

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

Sentry Casualty Co.

MFDR Tracking Number

M4-23-1284-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

February 2, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 29, 2022	Acetaminophen/Codeine #4 Tablets NDC 00406-0485-05	\$94.97	\$50.84
	Ibuprofen 600 mg Tablets NDC 59651-0361-05	\$89.14	\$43.56
	Omeprazole DR 20 mg Capsules NDC 00781-2868-10	\$190.96	\$9.40
	Gabapentin 600 mg Tablets NDC 50228-0177-05	\$208.67	\$192.96
	Cephalexin 500 mg Capsules NDC 67877-0219-01	\$75.24	\$26.17
Total		\$658.98	\$322.93

Requestor's Position

The original bill was submitted to carrier on **09/06/2022 via FAX CONFIRMATION** ... Memorial did not receive any correspondence as per rule, so we submitted a Request for Reconsideration ... The request was submitted and received by the carrier on **10/19/2022 via FAX CONFIRMATION** ... I have attached proof of submission for both correspondences. The carrier has received the attached bill and has not processed according to Texas Labor Code 408.027.

Amount in Dispute: \$658.98

Respondent's Position

The basis for the lack of authorization denial: The provider is treating for conditions found non-compensable. Under the circumstances of the extent-of-injury final decision in Carrier's favor ... the Requestor or prescribing provider had the option of requesting voluntary precertification, but failed to do so ...

The extent-of-injury/relatedness dispute is now finally resolved in Carrier's favor the drugs in question are not covered.

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 §133.240 sets out the procedures for payment or denial of a medical bill.
2. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
4. 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.

Issues

1. Did Sentry Casualty Co. take final action on the bill for the disputed service before medical fee dispute resolution was requested?
2. Did the insurance carrier raise a new defense in its response?
3. Is Sentry Casualty Co.'s denial of Cephalexin based on preauthorization supported?
4. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on August 29, 2022.

Memorial argued that it had not received payment or an explanation of denial for medical bills submitted for the examination in question.

Per 28 TAC §133.240 (a), the insurance carrier is required to take final action by paying, reducing, or denying the service in question not later than 45 days after receiving the medical bill. This deadline is not extended by a request for additional information.

The greater weight of evidence presented to DWC supports that complete bills for the drugs in question were received by the insurance carrier or its agent. No evidence was provided to support that the insurance carrier took final action on the bills in question with the exception of Cephalexin.

2. In its position statement, Flahive, Ogden & Latson, on behalf of the insurance carrier, argued that "The extent-of-injury/relatedness dispute is now finally resolved in Carrier's favor the drugs in question are not covered."

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.

3. Submitted documentation indicates that the insurance carrier denied Cephalexin 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 Cephalexin is not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not support that Cephalexin is a compound. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not support that Cephalexin is experimental or investigational. Therefore, this drug does not require preauthorization for this reason.

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

4. Because Sentry Casualty Co. failed to support its denial reasons, DWC finds that Memorial is entitled to reimbursement.

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

- Acetaminophen/Codeine #4 tablets: $(0.9367 \times 40 \times 1.25) + \$4.00 = \$50.84$
- Ibuprofen 600 mg tablets: $(0.5274 \times 60 \times 1.25) + \$4.00 = \$43.56$
- Omeprazole DR 20 mg capsules: $(0.144 \times 30 \times 1.25) + \$4.00 = \$9.40$
- Gabapentin 600 mg tablets: $(2.5195 \times 60 \times 1.25) + \$4.00 = \$192.96$
- Cephalexin 500 mg capsules: $(1.9707 \times 9 \times 1.25) + \$4.00 = \$26.17$

The total allowable reimbursement is \$322.93. 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 \$322.93 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 Sentry Casualty Co. must remit to Memorial Compounding Rx \$322.93 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

February 27, 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.