

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

 Memorial Compounding
Pharmacy

Respondent Name

Zurich American Insurance Co

MFDR Tracking Number

M4-22-1128-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

February 10, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 26, 2021	67877-0223-05	\$177.26	\$153.70
October 26, 2021	52817-0330-50	\$106.72	\$65.52
October 26, 2021	16729-0173-01	\$95.60	\$51.63
		\$379.58	\$270.85

Requestor's Position

"The Texas Labor Code Section 408.027(b) requires that the carrier must pay, reduce, deny, or determine to audit the health provider's claim no later than the 45th day after the date of receipt by the carrier."

Amount in Dispute: \$379.58

Respondent's Position

Our initial response to the above referenced medical fee dispute resolution is as follows: we have escalated the bills in question for manual review to determine if additional monies are owed.

Response submitted by: Gallagher Bassett

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 TAC §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.503 sets out the fee guidelines for pharmacy services.
3. 28 TAC §134.530 sets out the guidelines for required prior authorization.

Denial Reasons

- 27 – Expenses incurred after coverage terminated
- 85 – Claim not processed
- 75 – Prior authorized required
- 77 – Discontinued NDC number

Issues

1. Is the insurance carrier's denial supported?
2. What rule(s) apply to disputed services?

Findings

1. The requestor is seeking reimbursement for oral medication dispensed in October 2021. The insurance carrier denied for terminated coverage and lack of prior authorization.

The insurance carrier provided insufficient evidence to support coverage had terminated. This denial reason is not supported.

DWC Rule 28 Texas Administrative Code §134.530 (b)(1)(a) states in pertinent part preauthorization is only required for drugs identified with a status of "N" in the current edition of the ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates. Review of the applicable Appendix A for the dispute medication Gabapentin, Cyclobenzaprine, and Amitriptyline found insufficient evidence to support prior authorization was required.

The service in dispute will be reviewed per applicable fee guideline.

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

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

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
Gabapentin	67877022305	G	1.33	90	\$153.70	\$177.26	\$153.70
Cyclobenzaprine	52817033050	G	1.64	30	\$65.52	\$106.72	\$65.52
Amitriptyline	16729017301	G	1.27	30	\$51.63	\$95.60	\$51.63
						\$379.58	\$270.85

The total reimbursement is \$270.85. 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 entitled to additional reimbursement for the disputed services. It is ordered that Zurich American Insurance Co must remit to Memorial Compounding RX \$270.85 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

April 27, 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.