



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Memorial Compounding Pharmacy

**Respondent Name**

American Zurich Insurance Co

**MFDR Tracking Number**

M4-23-0137-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

September 16, 2021

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 27, 2022	71093-0121-05	\$137.30	\$0.00
June 27, 2022	16103-0376-08	\$64.17	\$0.00
June 27, 2022	52817-0330-50	\$106.72	\$0.00
		\$308.19	\$0.00

### Requestor's Position

"Memorial Wellness Pharmacy later received an Explanation of Benefits from the alternate vendor reversing this payment. However, on the explanation of benefits there was no reason for reduction or denial."

**Amount in Dispute:** \$308.19

### Respondent's Position

"Received a TX DWC for nonpayment of dates of services 06/27/2022-\$308.19.

- Bill was originally received on 07/05/2022 and sent for processing on 07/05/2022
- Bill was reviewed on 07/14/2022 and an allowance was made for Cyclobenzaprine, Gabapentin, and Pharbetol.

- Provider is stating the payments were reversed
- Sending an email to Optum for additional info
- Per Optum – Provider was originally paid on 09/22/2022 with check #0002525278. They received reconsideration and Cyclobenzaprine was added to the bill so Gabapentin, Diclofenac & Pharbetol were reversed per reconsideration request. A new payment was issued on 10/06/2022 with check #0002527783.

**Response submitted by:** Zurich

## **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 §134.503 sets out the fee guidelines for pharmacy services.

### Denial Reasons

- W3 – No additional reimbursement allowed after review of appeal/reconsideration
- P12 – The charge for the over-the-counter medication exceeds the retail priced
- P12 – The charge for the prescription drug is greater than the maximum reimbursement for a generic drug

### Issues

1. What rule(s) apply to disputed services?

### **Findings**

1. The requestor is seeking reimbursement for oral medication dispensed June 27, 2022.

The insurance company provided an explanation of benefits indicating payment of \$186.63 for the medications Gabapentin, Diclofenac Sodium and Pharbetol.

The reconsideration request also processed the medications listed above as well as Cyclobenzaprine.

The total allowed amount was \$252.16 less the previous payment of \$186.63 leaving a payment of \$65.53 for the Cyclobenzaprine.

The requestor is not seeking medical fee dispute resolution of the Diclofenac Sodium. The remaining medications in dispute will be reviewed per applicable fee guideline.

DWC Rule 28 Texas Administrative Code §134.503 (c)(1)(A)(B) states in pertinent part (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

(1) 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:

(A) Generic drugs:  $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \$4.00$  dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs:  $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \$4.00$  dispensing fee per prescription = reimbursement amount;

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Gabapentin	71093012105	G	1.33	60	\$103.75	\$137.30	\$103.75
Pain Relief 500mg	16103037608	G	0.029	60	\$5.94	\$64.17	\$5.94
Cyclobenzaprine	52817033050	G	1.64	30	\$65.52	\$106.72	\$65.52
						\$308.19	\$175.21

The total reimbursement is \$175.21. The insurance carrier paid \$175.22. No additional payment 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 requestor 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**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

March 30, 2023  
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).