

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

Allmerica Financial Benefit Insurance Co.

MFDR Tracking Number

M4-23-1267-01

Carrier's Austin Representative

Box Number 01

DWC Date Received

February 1, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 26, 2022	Tramadol HCl 50 mg Tablets NDC 57664037718	\$69.44	\$18.93
	Duloxetine HCl 20 mg Capsules NDC 31722058160	\$267.20	\$266.13
Total		\$336.64	\$285.06

Requestor's Position

The original claim was denied on **10/27/2022** based on **(PREAUTHORIZATION)**. An **appeal** was submitted on **11/18/2022** ... In addition, the explanation of benefits states that **(EXTENT OF INJURY/ENTITLEMENT OF BENEFITS)** is the new denial reason.

Amount in Dispute: \$336.64

Respondent's Position

After careful review of the submitted documentation from the provider, it was determined that CPT code 57664-0377-18 and 31722-0581-60 should not be processed for payment. The Medication is an N Drug and requires pre-authorization, which was never sent to Utilization review even though requested by the carrier. The bill was re-reviewed, and it was determined that payment is not recommended for \$336.64 due to no pre-authorization obtained.

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:

- HE75 – Prior Authorization required to process this bill.
- VPEB – Denied – Based on entitlement of benefits.

Issues

1. Is this dispute subject to dismissal based on extent of injury?
2. Is Allmerica Financial Benefit Insurance Co.'s denial based on preauthorization supported?
3. Is Memorial Compounding Pharmacy (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on September 26, 2022. The insurance carrier denied payment, in part, based on extent of the compensable injury. 28 TAC §§133.305 (b) and 133.307 (c)(1)(B)(i) state that a dispute regarding extent of injury must be resolved prior to a request for medical fee dispute.

Per 28 TAC §133.307 (d)(2)(H), the respondent is required to attach a copy of any related Plain Language Notice (PLN) if the medical fee dispute involves compensability or liability.

Review of the submitted documentation finds that Metadata Service Operations failed to attach a copy of a related PLN on behalf of the insurance carrier to support a denial based on extent of the compensable injury.

This dispute is not subject to dismissal as the denial reason was not supported.

2. Allmerica Financial Benefit Insurance Co. also denied payment for the drugs in question 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 drug based on preauthorization is not supported.

3. Because Allmerica Financial Benefit Insurance Co. 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).

- Tramadol HCl 50 mg tablets: $(0.79615 \times 15 \times 1.25) + \$4.00 = \$18.93$
- Duloxetine HCl 20 mg capsules: $(6.99 \times 30 \times 1.25) + \$4.00 = \$266.13$

The total allowable reimbursement for the disputed drugs is \$285.06. 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 requestor has established that additional reimbursement of \$285.06 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 Allmerica Financial Benefit

Insurance Co. must remit to Memorial Compounding Rx \$285.06 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

March 24, 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.