



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Wellness Pharmacy

Respondent Name

Fedex Ground Package System Inc

MFDR Tracking Number

M4-23-2286-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

May 15, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 18, 2022	00406-0485-01	\$73.78	\$24.35
		\$73.78	\$24.35

Requestor's Position

"The original claim was denied on 12/27/2022 based on (Drug not on Formulary/Lack of preauthorization. An appeal was submitted on 01/27/2023. ...In addition, the second explanation of benefits, released on 02/27/2023 restates (Drug not on formulary/Lack of preauthorization) as the denial reason. There were not any additional code changes or services rendered."

Amount in Dispute: \$73.78

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 May 23, 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

- 70 – Drug not on formulary
- 75 – Prior authorization required
- 85 – Claim not processed
- 65 – Patient is not covered
- 71 – Prescriber is not covered
- 197 – Precertification/authorization/notification/pre-treatment absent

Issues

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

Findings

1. The requestor is seeking reimbursement for oral medication dispensed Acetaminophen/Cod #4 Tablet, NDC # 00406-0485-01 quantity of 15 for date of service November 18, 2022.

The insurance company denied the claim as drug not on the formulary and prior authorization required.

DWC Rule 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, and any updates.

Review of November 2022, Appendix A, ODG Workers' Compensation Drug Formulary found, "Codeine/Acetamin, Tylenol #3 4, Status "Y". Based on this review the denial for the medication not on the formulary and required prior authorization is not supported. Insufficient evidence was found to support the patient and prescriber are not covered. The disputed service 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/ Brand	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Acetaminophen/ codeine	0040604850 1	Generic	1.085	15	\$24.35	\$73.78	\$24.35
Total						\$73.78	\$24.35

3. The total reimbursement is \$24.35. 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 \$24.35 reimbursement for the disputed services. It is ordered that Fedex Ground Package System Inc must remit to Memorial Wellness Pharmacy \$24.35 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

June 30, 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.