



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

Texas Mutual Insurance Company

MFDR Tracking Number

M4-18-3839-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

June 7, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Bill for date of service (10/14/2017) was processed and paid incorrectly."

Amount in Dispute: \$566.53

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Compound powders typically require an agent such as ethoxy diglycol to deliver the compound medication to the skin surface for absorption. Texas Mutual declined to issue payment absent billing for such an agent as required by Rule 134.502."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

| Dates of Service | Disputed Services | Amount In Dispute | Amount Due |
|------------------|---------------------|-------------------|------------|
| October 14, 2017 | Compound Medication | \$566.53 | \$566.53 |

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.
- 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
- 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - CAC-P12 – Workers' compensation jurisdictional fee schedule adjustment.
 - CAC-193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

- 872 – Rule 134.502 requires compound drugs be billed by listing each drug included and calculating the charge for each drug separately.
- 891 – No additional payment after reconsideration.

Issues

Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the compound in dispute?

Findings

Memorial is seeking reimbursement for a compound dispensed on October 14, 2017. The Texas Department of Insurance, Division of Workers’ Compensation (DWC) finds that the compound in dispute was billed by listing each **drug** included in the compound and calculating the charge for each drug separately.¹ Each ingredient is listed below with its reimbursement amount in accordance with the fee guidelines.² The calculation of the total allowable amount is as follows:

| Drug | NDC | Generic(G) /Brand(B) | Price /Unit | Units Billed | AWP Formula | Billed Amt | Lesser of AWP and Billed |
|-----------------|-------------|----------------------|-------------|--------------|-------------|--------------|--------------------------|
| Meloxicam | 38779274601 | G | \$194.67 | 0.18 | \$43.80 | \$35.04 | \$35.04 |
| Flurbiprofen | 38779036209 | G | \$36.58 | 4.8 | \$219.48 | \$175.58 | \$175.58 |
| Tramadol | 38779237409 | G | \$36.30 | 6 | \$272.25 | \$217.80 | \$217.80 |
| Cyclobenzaprine | 38779039509 | G | \$46.33 | 1.8 | \$104.25 | \$83.39 | \$83.39 |
| Bupivacaine | 38779052405 | G | \$45.60 | 1.2 | \$68.40 | \$54.72 | \$54.72 |
| | | | | | | Total | \$566.53 |

The total allowable reimbursement is \$566.53. This amount is recommended.

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. For the reasons stated above, the Texas Department of Insurance, Division of Workers’ Compensation (DWC) finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$566.53.

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 \$566.53, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

Signature

Laurie Garnes

Medical Fee Dispute Resolution Officer

October 30, 2018

Date

¹ 28 Texas Administrative Code §134.502(d)(2)

² 28 Texas Administrative Code §134.503(c)

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.