



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 CO

MFDR Tracking Number

M4-21-0198-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

October 8, 2020

REQUESTOR'S POSITION SUMMARY

"The service billed has a Y code therefore does not require preauthorization."

Amount in Dispute: \$332.00

RESPONDENT'S POSITION SUMMARY

"Documentation submitted on appeal and DWC60 packet included ODG information, the carrier already established the drug is both Y&N status. Clarification on the bill is necessary to determine reimbursement. Per ODG Gabapentin is listed as a Y and N drug, the appeal and DWC 60 dispute is not clarified as to which label was dispensed."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 20, 2020	Gabapentin 800 mg Tablets	\$332.00	\$332.00

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 §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
- 28 Texas Administrative Codes §§134.530 and 134.540 set out the requirements for preauthorization of pharmaceutical services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - CAC-197 – Workers' compensation jurisdictional fee schedule adjustment.

- A21 – Clarification requested on drug, per ODG, this drug is listed as both N & Y status. Rx will be evaluated upon receipt of information.
- 762 – Treatment/service in excess ODG/DWC treatment guidelines in accordance with TAC Rule 134.502, 503 & 134.600(p)(12)
- A11 – N drug denial. Preauthorization required for “N” drugs in ODG Appendix A per Rule 134.503 & 134.504
- Notes: “NDC # IS NOT LISTED IN ODG TREATMENT GUIDELINES, ADDITIONAL CLARIFICATION ON DRUG FORMULARY STATUS IS NEEDED.”

Issues

1. Is the insurance carrier’s denial of payment for the drug in question supported?
2. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement?

Findings

1. Memorial is seeking reimbursement for Gabapentin dispensed on July 20, 2020. Texas Mutual Insurance Company denied the drug based on lack of preauthorization. Preauthorization is only required for:
 - drugs identified with a status of “N” in the current edition of the ODG, Appendix A¹;
 - 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.²

Texas Mutual Insurance Company argued that “per ODG Gabapentin is listed as a Y and N drug.”

Review of the ODG, Appendix A finds that the brand name formulations of Gabapentin ER, Gralise and Horizant, have a status of “N” with no generic equivalents. Gabapentin as sought by Memorial, NDC 71093011204, is found to be a **generic** form of Gabapentin. The DWC concludes that the drug in question is 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.³ 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.

2. 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 follows⁴:

- Gabapentin 800 mg Tablets: $(1.0915 \times 90 \times 1.25) + \$4.00 = \$347.13$

The total allowable reimbursement is \$347.13. Memorial is seeking \$332.00. 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 \$332.00.

¹ ODG Treatment in Workers’ Comp (ODG) / Appendix A, ODG Workers’ Compensation Drug Formulary

² 28 TAC §134.530(b)(1) and §134.540(b)

³ Texas Insurance Code §19.2005(b)

⁴ 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 \$332.00, 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

January 26, 2021
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.