



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

TRUMBULL INSURANCE CO

MFDR Tracking Number

M4-21-1830-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

June 11, 2021

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The above patient was prescribed medication and the carrier received and processed the bill. Carrier denied the claim and the provider submitted a request for reconsideration. The request for reconsideration in accordance with Rule 133.250 was submitted to the carrier but claim was processed and denied again."

Amount in Dispute: \$441.03

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Bill processed and paid per Express Scripts. Partial denial as not authorized."

Response Submitted by: The Hartford

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 8, 2021	Meloxicam 15 mg Tablets	\$202.85	\$0.00
March 8, 2021	Omeprazole DR 20 mg Capsules	\$158.70	\$0.00
March 8, 2021	Tizanidine HCl 4 mg Tablets	\$79.48	\$31.47
Total		\$441.03	\$31.47

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 set out the preauthorization requirements for pharmaceutical services.

4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 309 – The charge for this procedure exceeds the fee schedule allowance.
 - P12 – Paid average wholesale price plus dispensing fee.
 - P12 – Workers’ compensation jurisdictional fee schedule adjustment.
 - 197 – Precertification/authorization/notification absent

Issues

1. Is the insurance carrier’s denial of payment for Tizanidine supported?
2. Is Memorial Compounding Rx entitled to reimbursement for Tizanidine?
3. Is Memorial entitled to additional reimbursement for Meloxicam and Omeprazole?

Findings

1. Memorial is seeking reimbursement, in part, for Tizanidine dispensed on March 8, 2021. Submitted documentation indicates that the insurance carrier denied Tizanidine based on 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

The DWC finds that Tizanidine 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.³

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

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

The DWC concludes that the insurance carrier’s denial of payment of the disputed drug based on preauthorization is not supported.

2. Because Trumbull Insurance Company 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 follows⁶:

- Tizanidine HCl 4 mg tablets: $(1.46507 \times 15 \times 1.25) + \$4.00 = \$31.47$

The total allowable reimbursement for this drug is \$31.47. This amount is recommended.

3. Memorial is also seeking additional reimbursement for Meloxicam and Omeprazole dispensed on March 8, 2021. Per explanation of benefits dated June 13, 2021, the insurance carrier reduced the billed amount to a total payment of \$316.65 citing the workers’ compensation fee schedule as its reason for the reduction.

The insurance carrier is required to pay the lesser of the DWC’s pharmacy formulary based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other

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)

publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed, or the billed amount.⁷

Memorial is requesting an additional reimbursement for the disputed drugs. Memorial has the burden to support its request for this amount. Memorial did not demonstrate how it arrived at the requested amount or whether that amount is consistent with the methodology under 28 TAC §134.503 (c) in its position statement.

After notification by the DWC's medical fee dispute resolution program of the insurance carrier's response and payment, Memorial did not take the opportunity to refute the carrier's payment calculation. The DWC finds that no additional reimbursement can be recommended.

Conclusion

The outcome of each independent medical fee dispute relies upon the relevant evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence in this dispute may not have been discussed, it was considered. For the reasons stated above, the Texas Department of Insurance, Division of Workers' Compensation (DWC) finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$31.47.

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 \$31.47, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

_____	_____	July 23, 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.

⁷ 28 TAC §134.503 (c)