

SOAH DOCKET NO. 454-15-3669.M4-NP

____,	§	<b>BEFORE THE STATE OFFICE</b>
	§	
<i>Carrier</i>	§	<b>OF</b>
v.	§	
	§	<b>ADMINISTRATIVE HEARINGS</b>
<b>COMPLIANCE TOXICOLOGY, LLC,</b>	§	
	§	
<i>Respondent</i>	§	
	§	

**DECISION AND ORDER**

\_\_\_\_ (Carrier) sought a contested case hearing regarding a Medical Fee Dispute Decision (the MFD Decision) issued by the Texas Department of Insurance, Division of Workers’ Compensation (Division). The MFD Decision ordered Carrier to reimburse Compliance Toxicology, LLC (Provider) \$1,116.61 for services provided to an injured worker. The Administrative Law Judge (ALJ) concludes that the MFD Decision is correct and that Carrier owes Provider \$1,116.61, plus any applicable interest, for services provided to an injured worker.

**I. PROCEDURAL HISTORY, NOTICE, AND PROCEDURAL HISTORY**

There are no issues of notice or jurisdiction in this proceeding. Therefore, these matters are addressed in the Findings of Fact and Conclusions of Law without further discussion here.

After Carrier denied Provider’s claim for reimbursement for the services in question, Provider filed a request for medical fee dispute resolution with the Division. On February 26, 2015, the Division issued the MFD Decision, in which it determined that Carrier failed to follow the proper administrative process in handling this medical fee dispute. As a result, the MFD Decision also determined that Carrier owed Provider a total of \$1,116.61 for the services in dispute. On April 9, 2015, Carrier requested a hearing at the State Office of Administrative Hearings (SOAH) to contest the MFD Decision. On September 30, 2015, the Division issued a Notice of Hearing.

The hearing on the merits convened before ALJ Casey A. Bell on October 26, 2015, at SOAH’s facilities in Austin, Texas. The record closed the same day. Carrier was represented by its assistant general counsel, J. Red Tripp. Provider appeared by telephone through David M. Dale and Brenda Stein.

## II. APPLICABLE LAW

As the party seeking relief from the MFD Decision, Carrier had the burden of proof.<sup>1</sup> A review of the medical necessity of a health care service requiring preauthorization under Section 413.014 of the Texas Labor Code and the Division's rules is conducted by an Independent Review Organization (IRO),<sup>2</sup> and that decision may be reviewed in a contested case hearing conducted by the Division.<sup>3</sup> On the other hand, unresolved disputes "over the payment due for services determined to be medically necessary and appropriate for treatment of a compensable injury" may be resolved by a contested case hearing at SOAH.<sup>4</sup>

## III. ANALYSIS

Provider sought reimbursement from Carrier for the cost of a urine drug test. Carrier denied the claim for reimbursement based on an absence of precertification/preauthorization, and noted that the documentation attached did not support the necessity for monthly urine drug screening.<sup>5</sup> Carrier argues that the urine drug screen at issue fell outside the requirements of the Official Disability Guidelines (ODG) and therefore required preauthorization. Provider argues that the MFD Decision was correct and appropriate.

Carrier's argument relies upon an analysis of whether the urine drug screen was appropriate given the injured worker's specific medical condition. The ODG recommends urine drug testing under certain circumstances, to be determined by the treating physician. By arguing that the urine drug test required preauthorization because the injured worker did not meet the ODG criteria, Carrier necessarily takes the position that the injured worker's condition did not call for the test. Whether or not the injured worker's medical condition met, or failed to meet, the ODG criteria for the urine drug test is a medical necessity issue.

As there is no evidence of either a pending or resolved medical necessity determination in accordance with the Texas Labor Code's requirements, the ALJ concludes that the MFD Decision was correct with regard to the preauthorization dispute. Further, because neither party contested the reimbursement amount ordered, the ALJ finds that the reimbursement amount due to Provider as set forth in the MFD Decision should be paid by Carrier, together with any applicable interest.

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<sup>1</sup> 28 Tex. Admin. Code § 148.14(b).

<sup>2</sup> Tex. Labor Code § 413.031(d-e).

<sup>3</sup> Tex. Labor Code § 413.0311.

<sup>4</sup> Tex. Labor Code §§ 413.031(c), .0312(a), (e).

<sup>5</sup> Carrier Ex. 3 at Bates 19. It is undisputed that Provider did not seek or obtain preauthorization.

#### IV. FINDINGS OF FACT

1. The injured worker suffered a compensable back injury on \_\_\_\_\_.
2. Compliance Toxicology, LLC (Provider), performed urine drug testing for the injured worker without obtaining preauthorization from \_\_\_\_ (Carrier), which provided worker's compensation insurance coverage for the injured worker.
3. Carrier denied Provider's claim for reimbursement for the cost of the urine drug test based on an absence of preauthorization, and noted that the documentation attached to Provider's claim did not support the necessity for monthly urine drug screening.
4. After Carrier denied Provider's claim for reimbursement for the urine drug test, Provider filed a request for medical fee dispute resolution with the Texas Department of Insurance, Division of Workers' Compensation (Division).
5. Provider also requested from Carrier a retrospective review of the reasonableness and necessity of the urine drug test for the injured worker.
6. Carrier did not conduct a retrospective review of the reasonableness and necessity of the urine drug test.
7. On February 26, 2015, the Division issued its Medical Fee Dispute Resolution Findings and Decision (the MFD Decision), in which it determined that Carrier failed to follow proper administrative process in handling this medical fee dispute, and that Provider should be reimbursed by Carrier a total of \$1,116.61 for the urine drug test.
8. Carrier timely requested a hearing at the State Office of Administrative Hearings (SOAH) to contest the MFD Decision.
9. Neither Carrier nor Provider contested the MFD Decision's calculation of the reimbursement amount Carrier owed to Provider.
10. On September 30, 2015, the Division issued a Notice of Hearing. The notice informed the parties of the date, time, and location of the hearing; the matters to be considered; the legal authority under which the hearing would be held; and the statutes and rules applicable to the matters to be considered.
11. The hearing was held October 26, 2015, before Administrative Law Judge Casey A. Bell, at the SOAH offices located in Austin, Texas. Carrier appeared and was represented by its assistant general counsel, J. Red Tripp. Provider appeared by telephone through David M. Dale and Brenda Stein. The record closed that same day.

**V. CONCLUSIONS OF LAW**

1. SOAH has jurisdiction over this proceeding, including the authority to issue a decision and order, pursuant to Texas Labor Code § 413.0312 and Texas Government Code chapter 2003.
2. Adequate and timely notice of the hearing was provided in accordance with Texas Government Code §§ 2001.051 and 2001.052.
3. Carrier had the burden of proof in this proceeding. 28 Tex. Admin. Code § 148.14(b).
4. Carrier failed to follow the appropriate administrative process to support its claim that the urine drug test was medically unreasonable or unnecessary.
5. Provider is entitled to reimbursement by Carrier of \$1,116.61, plus any applicable interest.

**ORDER**

**THEREFORE, IT IS ORDERED THAT** \_\_\_\_ is required to pay the sum of \$1,116.61, plus any applicable interest, to Compliance Toxicology, LLC as compensation for the services at issue in this case.

**NON-PREVAILING PARTY DETERMINATION**

Texas Labor Code § 413.0312(g) and 28 Texas Administrative Code § 133.307(h) require the non-prevailing party to reimburse the Division for the cost of services provided by SOAH. Texas Labor Code § 413.0312(i) requires SOAH to identify the non-prevailing party and any costs for services provided by SOAH in its final decision. For purposes of Texas Labor Code § 413.0312, \_\_\_\_ is the non-prevailing party. The costs associated with this decision are set forth in Attachment A to this Decision and Order and are incorporated herein for all purposes.

**SIGNED December 23, 2015.**



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**CASEY A. BELL**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**