



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

TrustRx Pharmacy

Respondent Name

State Office of Risk Management

MFDR Tracking Number

M4-24-0556-01

Carrier's Austin Representative

Box Number 45

DWC Date Received

November 3, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 19, 2023	NDC: 50228018010 Gabapentin 300mg	\$103.90	\$103.90
Total		\$103.90	\$103.90

Requestor's Position

"I have attached the Bill for DOS 04/19/23 for medication Gabapentin for processing of payment. On the Texas ODG form this medication is a 'Y' status and do NOT require Prior Auth."

Amount in Dispute: \$103.90

Respondent's Position

"In a review of the medications in dispute, the Office will maintain denial at this time as there is no documentation stating or substantiating what conditions these medications are being prescribed for."

Response Submitted by: State Office of Risk Management

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 \(TAC\) Code §133.307](#) sets out the procedures for resolving medical fee disputes (MFDR).
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.
4. [28 TAC §134.240](#) sets out guidelines of medical bill processing and auditing by insurance carriers.
5. [28 TAC, Chapter 19](#) sets out the requirements for utilization review.

Denial Reasons

The insurance carrier denied payment for the disputed services with the following claim adjustment codes:

- P13 – Payment reduced or denied based on workers' compensation jurisdictional regulations or payment policies, use only if no other code is applicable.
- THE GABAPENTIN AS THERE IS NO MEDICAL TO SUPPORT HOW THIS MEDICATION IS SUPPORTED BY THE ODG TO TREAT THE COMPENSABLE INJURY.

Issues

1. Is the insurance carrier's denial of payment based on lack of medical necessity supported?
2. Is the requestor entitled to reimbursement of the disputed drug?

Findings

1. The requestor seeks reimbursement for the drug gabapentin dispensed on April 19, 2023. Review of the submitted documentation finds that the insurance carrier denied gabapentin based on reason code P13, defined above. The insurance carrier added the following comment to the explanation of review denial reason section, suggesting that the denial involves a lack of medical necessity: "...NO MEDICAL TO SUPPORT HOW THIS MEDICATION IS SUPPORTED BY THE ODG."

DWC Rule 28 TAC §137.100 (e) states, "An insurance carrier may retrospectively review, and if appropriate, deny payment for treatments and services not preauthorized under subsection (d) of this section when the insurance carrier asserts that health care provided within the Division treatment guidelines is not reasonably required. The assertion must be supported

by documentation of evidence-based medicine that outweighs the presumption of reasonableness established by Labor Code §413.017.”

Retrospective utilization review is defined in 28 TAC §19.2003 (b)(31) as, “A form of utilization review for health care services that have been provided to an injured employee. Retrospective utilization review does not include review of services for which prospective or concurrent utilization reviews were previously conducted or should have been previously conducted.”

Additionally, 28 TAC §134.240 (q) states, in relevant part, “when the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ...”

28 TAC §133.307 (d)(2)(I) which sets out the procedures for medical fee dispute resolutions, states in pertinent part, “Response. On receipt of the request, the respondent must provide any missing information not provided by the requestor and known to the respondent. The respondent must also provide the following information and records: ... (I) If the medical fee dispute involves medical necessity issues, the insurance carrier must attach documentation that supports an adverse determination in accordance with §19.2005 of this title (concerning General Standards of Utilization Review).”

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §134.240 (q). DWC finds that the insurance carrier did not appropriately raise lack of medical necessity for the services in this dispute. As a result, the insurance carrier’s denial reason, based on the ODG is not supported. Therefore, the disputed service is reviewed pursuant to the applicable rules and guidelines.

2. The requestor is seeking reimbursement in the amount of \$103.90 for the drug Gabapentin billed on the disputed date of service April 19, 2023. Because the insurance carrier failed to support its denial reason for the disputed drug, DWC finds that the requestor is entitled to reimbursement.

Furthermore, DWC finds that in accordance with 28 TAC §134.530 (b)(1) and §134.540 (b), the drug in dispute did not require 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, gabapentin, was 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, this drug did not require preauthorization for this reason.

The submitted documentation does not support that the disputed drug was a compound. Therefore, the drug did not require preauthorization for this reason.

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

DWC finds that 28 TAC §134.503(c) applies to the reimbursement of 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: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount;
- (B) Brand name drugs: ((AWP per unit) x (number of units) x 1.09) + \$4.00 dispensing fee per prescription = reimbursement amount; ..."

2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:

- (A) health care provider; or
- (B) pharmacy processing agent..."

The following calculation finds the MAR for the disputed drug Gabapentin 300mg x 60 units dispensed on April 19, 2023:

Date of Service (DOS)	Drug	NDC	# Units Billed	Price/ Unit	Generic (G)	AWP Formula	Lesser of AWP and Billed = MAR
April 19, 2023	Gabapentin 300mg cap	50228018010	60	1.33200	G	\$103.90	\$103.90
MAR							\$103.90

DWC finds the MAR is \$103.90, as shown in the calculations above, therefore 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 in the amount of \$103.90 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 TrustRx \$103.90 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

December 7, 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.