



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Wellness Pharmacy

Respondent Name

State Office of Risk Management

MFDR Tracking Number

M4-23-2967-01

Carrier's Austin Representative

Box Number 45

DWC Date Received

July 24, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 3, 2023	Diclofenac Sodium 1% Gel 21922000909	\$115.85	\$76.94
	Amitriptyline HCL 50 mg Tablets 16729017301	\$95.60	\$51.63
	Methocarbamol 500 mg Tablets 31722053305	\$71.98	\$22.09
	Omeprazole 40 mg Capsules 68462039790	\$279.36	\$279.36
	Pharbetol 500 mg Caplets 16103035008	\$67.27	\$9.06
Total		\$630.06	\$439.08

Requestor's Position

"ON 06/20/2023, MEMORIAL SPOKE WITH ADJUSTER ... WHO INFORMED MEMORIAL THAT THE BILL WAS RECEIVED BY THE CARRIER ON 03/14/2023 ... The carrier has received the attached bill but has not processed it according to Texas Labor Code 408.027."

Amount in Dispute: \$630.06

Respondent's Position

"Upon notification of this dispute, the Office researched the medical billing received from Memorial Compounding RX which determined there has been no medical documentation to support how the medications filled on 1/3/2023 were prescribed to treat the compensable injury.

"The medical bill that was received on 1/9/2023 was sent back to the provider needing a State Comptroller AP-152 form completed ... The Office did research the system and found that the requestor's information is set up and out of good faith will process the bill, however, payment will not be allowed at this time due to no medical documentation on file to support how this medication is supported by the ODG to treat the compensable injury ..."

Response Submitted by: State Office of Risk Management

Findings and Decision

Authority

This medical fee dispute is decided according to [Texas Labor Code \(TLC\) §413.031](#) and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.10](#) sets out the requirements for a complete medical bill.
2. [28 TAC §133.200](#) sets out the procedures for receipt of medical bills by the insurance carrier.
3. [28 TAC §133.210](#) sets out the documentation requirements for medical bills.
4. [28 TAC §133.240](#) sets out the procedures for payment or denial of a medical bill.
5. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
6. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical services.

Denial Reasons

Neither party submitted an explanation of benefits with reasons for the denial of payment for the disputed services.

Issues

1. Did State Office of Risk Management 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 Memorial Wellness Pharmacy (Memorial) entitled to reimbursement for the drugs in

question?

Findings

1. Memorial is seeking reimbursement for drugs dispensed on January 3, 2023. Memorial argued that it did not receive payment or an explanation of denial for medical bills submitted for the examination in question.

State Office of Risk Management argued that "The medical bill that was received on 1/9/2023 was sent back to the provider needing a State Comptroller AP-152 form completed." 28 TAC §133.200(a)(1) states that "insurance carriers shall not return medical bills that are complete, unless the bill is a duplicate bill."

Complete pharmaceutical bills are defined in 28 TAC §133.10(f)(3). DWC finds that the submitted bills were complete as defined.

28 TAC §133.210(d) states that "Any request by the insurance carrier for additional documentation to process a medical bill shall:

- (1) be in writing;
- (2) be specific to the bill or the bill's related episode of care;
- (3) describe with specificity the clinical and other information to be included in the response;
- (4) be relevant and necessary for the resolution of the bill;
- (5) be for information that is contained in or in the process of being incorporated into the injured employee's medical or billing record maintained by the health care provider;
- (6) indicate the specific reason for which the insurance carrier is requesting the information; and
- (7) include a copy of the medical bill for which the insurance carrier is requesting the additional documentation."

No documentation was submitted to support that a request for additional information was made in accordance with 28 TAC §133.210(d).

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 a complete bill as defined by 28 TAC §133.10, for the services in question was received by the insurance carrier on January 9, 2023. No evidence was provided to support that the insurance carrier took final action on the bill for the service in question in accordance with 28 TAC §133.240.

2. In its position statement, State Office of Risk Management argued that "payment will not be allowed at this time due to no medical documentation on file to support how this medication is supported by the ODG to treat the compensable 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 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 relatedness was provided to Memorial before this request for MFDR was filed. Therefore, DWC will not consider this argument in the current dispute review.

3. Because the insurance carrier failed to support a denial of payment for the drugs in question, DWC finds that Memorial is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c)(a), with relevant formula for generic drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount.

- Diclofenac Sodium 1% Gel: $(0.5835 \times 100 \times 1.25) + \$4.00 = \$76.94$
- Amitriptyline HCl 50 mg tablets: $(1.27 \times 30 \times 1.25) + \$4.00 = \$51.63$
- Methocarbamol 500 mg tablets: $(0.4825 \times 30 \times 1.25) + \$4.00 = \$22.09$
- Omeprazole 40 mg capsules: $(7.39533 \times 30 \times 1.25) + \$4.00 = \$281.32$
Memorial is seeking \$279.36 for this drug. This amount is recommended.
- Pharbetol 500 mg caplets: $(0.0387 \times 120 \times 1.09) + \$4.00 = \$9.06$

The total allowable reimbursement for the drugs in question is \$439.08. 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 requestor has established that reimbursement of \$439.08 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 State Office of Risk Management must remit to Memorial Wellness Pharmacy \$439.08 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

September 22, 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 three 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 tres o correo electrónico CompConnection@tdi.texas.gov.