



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

MEMORIAL
COMPOUNDING RX

Respondent Name

ARCH INDEMNITY INSURANCE CO

MFDR Tracking Number

M4-23-0263-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 28, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 05, 2022	Omeprazole Dr	\$190.96	\$9.40

Requestor's Position

"The above claimant received Medication as prescribed by referral provider. Bill for date of service 08/05/2022 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)."

Amount in Dispute: \$190.96

Respondent's Position

Insurance carrier did not respond to the DWC-060 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.
3. 28 TAC §134.530 and §134.540 sets out the requirements for use of closed formulary for claims not subject to certified networks.

Denial Reasons

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

- HE75 – Prior authorization required to process this bill

Issues

1. Did the respondent respond to the DWC-060 request in dispute?
2. Is the insurance carrier's denial of payment based on preauthorization?
3. Is MEMORIAL COMPOUNDING RX entitled to reimbursement for Omeprazole?

Findings

1. The Austin carrier representative for Arch Indemnity Insurance Co is Flahive Ogden & Latson. Flahive Ogden & Latson was notified of this medical fee dispute on October 4, 2022. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under §133.307(d)(1).
2. Memorial is seeking reimbursement for Omeprazole Dr dispensed on August 5, 2022. Per the explanation of benefits the insurance carrier denied the medication in dispute for "prior authorization required to process"

28 TAC §134.530(b)(1) and §134.540(b) states preauthorization requirements are required for:

- drugs identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*, and any updates;
- any prescription drug created through compounding prescribed before July 1, 2018 that contains a drug identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*, and any

updates;

- any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
- any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

DWC finds that Omeprazole is not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not support that the disputed drug is a compound. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not support that the dispute drug is experimental or investigational. Therefore, this drug does not require preauthorization.

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

3. The respondent failed to support its denial reason for the service in dispute, DWC finds that Memorial is entitled to reimbursement.

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

- Omeprazole Dr (0.14400 x 30 x 1.25) + \$4.00 = \$9.40

The total reimbursement is \$9.40. 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 \$9.40 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 ARCH INDEMNITY INSURANCE CO must remit to MEMORIAL COMPOUNDING RX \$9.40 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

January 29, 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.