



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

Trumbull Insurance Company

MFDR Tracking Number

M4-18-4092-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

June 25, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "As of today we still haven't received this check or a proper explanation of denial."

Amount in Dispute: \$566.53

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Drug review request for compound rx. Info request letter sent to prescribing MD ... Despite given 48 hours no response was received from Dr. Parameswaran's office."

Response Submitted by: The Hartford

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 26, 2017	Pharmaceutical Compound	\$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 §133.240 sets out the requirements for payment, reduction, or denial of medical bills.
- 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:
 - 85 – Claim not processed

- P4 – Workers’ compensation claim adjudicated as non-compensable. This Payer not liable for claim or service/treatment.

Issues

1. Is this dispute subject to dismissal based on compensability?
2. Did the insurance carrier raise a new defense in its position statement?
3. Is Memorial Compounding Pharmacy (Memorial) eligible for reimbursement for the disputed compound?

Findings

1. Memorial is seeking reimbursement for a compound dispensed on October 26, 2017. Per submitted explanation of benefits dated November 13, 2017, the pharmacy bill was originally received by the insurance carrier on or before this date.

Explanation of Benefits dated March 27, 2018, submitted by The Hartford on behalf of Trumbull denied the compound based on compensability. This date is more than 45 days after the date the original complete bill was received.¹

The insurance carrier has the obligation to dispute whether a treatment was compensable within 45 days after receiving a complete medical bill.² The Texas Department of Insurance, Division of Workers’ Compensation (DWC) notes that Trumbull failed to present a denial for compensability within 45 days from the date it received the complete pharmacy bill. Therefore, the DWC finds that this dispute is not subject to dismissal based on this denial reason.

2. In its position statement, The Hartford argued that it requested and failed to receive additional information regarding the billed compound in dispute.

The insurance carrier may only address denial reasons raised before the request for medical fee dispute resolution (MFDR) was requested. Any other issues raised in the response will not be considered.³

The documents submitted to the DWC do not show that Trumbull gave denial reasons related to a lack of required information to Memorial before the date the request for MFDR was filed.⁴ The DWC concludes that these arguments in The Hartford’s position statement will not be considered for review because they are new defenses.

3. Because Trumbull failed to support its denial of reimbursement, Memorial is entitled to reimbursement in accordance with applicable rules and laws.

The compound in dispute was billed by listing each drug included in the compound and calculating the charge for each drug separately.⁵ Each ingredient is listed below with its reimbursement amount.⁶ The calculation of the total allowable amount is as follows:

¹ 28 Texas Administrative Code §133.240(a)

² “A carrier has up to forty-five days from the date it receives a complete medical bill to dispute whether that treatment was necessary.” State Office of Risk Management v. Lawton, 295 S.W.3d 646 (Tex. 2009), <https://caselaw.findlaw.com/tx-supreme-court/1388209.html>

³ 28 Texas Administrative Code §133.307(d)(2)(F)

⁴ 28 Texas Administrative Code §133.240 explains how the insurance carrier is required to introduce denials and payment reductions to the requestor.

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

⁶ 28 Texas Administrative Code §134.503(c)

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 for the compound in dispute is \$566.53. This amount is recommended.

Conclusion

For the reasons stated above, the Division 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 division has determined the requestor is entitled to additional reimbursement for the disputed services. The division 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

	Laurie Garnes	September 24, 2018
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 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.