



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Wellness Pharmacy

Respondent Name

Arch Indemnity Insurance Co.

MFDR Tracking Number

M4-23-2857-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 12, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
04/26/2023	Acetaminophen 325mg tab NDC: 57896-0104-10	\$63.96	\$5.98
04/26/2023	Duloxetine 20mg cap NDC: 31722-0168-60	\$267.20	\$266.13
	Total	\$331.16	\$272.11

Requestor's Position

"The carrier denied the bill based on LACK OF PREAUTHORIZATION. These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: \$331.16

Respondent's Position

"The charges for DOS 04/26/23 was denied based on extent of injury. Attached is a copy of the PLN-11 filed on 02/18/22."

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 \(TAC\) §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:

- 75 – Prior authorization required.

Issues

1. Did the insurance carrier raise a new defense in its response?
2. Is the insurance carrier's denial of payment based on preauthorization supported?
3. Is the requestor entitled to reimbursement?

Findings

1. In its position statement, Gallagher Basset, on behalf of the insurance carrier, argued that the disputed date of service "was denied based on extent of injury." 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 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.

2. The requestor, Memorial Wellness Pharmacy, is seeking reimbursement for drugs acetaminophen and duloxetine dispensed on April 26, 2023.

Submitted documentation indicates that the insurance carrier denied the disputed drugs 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, acetaminophen and duloxetine, were not identified with a status of "N" in the applicable edition of the ODG, *Appendix A* for the date of service reviewed in this dispute. Therefore, these drugs did not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs were compounds. Therefore, the drugs did not require preauthorization for this reason.

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

DWC concludes that the insurance carrier's denial of payment of the disputed drugs, acetaminophen and duloxetine, based on preauthorization, is not supported for the date of service in question.

3. Because the insurance carrier failed to support its denial reason for the services in this dispute, DWC finds that Memorial Wellness Pharmacy is entitled to reimbursement.

The DWC finds that 28 TAC §134.503(c) applies to the reimbursement for the drug in dispute, which states, "(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; ..."

The DWC finds that for the generic drug acetaminophen x 120 units dispensed on April 26, 2023: AWP per unit = .01321; units dispensed = 120

The maximum allowable reimbursement (MAR) is calculated according to 28 TAC §134.503 (c) using the formula above:

- Acetaminophen 325mg tablets: $(0.01321 \text{ AWP} \times 120 \text{ units} \times 1.25) + \$4.00 = \$5.98$
MAR

The DWC finds that for the generic drug duloxetine x 30 units dispensed on April 26, 2023: AWP per unit = 6.99; units dispensed = 30

The MAR is calculated according to 28 TAC §134.503 (c) using the formula above:

- Duloxetine 20mg capsules: $(6.99 \text{ AWP} \times 30 \text{ units} \times 1.25) + \$4.00 = \$266.13 \text{ MAR}$

The DWC finds that the total MAR for drugs dispensed on the disputed date of service, April 26, 2023, is \$272.11. The insurance carrier paid \$0.00 for drugs in dispute. Therefore, the DWC recommends reimbursement in the amount of \$272.11.

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 reimbursement in the amount of \$272.11 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 Arch Indemnity Insurance Co. must remit to Memorial Wellness Pharmacy \$272.11 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

August 24, 2023

Signature

Medical Fee Dispute Resolution Officer

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.