TDI Division of Workers' Compensation
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# Medical Fee Dispute Resolution Findings and Decision

## General Information

**Requestor Name**
MEMORIAL COMPOUNDING RX

**Respondent Name**
AMERICAN ZURICH INSURANCE COMPANY

**MFDR Tracking Number**
M4-22-2089-01

**Carrier's Austin Representative**
Box Number 19

**DWC Date Received**
May 24, 2022

## Summary of Findings

| Dates of Service | Disputed Services | Amount in Dispute | Amount Due |
|---|---|---|---|
| February 16, 2022 | Prescribed Medication | $691.97 | $623.63 |
| | **Total** | $691.97 | $623.63 |

## Requestor's Position

"Reimbursement should be made to the provider if the claim has been submitted within the 95th day after the date on which the health care service was rendered. The original bill was submitted to carrier on 02/21/2022 via certified email."

**Amount in Dispute:** $691.97

## Respondent's Position

"The Carrier prevailed in an extent of injury dispute, is not responsible for the billed services, and MFDR has no jurisdiction to determine any fee amount due."

**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).

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

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

- HE75 – Prior authorization required to process this bill.
- HEA1 – Claim/service denied

Issues

1. Is the insurance carrier's denial reason supported?
2. Do the medications in dispute require preauthorization?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for prescribed medication dispensed on February 16, 2022. The insurance carrier states, "The Carrier prevailed in an extent of injury dispute, is not responsible for the billed services, and MFDR has no jurisdiction to determine any fee amount due."

   28 TAC 133.307 (2)(H) states, "(2) Response. On receipt of the request, the respondent must provide any missing information not provided by the requestor and known to the respondent. The respondent must also provide the following information and records… (H) If the medical fee dispute involves compensability, extent of injury, or liability, the insurance carrier must attach any related Plain Language Notice in accordance with §124.2 of this title (concerning Insurance Carrier Reporting and Notification Requirements).

   The insurance carrier did not submit documentation to support the rationale indicated in the position summary, no EOBs or copies of CCH or Appeals panel decisions were provided for review to support their position. As a result, due to the insufficient documentation the DWC will proceed with the audit of the disputed charges.

2. The prescribed medications were denied due to lack of preauthorization.

   28 TAC §134.530(b)(1)(A) states in pertinent part preauthorization is required for drugs identified with a status of "N" in the current edition of Appendix A, ODG Workers' Compensation Drug Formulary.

Review of Appendix A found the following: The DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, Appendix A.

Review of the ODG, Appendix A for February 2022 finds that the medications in dispute, are all indicated as "Y" drugs. Therefore, these drugs do not require preauthorization.

The DWC concludes that the insurance carrier's denial of payment for the prescribed medication based on preauthorization is not supported.

3. 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 per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount

| Drug | NDC | Generic (G) | Quantity | AWP /unit | DWC Fee | Billed Amount | Lesser of DWC Fee and Billed Amount |
|---|---|---|---|---|---|---|---|
| Acetaminophen/Cod | 00406048505 | G | 60 | $0.93670 | $74.25 | $113.70 | $74.25 |
| Eszopiclone 3 mg | 33342030111 | G | 30 | $12.16130 | $460.05 | $422.34 | $422.34 |
| Cyclobenzaprine 5 mg | 52817033050 | G | 60 | $1.64050 | $127.04 | $155.93 | $127.04 |
| | | | | TOTAL | $661.34 | $691.97 | $623.63 |

The DWC finds that the requestor, is entitled to reimbursement, in the amount of $623.63.

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 $623.63.

## 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 $623.63 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

**Authorized Signature**

| | | |
|---|---|---|
| | | June 28, 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 512-804-4812.