



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 Co

MFDR Tracking Number

M4-18-3499-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 21, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The above claimant received medication and the carrier still has not acknowledged receipt of service. The original bill was submitted and received to carrier on 09/22/2017."

Amount in Dispute: \$429.96

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The bill was received on 9/27/2017, reviewed on 11/1/2017 and processed on 11/8/2017. There was not any recommended allowance because of "unnecessary medical treatment and or service per peer review documentation attached."

Response Submitted by: AIG

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 15,2017	Pharmacy Services - Compounds	\$429.96	\$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

1. 28 Texas Administrative Code §133.240 sets out the general medical provisions for medical payments and denials.
2. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
4. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
5. 28 Texas Administrative Code §134.530 sets out the closed formulary requirements for claims not subject to certified networks.

6. 28 Texas Administrative Code §19.2009 sets out the notice of determinations made in utilization review.
7. 28 Texas Administrative Code §19.2010 sets out the requirements prior to issuing adverse determination.
8. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 1 – Unnecessary medical treatment and or service per review documentation attached

Issues

1. Is New Hampshire Insurance Co's reason for denial of payment supported?
2. Is Memorial Compounding Pharmacy (Memorial) eligible for reimbursement of the disputed services?

Findings

1. Memorial is seeking reimbursement for Baclofen dispensed on September 15, 2017.

New Hampshire Insurance Co denied the disputed drugs with claim adjustment reason code 1 – “Unnecessary medical treatment and or service per peer review documentation attached.”

28 Texas Administrative Code §133.305(b) requires that “If a dispute regarding...medical necessity exists for the same service for which there is a medical fee dispute, the disputes regarding...medical necessity shall be resolved prior to the submission of a medical fee dispute for the same services in accordance with Labor Code §413.031 and §408.021.”

28 Texas Administrative Code §133.240(q) states that the insurance carrier is required to comply with 28 Texas Administrative Codes §19.2009 and 19.2010 when denying payment based on an adverse determination.

Review of the submitted documentation finds that AIG submitted a document dated April 12, 2017, as support for a utilization review of the disputed compound. The division concludes that the submitted documentation does not support that New Hampshire Insurance Co performed a utilization review as this document does not contain the elements of a utilization review required by 28 Texas Administrative Code §19.2009.

New Hampshire Insurance Co's denial reason is therefore not sufficiently supported. The disputed Baclofen will consequently be reviewed per applicable guidelines.

2. Documentation presented to the division by Memorial indicates that the billed charges constitute a compound drug. 28 Texas Administrative Code §134.502(d)(2) requires compounds to “be billed by listing each drug included in the compound and calculating the charge for each drug separately.”

The submitted documentation does not support that Memorial listed each drug in the disputed compound, calculating the charge for each drug separately. Therefore, the division concludes that Memorial is not eligible for reimbursement of the compound in question.

Conclusion

The outcome of each independent medical fee dispute relies upon the relevant evidence presented by the requestor and the respondent at the time of adjudication. Though all the evidence in this dispute may not have been discussed, it was considered.

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

Medical Fee Dispute Resolution Officer

8/2/2018

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.