

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

MEMORIAL
 COMPOUNDING RX

Respondent Name

ZURICH AMERICAN INSURANCE CO

MFDR Tracking Number

M4-23-0246-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 29, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 28, 2022	Gabapentin 600 MG	\$548.06	\$451.36
June 28, 2022	Hydrocodone-APAP		
June 28, 2022	Cyclobenzaprine 10 MG		

Requestor's Position

"The above claimant received Medication as prescribed by referral provider. Bill for date of service 06/28/2022 still has not been processed by carrier. All bills are required to be processed within 45 days of receipts by the carrier as per Texas Labor Code 408.027(b). Memorial Compounding Pharmacy has not received any correspondence with explanation of review or benefits."

Amount in Dispute: \$548.06

Respondent's Position

Insurance carrier did not respond to the DWC-60 request in dispute.

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 pharmacy fee guideline.

Denial Reasons

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

- Health care provider did not receive any explanation of benefits from the insurance carrier

Issues

1. Did the insurance carrier respond to the medical fee dispute?
2. Did the insurance carrier take final action on the bill for the service in question prior to the request for medical fee dispute resolution (MFDR)?
3. Is Memorial Compounding RX entitled to additional reimbursement?

Findings

1. The Austin insurance carrier representative for Zurich American Insurance Co is Flahive Ogden & Latson. The representative received the copy of this medical fee dispute on October 4, 2022. If the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available

2. Memorial is seeking reimbursement for Gabapentin, Cyclobenzaprine and Hydrocodeone-APAP dispensed on June 28, 2022. Memorial argued that it had not received payment or an explanation of denial for medical bills submitted for the examination in question.

The insurance carrier is required to take final action by paying, reducing, or denying the service in question not later than 45 days after receiving the medical bill. This deadline is not extended by a request for additional information.²

The greater weight of evidence presented to the DWC supports that a complete bill for the services in question was received by the insurance carrier or its agent. No evidence was

provided to support that the insurance carrier took final action on the bill for the service in question.

3. Because the insurance carrier failed to support its denial reason for the service in this dispute, the DWC finds that Memorial is entitled to reimbursement.

DWC Rule 28 Texas Administrative Code §134.503(c)(1)(A) states

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;

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Gabapentin	50228017705	G	\$2.52	120	\$377.93	\$359.84	\$359.84
Cyclobenzaprine	528170333200	G	\$1.09	30	\$40.93	\$90.24	\$40.93
Hydrocodone-APAP	53746011005	G	\$0.67	60	\$50.59	\$97.98	\$50.59
						Total	\$451.36

The total reimbursement is \$451.36. 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 requestor has established that additional reimbursement of \$451.36 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 \$451.36 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature



January 13, 2023

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.