



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Memorial Compounding Pharmacy

Respondent Name

New Hampshire Insurance Company

MFDR Tracking Number

M4-17-0598-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

November 3, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Memorial Compounding Pharmacy has made numerous attempts to have the attached bills processed. Broadspire has yet to approve or deny our bills. Broadspire has not sent Memorial Compounding Pharmacy any type of correspondence, EOB, or payments on any of the attached bills."

Amount in Dispute: \$1,827.99

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The bills have been denied due to no authorization."

Response Submitted by: Broadspire

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 26 – March 31, 2016	Pharmacy Services - Compounds	\$1,827.99	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
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- 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
- 28 Texas Administrative Code §134.530 sets out the closed formulary requirements for claims not subject to certified networks.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 39 – Denied – Medication Not Authorized

Issues

1. What are the services in dispute?
2. Is New Hampshire Insurance Company’s denial of payment for the disputed compounds supported?
3. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the disputed compounds?

Findings

1. Memorial is seeking reimbursement of \$1,827. 99 for billed Baclofen 100% bulk powder, 60 gm, dispensed on January 26, 2016; March 16, 2016; and March 31, 2016. The documentation submitted by Memorial with the Medical Fee Dispute Request supports that the billed charges are for a compound that includes a compounding fee and the following ingredients:

Ingredients	NDC #	Amount	GMS/ML
Baclofen	38779038809	\$184.68	5.40
Amantadine HCl	38779041105	\$38.46	3.00
Gabapentin USP	38779246109	\$188.10	3.60
Bupivacaine HCl	38779052405	\$48.02	1.20
Amitriptyline HCl	38779018904	\$31.63	1.80
Ethoxy Diglycol	38779190301	\$1.44	4.20
Versapro Cream	38779252903	\$102.00	40.80

These are the services reviewed in this dispute.

2. New Hampshire Insurance Company denied the disputed compounds with claim adjustment reason code 39 – “Denied – Medication Not Authorized.”

28 Texas Administrative Code §134.530(b)(2) states that preauthorization is **only** required for:

- drugs identified with a status of “N” in the current edition of the *ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary*, and any updates;
- any compound that contains a drug identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary*, and any updates; and
- any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

The division finds that Baclofen does not have a status of “N” in the in the current edition of the ODG, *Appendix A*. The compounds reviewed do not include a drug identified with a status of “N” in the current edition of the ODG, *Appendix A*. New Hampshire Insurance Company failed to articulate any arguments to support its denial for preauthorization. Therefore, the division concludes that the compounds in question did not require preauthorization and New Hampshire Insurance Company’s denial of payment for this reason is not supported. Therefore, the disputed compounds will be reviewed for reimbursement.

3. 28 Texas Administrative Code §134.502(d)(2) requires that compound drugs “be billed by listing each drug included in the compound and calculating the charge for each drug separately.” The division finds that the submitted documentation supports that the disputed compound drugs included ingredients Baclofen, 5.8 gm; Amantadine HCl, 3.0 gm; Gabapentin USP, 3.6 gm; Bupivacaine HCl, 1.2 gm; Amitriptyline HCl, 1.8 gm; Ethoxy Diglycol, 4.2 ml; and Versapro Cream, 40.8 gm. Memorial did not bill the compound drugs dispensed on January 26, 2016; March 16, 2016; and March 31, 2016, by listing each drug included in the compound in accordance with 28 Texas Administrative Code §134.502(d)(2). Therefore, the disputed compounds are not eligible for reimbursement.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature



Signature

Laurie Garnes
Medical Fee Dispute Resolution Officer

December 14, 2017
Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with Rule §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (form DWC045M)** in accordance with the instructions on the form. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.