

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

Zurich American Insurance Co.

MFDR Tracking Number

M4-22-2506-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 28, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 26, 2022	8-Hr Muscle Aches & Pain 650 mg Tablets	\$71.78	\$15.01
	Amitriptyline 10 mg Tablets	\$67.04	\$15.93
	Oxaprozin 600 mg Tablets	\$277.34	\$277.34
	Total	\$416.16	\$308.28

Requestor's Position

The above patient was prescribed medication and the carrier received and processed the bill. Carrier denied the claim and the provider submitted a request for reconsideration. The request for reconsideration in accordance with Rule 133.250 was submitted to the carrier but claim was processed and denied again.

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.

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).

Statutes and Rules

1. 28 Texas Administrative Code §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. 28 TAC §§134.530 and 134.540 set out the preauthorization requirements for pharmaceutical services.
4. Texas Insurance Code, Section 1305 sets out the procedures for certified health care network claims.

Denial Reasons

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

- 85 – Claim not processed
- 75 – Prior authorization required

Issues

1. Is this dispute subject to network requirements in accordance with TLC §1305?
2. Is Zurich American Insurance Co.'s denial based on preauthorization supported?
3. Is Memorial Compounding Rx entitled to reimbursement for the services in question?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on May 26, 2022. In its response, Flahive, Ogden & Latson, on behalf of Zurich American Insurance Co., argued that "Requestor has not submitted documentation of a referral from the network treating doctor and approval by the network to treat the injured employee."

Per Texas Insurance Code §1305.101 (c), prescription medication or services may not be directly or through a contract, be delivered through a workers' compensation health care network.

DWC concludes that the disputed prescription medications dispensed by the provider in this case – Memorial Compounding Rx – is not subject to the provisions of a workers'

compensation health care network. Therefore, the insurance carrier's argument using this reason is not supported.

2. Submitted documentation indicates that the insurance carrier denied the disputed drugs based on preauthorization. Per 28 TAC §134.530(b)(1) and §134.540(b), preauthorization is only required for:
 - drugs identified with a status of "N" in the current edition of the ODG Appendix A;
 - any compound prescribed before July 1, 2018, that contains a drug identified with a status of "N" in the current edition of the ODG Appendix A;
 - any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
 - any investigational or experimental drug.

DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are a compound. Therefore, these drugs do not require preauthorization for this reason.

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DWC concludes that the insurance carrier's denial of payment of the disputed drugs based on preauthorization is not supported.

3. Because Zurich American Insurance Co. failed to support its denial reason for the service in this dispute, DWC finds that Memorial is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c).

- 8-Hr Muscle Aches & Pain 650 mg tablets: $(0.0979 \times 90 \times 1.25) + \$4.00 = \$15.01$
- Amitriptyline HCl 10 mg tablets: $(0.318 \times 30 \times 1.25) + \$4.00 = \$15.93$
- Oxaprozin 600 mg tablets: $(3.664 \times 60 \times 1.25) + \$4.00 = \$278.80$
Memorial is seeking \$277.34 for this drug. No additional reimbursement can be recommended.

The total allowable reimbursement is \$308.28. 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 of \$308.28 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 \$308.28 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	September 30, 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 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.