



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Wellness Pharmacy

Respondent Name

AIU Insurance Co.

MFDR Tracking Number

M4-23-2970-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 24, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 21, 2023	Cyclobenzaprine 10 mg Tablets NDC 16571078350	\$106.72	\$65.52

Requestor's Position

"The carrier denied the **original bill** as well as the reconsideration based on **(LACK OF PREAUTHORIZATION)** ... I have attached the EOBs as well as the documentation to prove that Memorial Wellness Pharmacy has met the requirements to receive reimbursement."

Amount in Dispute: \$106.72

Respondent's Position

"This bill is subject to the final determination of MMI, Impairment and Extent of Injury in the Decision and Order of May 4, 2023 ... the attached EOB raised an extent of injury dispute, ... The entitlement to reimbursement for the subject medical bill has been denied on and extent of injury basis (medication is for treatment unrelated to the compensable injury)."

Response Submitted by: Flahive, Ogden & Latson

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 \(TAC\) §133.305](#) sets out the procedures for medical disputes.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
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 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.
- 90563 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- ZK10 – A payment or denial has already been recommended for this service.
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 219 – Based on extent of injury

Issues

1. Is this dispute subject to dismissal based on extent of injury?
2. Is AIU Insurance Co.'s denial based on preauthorization supported?
3. Is Memorial Wellness Pharmacy (Memorial) entitled to reimbursement for the drug in question?

Findings

1. Memorial is seeking reimbursement for cyclobenzaprine dispensed on February 21, 2023. The insurance carrier denied payment, in part, based on extent of the compensable injury. 28 TAC §§133.305 (b) and 133.307 (c)(1)(B)(i) state that a dispute regarding extent of injury must be resolved prior to a request for medical fee dispute.

Per 28 TAC §133.307 (d)(2)(H), the respondent is required to attach a copy of any related

Plain Language Notice (PLN) if the medical fee dispute involves compensability or liability.

Review of the submitted documentation finds that Flahive, Ogden & Latson failed to attach a copy of a related PLN on behalf of the insurance carrier to support a denial based on extent of the compensable injury.

This dispute is not subject to dismissal as the denial reason was not supported.

2. The insurance carrier also denied payment based on lack of 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 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 division concludes that the insurance carrier’s denial of payment of the disputed drug based on preauthorization is not supported.

3. 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)(a), with relevant formula for generic drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \$4.00 \text{ dispensing fee per prescription} = \text{reimbursement amount}$.

- Cyclobenzaprine 10 mg tablets: $(1.6405 \times 30 \times 1.25) + \$4.00 = \$65.52$

The total allowable amount is \$65.52. 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 \$65.52 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 Wellness Pharmacy \$65.52 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.