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
UNITED AIRLINES INC

MFDR Tracking Number
M4-21-0870-01

Carrier's Austin Representative
Box Number 17

MFDR Date Received
January 29, 2021

REQUESTOR'S POSITION SUMMARY

"The carrier denied the reconsideration based on lack of preauthorization. These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: $411.55

RESPONDENT'S POSITION SUMMARY

"Enclosed please find the EOB for the date of service 10/1/2020. Each medication was paid or denied based on the EOB."

Response Submitted by: Downs-Stanford, P.C.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 1, 2020	Meloxicam 15 mg Tablets	$202.85	$185.69
October 1, 2020	Gabapentin 600 mg Tablets	$208.70	$193.00
	Total	$411.55	$378.69

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 and 134.540 sets out the closed formulary requirements.
4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - G01 – This item is reimbursed as a generic prescribed drug.

- PS2 – NDC charge(s) have been denied and no payment is recommended per Scriptadvisor clinical and formulary-based review.
- 91 – Dispensing fee adjustment.

Issues

1. Is the insurance carrier's denial of payment based on formulary review supported?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on October 1, 2020.

   Submitted documentation indicates that the insurance carrier denied the disputed drugs based on a formulary review. Drugs excluded from the pharmacy formulary requires preauthorization. Preauthorization is only required for:

   - drugs identified with a status of "N" in the current edition of the ODG Appendix A[1];
   - 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]

   The DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.[3]

   The submitted documentation does not support that the disputed drugs are a compound. Therefore, these drugs do not require preauthorization for this reason.[4]

   The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.[5]

   The DWC concludes that the insurance carrier's denial of payment of the disputed drugs based on formulary review is not supported.

2. Because United Airlines, Inc. 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[6]:

   - Meloxicam 15 mg tablets: (4.845 x 30 x 1.25) + $4.00 = $185.69
   - Gabapentin 600 mg tablets: (2.52 x 60 x 1.25) + $4.00 = $193.00

   The total allowable reimbursement is $378.69. 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 $378.69.

[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] 28 TAC §134.530(b)(1)(A) and §134.540(b)(1)
[4] 28 TAC §134.530(b)(1)(B) and (C), and §134.540(b)(2) and (3)
[5] 28 TAC §134.530(b)(1)(D) and §134.540(b)(4)
[6] 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 $378.69, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

		May 6, 2021
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.