$4.00 = \$44.93$
- Diclofenac Sodium 1% Gel:  $(0.5262 \times 100 \times 1.25) + \$4.00 = \$69.78$

The total allowable reimbursement is \$114.71. This amount is recommended.

**Conclusion**

For the reasons stated above, the DWC finds that the requester has established that additional reimbursement is due. As a result, the amount ordered is \$114.71.

***ORDER***

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the DWC has determined the requester is entitled to additional reimbursement for the disputed services. The DWC hereby ORDERS the respondent to remit to the requester \$114.71, 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> 28 TAC §133.307 (d)(2)(F)

<sup>2</sup> 28 TAC §134.503 (c)

**Authorized Signature**

\_\_\_\_\_  
Signature

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

October 15, 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.**