

Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

MEMORIAL COMPOUNDING RX

Respondent Name

ZURICH AMERICAN INSURANCE COMPANY

MFDR Tracking Number

M4-22-2427-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 15, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 28, 2022	Prescribed medication	\$416.16	\$308.28
	Total	\$416.16	\$308.28

Requestor's Position

"The carrier denied the reconsideration based on claim not processed. The carrier is required to provide a response of the bill in order for the HealthCare Provider to rebuttal properly. As of today, we still haven't received this check or a proper explanation of denial. 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. A payment should have been received already."

Amount in Dispute: \$416.16

Respondent's Position

"The Requestor has the burden to prove that it or the prescribing medical provider obtained the appropriate approved out-of-network referral for the out-of-network healthcare provided. The Requestor has not submitted documentation of a referral from the network treating doctor and approval by the network to treat the injured employee. The Requestor has failed to meet the requirements of Tex. Ins. Code §1305.103."

Response Submitted by: Flahive, Ogden & Latson

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code (TLC) §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.
3. TLC §408.021 establishes entitlement to medical benefits.
4. Texas Insurance Code §1305.101 defines the duties of networks to provide medical treatment.

Denial Reasons

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

- P2 - Not a work-related injury illness and thus not the- liability of the workers' compensation carrier.
- 279 - Services not provided by Preferred network. providers. Use this code when there are member network limitations. For example, missing contracted providers not in the member's 'narrow' network.
- 242 - Services not provided by network/primary care providers.
- 243 - Services not authorized by network/primary care providers.
- 75 – Prior authorization required.

Issues

1. Is the dispute eligible for review by Medical Fee Dispute Resolution?
2. Is the carrier's denial reason supported?
3. What rules apply to the disputed service?
4. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for prescribed medication rendered on April 28, 2022. The insurance carrier states the drug was denied because it was provided outside the network.

Texas Insurance Code §1305.101 (c) states, "(c) Notwithstanding any other provision of this chapter, prescription medication or services, as defined by Section [401.011](#)(19)(E), Labor Code, may not, directly or through a contract, be delivered through a workers' compensation health care network. Prescription medication and services shall be reimbursed as provided by Section [408.0281](#), Labor Code, other provisions of the Texas Workers' Compensation Act, and applicable rules of the commissioner of workers' compensation."

The DWC concludes prescription medication may not, directly or through a contract, be delivered through a workers' compensation health care network. The disputed prescription medication dispensed by the provider is not subject to the provisions of a workers' compensation health care network. Because the insurance carrier failed to support its denial of payment, the requestor's disputed services are reviewed according to the applicable rules and guidelines.

- The service in dispute will be reviewed per applicable fee guideline. The insurance carrier denied the disputed medication due to lack of preauthorization.

28 TAC §134.530 (b) states in pertinent part that preauthorization is only required for drugs identified with a status on "N" in the current edition of the ODG Treatment Comp (ODG) / Appendix A.

Review of Appendix A for the date of service in dispute found the medication in dispute is not listed as a "N" drug. The DWC finds that the insurance carrier's denial is not supported, and as a result, the requestor is entitled to reimbursement.

- The 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 dispensing fee per prescription = reimbursement amount;

Drug	NDC	Generic (G)/ Brand (B)	Price/Unit	AWP Formula	Billed Amount	Lesser of AWP and Billed Amount
8 HR MUSCLE .ACHE-PAIN ER 650 MG	70000030601	G	\$0.48331/90	\$15.01	\$71.78	\$15.01
AMITRPTYLINE HCL 10 MG TABACC	16729017101	G	\$0.31800/30	\$15.93	\$67.04	\$15.93
OXAPROZIN 600 MG TABLET DRL	55111017001	G	\$3.66400/60	\$278.80	\$277.34	\$277.34

- The DWC finds that the requestor is therefore, entitled to reimbursement in the amount of \$308.28. Therefore, 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 \$308.28.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requester the amount of \$308.28 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	<u>August 5, 2022</u>
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.