

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

AIU Insurance Co.

MFDR Tracking Number

M4-23-1593-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

March 8, 2023

Summary of Findings

| Dates of Service | Disputed Services | Amount in Dispute | Amount Due |
|-------------------|---|-------------------|------------|
| November 29, 2022 | Tramadol HCl 50 mg Tablets NDC 57664-0377-18 | \$65.46 | \$13.95 |

Requestor's Position

Tramadol HCL, NDC: 57664-0377-18 was a "Y" drug during the month of November 2022.

Amount in Dispute: \$65.46

Respondent's Position

Based on the Official Disability Guidelines Tramadol HCL 50 mg NDC# 57664-0377-18 is an "N" drug which does require preauthorization.

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 Texas Administrative Code §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 payment for the disputed services with the following claim adjustment codes:

- 00663 – Reimbursement has been calculated according to state fee schedule guidelines
- 90438 (197) – Payment denied/reduced for absence of precertification/authorization
- 4121 – Preauthorization is required for drugs identified with a status of “N” in the current edition of the “Official Disability Guidelines Treatment in Workers’ Comp” (ODG)/Appendix A, “ODG Workers’ Compensation Drug Formulary” and any updates.
- 4121 – preauthorization is required for drugs identified with a status of “N” in the current edition of the “Official Disability Guidelines Treatment in Workers’ Comp”
- 90563 (193) – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

Issues

1. Is AIU Insurance Co.’s denial based on preauthorization supported?
2. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for Tramadol dispensed on November 29, 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, for the date of service in question, Tramadol 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 division concludes that the insurance carrier's denial of payment of the disputed drug based on preauthorization is not supported.

2. Because AIU 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: $(0.79615 \times 10 \times 1.25) + \$4.00 = \$13.95$

The total allowable reimbursement is \$13.95. 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 \$13.95 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 AIU Insurance Co. must remit to Memorial Compounding Rx \$13.95 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 6, 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.