

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Injured Workers' Pharmacy

Respondent Name

XL Specialty Insurance Co.

MFDR Tracking Number

M4-23-1334-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

February 8, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 23, 2022	Duloxetine HCl DR 60 mg Capsules NDC 27241009990	\$887.31	\$887.31
August 15, 2022	Duloxetine HCl DR 60 mg Capsules NDC 27241009990	\$887.31	\$887.31
Total		\$1,774.62	\$1,774.62

Requestor's Position

Gallgher Bassett responded with the EOB denials ... that these medications require prior certification/authorization. Injured Workers' Pharmacy ... confirms that these medications are ODG/Texas Formulary approved and do not require said pre-certification/authorization.

Amount in Dispute: \$1,774.62

Respondent's Position

Initial Response: "we have escalated the bills in question for manual review to determine if additional monies are owed."

Supplemental Response: "Need letter of necessity from prescribing dr."

Response Submitted by: Gallagher Bassett

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 §134.502 sets out the procedures for pharmaceutical services.
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:

- 90438 (197) – Payment denied/reduced for absence of precertification/authorization.
- 5725 – First Script has denied the line for Utilization.

Issues

1. Is XL Specialty Insurance Co.'s denial based on preauthorization supported?
2. Is Injured Workers' Pharmacy entitled to additional reimbursement?

Findings

1. Injured Workers' Pharmacy is seeking reimbursement for Duloxetine HCl DR 60 mg capsules dispensed on May 23, 2022, and August 15, 2022.

Submitted documentation indicates that the insurance carrier denied the disputed drug 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.

The division finds that the drug in question 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 the disputed drug is a compound. Therefore, this drug does not require preauthorization for this reason.

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

The insurance carrier argued that it needed a letter of medical necessity from the prescribing doctor. 28 TAC §134.502 (e) states:

The insurance carrier, injured employee, or pharmacist may request a statement of medical necessity from the prescribing doctor. If an insurance carrier requests a statement of medical necessity, the insurance carrier shall provide the sender of the bill a copy of the request at the time the request is made. An insurance carrier shall not request a statement of medical necessity unless in the absence of such a statement the insurance carrier could reasonably support a denial based upon extent of, or relatedness to the compensable injury, or based upon an adverse determination.

No evidence was found to support that a letter of medical necessity was requested from the prescribing doctor in accordance with 28 TAC §134.502 (e).

The division concludes that the insurance carrier's denial of payment of the disputed drug based on preauthorization is not supported.

2. Because the insurance carrier failed to support its denial of payment, DWC finds that Injured Workers' Pharmacy is entitled to reimbursement for the disputed drug.

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

- Duloxetine HCl DR 60 mg capsules: $(7.85160 \times 90 \times 1.25) + \$4.00 = \$887.31$

The total allowable reimbursement for dates of service May 23, 2022, and August 15, 2022, is \$1,774.62. 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 \$1,774.62 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 XL Specialty Insurance Co. must

remit to Injured Workers' Pharmacy \$1,774.62 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

April 20, 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.