



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

State Farm Fire & Casualty Co.

MFDR Tracking Number

M4-22-1101-01

Carrier's Austin Representative

Box Number 01

DWC Date Received

February 8, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 16, 2021	Omeprazole DR 20 mg Capsules 62175011843	\$158.70	\$130.50
November 16, 2021	Cyclobenzaprine 5 mg Tablets 52817033050	\$106.72	\$0.00
Total		\$265.42	\$130.50

Requestor's Position

After reviewing the explanation of benefits it indicates that alternate vendor, **TMESYS** paid **\$498.23** and not the full amount of **\$881.20**.

Amount in Dispute: \$265.42

Respondent's Position

Pursuant to the attached Explanation of Benefits, the charge for this medication was adjusted pursuant to the fee guidelines. Specifically, the charge for the prescription drug is greater than the maximum reimbursement for a generic drug.

Response Submitted by: Smith & Carr, P.C.

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

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
3. 28 TACs §§134.530 and 134.540 set out the preauthorization requirements for pharmaceutical services.

Denial Reasons

The insurance carrier reduced the payment for the disputed services with the following claim adjustment codes:

- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- D3 – The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- HE75 – Prior Authorization required to process this bill.

Issues

1. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement for disputed Cyclobenzaprine 5 mg tablets?
2. Is the insurance carrier's denial of payment based on preauthorization supported?
3. Is Memorial entitled to reimbursement for disputed Omeprazole DR 20 mg capsules?

Findings

1. Memorial is seeking additional reimbursement for Cyclobenzaprine 5 mg tablets dispensed on November 16, 2021. Per explanation of benefits dated February 15, 2022, State Farm Fire & Casualty Co. paid \$65.53 for the disputed Cyclobenzaprine citing the workers' compensation fee schedule as its reason for the reduction.

28 TAC §134.503 (c) requires the insurance carrier 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 publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed, or the billed amount.

Memorial is requesting an additional reimbursement of \$41.19 for the disputed drug. The

requestor 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 for this drug.

2. Memorial is also seeking reimbursement for Omeprazole DR 20 mg capsules dispensed on November 16, 2021. Per explanation of benefits dated February 15, 2022, the insurance carrier denied this disputed drug based on preauthorization. Per 28 TAC §134.530(b)(1) and §134.540(b), preauthorization is only required for:

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

The DWC finds that Omeprazole 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.

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

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

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

3. Because State Farm Fire & Casualty Co. failed to support its denial reason for the service in this dispute, DWC finds that Memorial is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c).

- Omeprazole DR 20 mg capsules: $(3.37338 \times 30 \times 1.25) + \$4.00 = \$130.50$

The total allowable reimbursement is \$130.50. 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 of \$130.50 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that State Farm Fire & Casualty Co. must remit to Memorial Compounding Rx \$130.50 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

March 28, 2022

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 electrónico CompConnection@tdi.texas.gov.