



Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

MEMORIAL COMPOUNDING RX

Respondent Name

FEDERAL INSURANCE COMPANY

MFDR Tracking Number

M4-22-1835-01

Carrier's Austin Representative

Box Number 17

DWC Date Received

April 26, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 4, 2022	Prescribed Medication	\$309.57	\$251.20
Total		\$309.57	\$251.20

Requestor's Position

"Memorial Compounding Pharmacy has received several denials for bill with date of service 03/04/2022. The carrier denied the original bill as well, and the reconsideration based on FEE SCHEDULE. I have attached the EOB's as well as the documentation to prove that Memorial Compounding Pharmacy has met the requirements to receive reimbursement. Please find the enclosed request for Medical Dispute Resolution."

Amount in Dispute: \$309.57

Respondent's Position

"Since the current complaints cannot be related to the original injury, particularly after the claimant was placed at Maximum Medical Improvement on 1-28-2020 (over two years ago), with a 0% impairment rating. It is the prescribing doctor's obligation to provide documentation to substantiate the need for ongoing medications to treat the compensable injury and promote recovery."

Response Submitted by: CorVel

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).

Background

1. 28 Texas Administrative Code (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.

Denial Reasons

Neither party submitted an explanation of benefits for the disputed services.

Issues

1. Did the respondent raise new denial reasons or defenses in their position statement?
2. Is the insurance carrier's denial reason supported?
3. What rules apply to disputed services?
4. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for prescribed medication rendered on March 4, 2022. The insurance carrier states, "It is the prescribing doctor's obligation to provide documentation to substantiate the need for ongoing medications to treat the compensable injury and promote recovery."

Review of the insurance carrier's response finds new denial reasons or defenses raised that were not presented to the requestor before the filing of the request for medical fee dispute resolution.

Rule §133.307(d)(2)(B) requires that upon receipt of the request for medical fee dispute resolution, the respondent shall provide any missing information not provided by the requestor and known to the respondent, including: a paper copy of all initial and appeal EOBs related to the dispute, as originally submitted to the health care provider . . . related to the health care in dispute not submitted by the requestor or a statement certifying that the respondent did not receive the health care provider's disputed billing prior to the dispute request.

Review of the submitted information finds insufficient documentation to support any EOBs were presented to the health care provider giving notice of the new denial reasons or defenses raised in the insurance carrier's response to MFDR.

Rule §133.307(d)(2)(F) requires that:

The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review.

Pursuant to Rule §133.307(d)(2)(F), the insurance carrier’s failure to give notice to the health care provider of specific codes or explanations for reduction or denial of payment as required by Rule §133.240 constitutes grounds for the division to find a waiver of defenses during Medical Fee Dispute Resolution.

Upon review of the insurance carrier response, the division finds the respondent has raised new denial reasons or defenses of which the carrier failed to give any notice to the health care provider during the bill review process or before the filing of this dispute. Consequently, the division concludes the insurance carrier has waived the right to raise such new denial reasons or defenses during dispute resolution. Any such new defenses or denial reasons will not be considered in this review.

- The requestor seeks reimbursement for prescribed medication dispensed on March 4, 2022. The insurance carrier denied/reduced the medication in dispute with the denial reason codes indicate above.

Review of the submitted documentation finds that the denial reasons raised by the insurance carrier during the medical bill review audit are not supported. As a result, the requestor is entitled to reimbursement for the prescribed medications.

- The service in dispute will be reviewed per applicable fee guideline. DWC Rule 28 TAC §134.503 (c) states 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: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \$4.00 \text{ dispensing fee per prescription} = \text{reimbursement amount};$

Drug	NDC	Generic (G)/ Brand (B)	Price/Unit	AWP Formula	Billed Amount	Lesser of AWP and Billed Amount
CYCLOBENZAPRINE 5 MG	52817033050	G	\$1.64050/#30	\$65.52	\$106.72	\$65.52
MELOXICAM 15 MG	68382005105	G	\$4.84490/#30	\$185.68	\$202.85	\$185.68
TOTAL				\$251.20	\$309.57	\$251.20

- The DWC finds that the requestor is entitled to reimbursement in the amount of \$251.20. This amount is recommended.

Conclusion

The outcome of each independent medical fee dispute relies on the relevant evidence the requester and respondent present at the time of adjudication. Although all the evidence in this dispute may not have been discussed, it was considered.

The DWC finds the requester has established that reimbursement is due. As a result, the amount ordered is \$251.20.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to additional reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requester the amount of \$251.20 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	May 20, 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 512-804-4812.