



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

American Zurich Insurance Company

MFDR Tracking Number

M4-18-0852-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

November 30, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The carrier has received the attached bill and has not processed according to Texas Labor Code 408.027."

Amount in Dispute: \$555.68

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "This bill has been paid, plus interest."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

| Dates of Service | Disputed Services | Amount In Dispute | Amount Due |
|------------------|---------------------|-------------------|------------|
| July 27, 2017 | Compound Medication | \$555.68 | \$263.47 |

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 (DWC).

Background

1. 28 Texas Administrative Code §133.240 sets out the procedures for payment or denial of medical bills.
2. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.

Issues

1. Did the insurance carrier take final action on the bill for the service in question prior to the request for medical fee dispute resolution (MFDR)?
2. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the drugs in question?

Findings

Memorial is seeking reimbursement for a compound medication dispensed on July 27, 2017. The compound in question consisted of the following ingredients:

| Ingredient | Billed Amount |
|-------------------|---------------|
| Baclofen | \$190.78 |
| Amantadine HCl | \$72.69 |
| Gabapentin USP | \$204.66 |
| Bupivacaine HCl | \$54.72 |
| Amitriptyline HCl | \$32.83 |

The insurance carrier submitted documentation showing that it paid the ingredients Gabapentin, Bupivacaine, and Amitriptyline in full after notification of the MFDR request. No evidence was submitted that shows reimbursement for Baclofen or Amantadine. These ingredients will be reviewed in this dispute.

1. Memorial argued that bills for the compound in question were submitted to the insurance carrier by certified mail on August 4, 2017, and October 3, 2017.

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.¹

The greater weight of evidence presented to the DWC supports that a complete bill for the ingredients in question was received by the insurance carrier or its agent. No evidence was provided to support that the insurance carrier took final action on the bill for the ingredients in question.

2. Because the insurance carrier failed to sufficiently support a denial of reimbursement or that the bill had been paid, Memorial is entitled to reimbursement.

The compound in dispute was billed by listing each drug included in the compound and calculating the charge for each drug separately. Each ingredient is listed below with its reimbursement amount. The calculation of the total allowable amount for the unpaid ingredients is as follows:

| Drug | NDC | Generic(G) /Brand(B) | Price /Unit | Units Billed | AWP Formula | Billed Amt | Lesser of AWP and Billed |
|------------|-------------|-------------------------|----------------|-----------------|----------------|------------|-----------------------------|
| Baclofen | 38779038809 | G | \$35.63 | 5.4 | \$240.50 | \$190.78 | \$190.78 |
| Amantadine | 38779041105 | G | \$24.23 | 3 | \$90.84 | \$72.69 | \$72.69 |
| | | | | | | Total | \$263.47 |

The total reimbursement is therefore \$263.47. This amount is recommended.

Conclusion

The outcome of this medical fee dispute relied upon the evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence may not have been discussed, it was considered. For the reasons stated above, the DWC finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$263.47.

¹ 28 Texas Administrative Code §133.240(a)

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the DWC has determined the requestor is entitled to additional reimbursement for the disputed services. The DWC hereby ORDERS the respondent to remit to the requestor \$263.47, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

| | | |
|-----------|--|--------------------|
| _____ | Laurie Garnes | September 27, 2019 |
| 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 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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the DWC 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.