



Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

MEMORIAL COMPOUNDING RX

Respondent Name

ACADIA INSURANCE COMPANY

MFDR Tracking Number

M4-23-0524-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

October 27, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 31, 2022	Prescribed Medications	\$704.13	\$466.09
	Total	\$704.13	\$466.09

Requestor's Position

"The carrier denied the reconsideration based on unresolved issues of extent of injury. A call was placed to carrier to confirm patient demographics as well as compensability. We were not notified of any disputes or PLN 11 filed. The Carrier is required to notify all providers of any issues with the claimant's compensability. 28 Texas Administrative Code 133.210(e) indicates that the insurance carrier has an obligation to furnish its agents with any documentation necessary for the resolution of a medical bill. Memorial Compounding Pharmacy was never notified of the extent."

Amount in Dispute: \$704.13

Respondent's Position

"The Carrier has denied this bill as the treatment the basis for the prescriptions are not medically necessary and appropriate to cure and relieve the effects of the compensable injury. The claimant, in December 2021, agreed his compensable injury did NOT include the claimed... which appear to be the bases for the current treatment. The Claimant failed to show for the RME the carrier had arranged to address these issues further."

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 (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.203 sets out the fee guideline for professional medical services.
3. 28 TAC §133.240 sets out the requirements for submission of a medical bill.
4. 28 TAC §137.100 sets out the
5. 28 TAC §19.2003 sets out the
6. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.

Denial Reasons

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

- Note - Treatment is not reasonable or necessary.
- P13 – Payment reduced or denied based on workers' compensation jurisdictional regulations or payment policies.

Issues

1. Did the Insurance Carrier appropriately raise medical necessity and extent of injury?
2. What is the insurance carrier's obligation to respond to a medical bill?
3. Is the Requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for prescribed medication rendered on May 31, 2022.

The insurance carrier denied the disputed medication indicating that "Treatment is not reasonable or necessary."

DWC Rule 28 TAC §137.100 (e) states, "An insurance carrier may retrospectively review, and if appropriate, deny payment for treatments and services not preauthorized under subsection (d) of this section when the insurance carrier asserts that health care provided within the Division treatment guidelines is not reasonably required. The assertion must be supported by documentation of evidence-based medicine that outweighs the presumption of reasonableness established by Labor Code §413.017."

Retrospective utilization review is defined in 28 TAC §19.2003 (b)(31) as, "A form of utilization review for health care services that have been provided to an injured employee. Retrospective utilization review does not include review of services for which prospective or concurrent utilization reviews were previously conducted or should have been previously conducted."

Additionally, 28 TAC §133.240 (q) states, in relevant part, “When denying payment due to an adverse determination under this section, the insurance carrier shall comply with the requirements of §19.2009 of this title and when the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title ..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ...”

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §133.240 (q). As a result, the disputed services are reviewed pursuant to the applicable rules and guidelines.

- It is the duty of the workers’ compensation insurance carrier **or an agent acting on the carrier’s behalf** to pay, reduce, or deny a complete medical bill within 45 days from the date of receipt. A carrier’s 45-day deadline to make or deny payment is **not extended** as a result of an audit under 28 TAC §133.230, or as a result of a pending request for additional documentation. Further, the insurance carrier **shall** notify the health care provider of its final action by issuing an explanation of benefits (EOB) and shall include on its EOB any bill reductions, denial reasons, and defenses in the form and manner required by 28 TAC §133.240.

Under 28 TAC §133.307, the DWC only reviews those denial reasons and defenses presented by the carrier to the health care provider prior to the date the request for MFDR was filed. Any denial reasons or defenses raised by the carrier after the filing of the dispute are not considered in the review of the medical fee dispute.

The DWC finds that the medications are eligible for reimbursement.

- Rule 28 TAC §134.503 applies to the reimbursement for medications. The medications in dispute are listed on the bill separately.

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.

The calculation of the total allowable amount is as follows:

Drug	NDC	Generic(G) /Brand(B)	Price/ Unit	Units Billed	AWP	Billed Amount	Lesser of AWP and Billed
Cyclobenzaprine 10MG	52817033200	G	\$1.09150	15	\$24.47	\$73.87	\$24.47
Duloxetine HCL DR 20MG	31722058160	G	\$6.99000	30	\$266.13	\$267.20	\$266.13
Gabapentin 300MG	71093012105	G	\$1.33000	30	\$53.88	\$97.40	\$53.88

Ibuprofen 400 MG	67877031905	G	\$0.34208	60	\$29.66	\$78.03	\$29.66
8HR Muscle Ache-Pain ER 650MG	70000030601	G	\$0.09790	90	\$15.01	\$71.78	\$15.01
Diclofenac Sodium 1% Gel	21922000909	G	\$0.58350	100	\$76.94	\$115.85	\$76.94
Total						\$704.13	\$466.09

The total recommended amount is \$466.09. Therefore, 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.

The DWC finds the requester has established that reimbursement of \$466.09 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requestor \$466.09 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	January 9, 2023 Date
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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.