

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

XL Insurance America Inc.

MFDR Tracking Number

M4-23-0577-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

November 3, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 31, 2022	Diclofenac Sodium 1% Gel	\$174.20	\$149.88
September 1, 2022	Cyclobenzaprine 10 mg Tablets	\$90.24	\$44.93
Total		\$264.44	\$194.81

Requestor's Position

Memorial Wellness Pharmacy has met the requirements to receive reimbursement.

Amount in Dispute: \$264.44

Respondent's Position

Regarding the basis for the lack of authorization denial, the Carrier would note that under the circumstances of the extent of injury agreement, the prescribing provider had the option of requesting voluntary precertification, but failed to do so.

The entitlement to medical benefits has been denied on the basis the services are not covered, i.e., extent of injury and that the current medical services are unrelated to the compensable injury.

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 §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
3. 28 TAC §§134.530 and 134.540 set out the preauthorization requirements for pharmaceutical services.

Denial Reasons

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

- 75 – Prior authorization required
- 197 – Precertification/authorization/notification/pre-treatment absent.

Issues

1. Did XL Insurance America Inc. raise a new defense in its response?
2. Is XL Insurance America Inc.'s denial based on preauthorization supported?
3. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on August 31, 2022, and September 1, 2022. In its position statement, XL Insurance America Inc., on behalf of the insurance carrier, argued that "The entitlement to medical benefits has been denied on the basis the services are not covered, i.e., extent of injury and that the current medical services are unrelated to the compensable injury."

The response from the insurance carrier is required by 28 TAC §133.307 (d)(2)(F) to address only the denial reasons presented to the health care provider before to the request for medical fee dispute resolution (MFDR) was filed with DWC. Any new denial reasons or defenses raised shall not be considered in this review.

The submitted documentation does not support that a denial based on extent of injury was provided to Memorial before this request for MFDR was filed. Therefore, DWC will not consider this argument in the current dispute review.

2. Submitted documentation indicates that the insurance carrier denied the disputed drugs based on preauthorization. Per 28 TAC §134.530 (b)(1) and §134.540 (b), preauthorization is only required for:
- drugs identified with a status of "N" in the current edition of the ODG Appendix A;
 - any compound prescribed before July 1, 2018, that contains a drug identified with a status of "N" in the current edition of the ODG Appendix A;
 - any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
 - any investigational or experimental drug.

DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are a compound. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.

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

3. Because XL Insurance America Inc. failed to support its denial reason for the service in this dispute, DWC finds that Memorial is entitled to reimbursement.

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

- Diclofenac Sodium 1% Gel: $(0.5835 \times 200 \times 1.25) + \$4.00 = \$149.88$
- Cyclobenzaprine HCl 10 mg tablets: $(1.0915 \times 30 \times 1.25) + \$4.00 = \$44.93$

The total allowable reimbursement is \$194.81. 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 \$194.81 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 XL Insurance America Inc. must remit to Memorial Compounding Rx \$194.81 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 13, 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. 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.