TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Memorial Compounding Pharmacy

Respondent Name
American Zurich Insurance Co

MFDR Tracking Number
M4-22-0837-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
January 6, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 16, 2021	21922-0009-09	$115.85	$0.00
August 16, 2021	67877-0320-05	$88.42	$42.65
August 16, 2021	52817-0330-50	$106.72	$65.52
		$310.99	$113.17

Requestor's Position

"The carrier has received the attached bill and has not processed according to Texas Labor Code 408.027. Rule 133.250 allows provider to request for medical dispute in accordance with Rule 133.305 if dissatisfied with the carrier."

Amount in Dispute: $310.99

Respondent's Position

"The Carrier understands its bill review vendor had no record of receipt of this bill. It has, in the meantime, been reviewed, audited and posted for payment under fee guideline. The Carrier will file a Supplemental Response upon receipt of the EOB and payment confirmation."

Response submitted by: Flahive, Ogden & Latson

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

- 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
- 28 TAC §134.530 sets out the requirements of prior authorization.
- 28 TAC §134.503 sets out the fee guidelines for pharmacy services.

Denial Reasons

Neither party submitted an explanation of benefits that supports adjudication of the disputed services.

Issues

1. What rule(s) apply to disputed services?

Findings

1. The requestor is seeking reimbursement for oral medication dispensed in August 2021. The insurance company provided evidence insufficient evidence to support adjudication of the disputed services. The services in dispute will be reviewed per applicable fee guideline.

   The three medications in dispute are Diclofenac Sodium 1% gel, Ibuprofen 600 mg, and Cyclobenzaprine. DWC Rule 530 (b)(1)(A) states in pertinent part preauthorization is only required for drugs identified in the ODG Treatment in Workers' Comp / Appendix A identified as "N" drugs. Review of the applicable Appendix A found Diclofenac Sodium 1% Gel is listed as a "N" and "Y" drug dependent on Brand name. Insufficient information was submitted by the requestor to support which Brand was provided on the disputed date of service. Reimbursement for Diclofenac Sodium 1% Gel cannot be recommended. The other medications will be reviewed per applicable fee guideline.

   DWC Rule 28 Texas Administrative Code §134.503 (c)(1)(A)(B) states in pertinent part (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

   (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:

   (A) Generic drugs: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount;

   (B) Brand name drugs: ((AWP per unit) x (number of units) x 1.09) + $4.00 dispensing

fee per prescription = reimbursement amount;

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Ibuprofen	67877052005	G	0.515	60	$42.65	$88.42	$42.65
Cyclobenzaprine	52817033050	G	1.64	30	$65.52	$106.72	$65.52
						$195.14	$113.17

The total reimbursement is $113.17. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is [not] entitled to additional reimbursement for the disputed services. It is ordered that American Zurich Insurance Co must remit to Memorial Compounding Pharmacy $113.17 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		May 26, 2022
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 under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a**

copy of the *Medical Fee Dispute Resolution Findings and Decision* with any other required information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electronico CompConnection@tdi.texas.gov.