



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Memorial Compounding Pharmacy

**Respondent Name**

Travelers Indemnity Co

**MFDR Tracking Number**

M4-22-1990-01

**Carrier's Austin Representative**

Box Number 05

**DWC Date Received**

May 12, 2022

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 23, 2022	7000-0555-02	\$90.48	\$0.00
		\$90.48	\$0.00

### Requestor's Position

"After reviewing the explanation of benefits it indicates that the carrier paid \$80.83 and not the full amount of \$209.44. This claim should be processed with the full amount billed as per Administrative Labor Code 134.503(c). Please see attached clinical notes from the provider."

Amount in Dispute: \$90.48

### Respondent's Position

The Provider contends they are entitled to reimbursement for the disputed services because they filled the prescription. Diclofenac sodium topical gel was an N-listed drug for February of 2022. Rules 134.530(b)(1)(A) and 134.600(p)(11) requires preauthorization for all drugs not approved or recommended by the Division's closed drug formulary."

Response submitted by: Travelers

### 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 §134.530 sets out the requirements of prior authorization.

## Denial Reasons

- 50 – These are non-covered services because this is not deemed a “medical necessity” by the payer.”
- 197 – No prior request for authorization was received. Precertification/authorization/certification absent.
- W3 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

## Issues

1. Is the denial for medical necessity supported?
2. Is the denial for lack of preauthorization supported?

## Findings

1. The insurance carrier denied disputed services as due to the lack of medical necessity.  
DWC Rule 28 Texas Administrative Code §133.240 (q) states, in relevant part, “When denying payment due to an adverse determination under this section, the insurance carrier shall comply with the requirements of §19.2009 of this title ... Additionally, in any instance where the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title ..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ...”

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §133.240 (q).

Therefore, the insurance carrier did not appropriately raise medical necessity for this dispute and this denial reason will not be considered in this review.

2. The requestor is seeking reimbursement for medication dispensed February 23, 2022. The

insurance company denied the medication upon reconsideration based on lack of prior authorization. DWC Rule 134.530 (b)(A) states in pertinent part preauthorization is only required for drugs identified with a status of "N" in the current edition of the ODG Workers' Comp (ODG)/Appendix A, ODG Workers Compensation Drug Formulary.

Review of the submitted pharmacy claim found the Drug Name "Arthritis Pain Reliever 1% Gel." This medication is not found on the February 2022 ODG Appendix A drug formulary.

DWC Rule 134.600 (p)(11) states non-emergency health care requiring prior authorization includes drugs not included in the applicable division formulary.

The insurance carrier's denial for lack of prior authorization is supported. No payment can be 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 not 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.

Authorized Signature

_____	_____	June 14, 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](http://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](mailto: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](mailto:CompConnection@tdi.texas.gov).