

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

MEMORIAL
COMPOUNDING RX

Respondent Name

OLD REPUBLIC INSURANCE CO

MFDR Tracking Number

M4-23-0472-01

Carrier's Austin Representative

Box Number 44

DWC Date Received

October 20, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 30, 2022	Biofreeze Gel	\$75.21	\$18.98

Requestor's Position

"The carrier denied the reconsideration based on lack of preauthorization. These medications do not require preauthorization therefore do not need retrospective review ... Drugs with a "N" status are recommended for preauthorization as indicated in the TDI-DWC's pharmacy closed formulary. All other FDA approved drugs are available for use without preauthorization. Appendix A list both Y and N status drugs. See attached list for review. The service billed has a Y code therefore does not require preauthorization."

Amount in Dispute: \$75.21

Respondent's Position

Respondent did not respond to the DWC-060 response.

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 §134.600 sets out the preauthorization guidelines.

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 reason supported?
3. Is MEMORIAL COMPOUNDING RX entitled to additional reimbursement?

Findings

1. The Austin carrier representative for Old Republic Insurance Co is White Espey PLLC. White Espey PLLC was notified of this medical fee dispute on October 25, 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. The requestor seeks reimbursement for prescribed medication dispensed on June 30, 2022. The insurance carrier denied the disputed service due to lack of preauthorization, (denial description provided above.)

28 TAC §134.600 (p) states: "(p) Non-emergency health care requiring preauthorization includes:

(11) drugs not included in the applicable division formulary;."

The formulary consists of all available Food and Drug Administration (FDA) approved prescription and nonprescription drugs prescribed and dispensed for outpatient use with the

following exclusions:

- drugs identified with a status of "N" in the current edition of the Official Disability Guidelines Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates

Review of the Appendix A for June 2022 finds that Biofreeze Gel has a status Y.

28 TAC §134.530 (b) states: "Preauthorization for claims subject to the Division's closed formulary.

(1) Preauthorization is only required for:

(A) 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;"

Therefore, insurance carrier denial is not supported.

3. MEMORIAL COMPOUNDING RX is requesting reimbursement for Biofreeze Gel dispensed on June 30, 2022.

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: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount;

Biofreeze Gel (0.13461 x 89 x 1.25 + 4.00 = \$18.98

The total reimbursement is \$18.98. 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 \$18.98 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 OLD REPUBLIC INSURANCE CO must remit to MEMORIAL COMPOUNDING RX \$18.98 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature



February 10, 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 electronico CompConnection@tdi.texas.gov.