



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Pharmacy

Respondent Name

Fedex Ground Package System

MFDR Tracking Number

M4-23-1108-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

January 12, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 24, 2022	00406-0485-05	\$71.55	\$21.56
October 24, 2022	00603-246-32	\$125.37	\$88.54
October 24, 2022	27241-0099-03	\$582.60	\$582.60
October 24, 2022	71093-0112-05	\$149.00	\$118.38
		\$874.52	\$757.38

Requestor's Position

"The original claim was denied on 11/27/2022 based on Non-compensable claim.) Benefits were not accompanied with a PLN11 of the denial and date filed. There is no PLN11 attached that was processed prior to services being rendered. An appeal was submitted on 12/08/2022. See attached 2 denial for processing. In addition, the explanation of benefits states that (Preauthorization), is the new denial reason. There were not any additional code changes or services rendered. Therefore, the carrier cannot change from the original denial."

Amount in Dispute: \$874.52

Respondent's Position

The Austin carrier representative for Fedex Ground Package System Inc is Flahive, Ogden &

Latson. The representative was notified of this medical fee dispute on January 18, 2023.

Per 28 Texas Administrative Code §133.307(d)(1), 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.

Response submitted by:

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 TAC §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.530 sets out the requirements of prior authorization.
3. 28 TAC §134.503 sets out the fee guidelines for pharmacy services.

Denial Reasons

- 197 – Precertification/authorization/notification/pre-treatment absent
- 65 – Patient is not covered
- 75 – Prior authorization required
- 85 – Claim not processed

Issues

1. Is the insurance carrier's denial supported?
2. What rule(s) apply to disputed services?

Findings

1. The requestor is seeking reimbursement for oral medication dispensed in October 2022. The insurance company denied the disputed services based on lack of prior authorization.

DWC Rule 28 Texas Administrative Code §134.530 (b)(1)(A) states in pertinent part, preauthorization is only 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.

Review of the applicable Appendix A found each of the disputed medications are listed as "Y"

drugs. The insurance carrier's denial is not supported. The service in dispute will be reviewed per applicable fee guideline.

2. DWC Rule 28 Texas Administrative Code §134.503 (c)(1)(A)(B) states in pertinent part (c) 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;

(B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \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
Acetaminophen/codeine	00406048505	G	0.936	15	\$21.56	\$71.55	\$21.56
Baclofen	00603240632	G	2.262	30	\$88.84	\$125.37	\$88.84
Duloxetine	27241009990	G	7.851	60	\$592.87	\$528.60	\$528.60
Gabapentin	71093011205	G	3.05	30	\$118.38	\$149.00	\$118.38
						\$874.52	\$757.38

The total reimbursement is \$757.38. 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 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 Fedex Ground Package System Inc must remit to Memorial Compounding Rx \$757.38 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

May 5, 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.