

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

New Hampshire Insurance Co.

MFDR Tracking Number

M4-18-4504

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 27, 2018

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
December 11, 2017	Pharmaceutical Compound	\$555.68	\$555.68

Requestor's Position

These medications do not require preauthorization therefore do not need a retrospective review.

Amount in Dispute: \$555.68

Respondent's Position

The Carrier has denied reimbursement at the purported prescribing doctor is not the injured workers' treating doctor, and there is no documentation that Dr. Nash was authorized to prescribe any medication for this patient ... The Requestor did not request and receive preauthorization for this investigational or experimental compound formulation.

Response Submitted by: Flahive, Ogden & Latson

Findings and Decision

Authority

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

Statutes and Rules

1. 28 Texas Administrative Code §133.240 sets out the procedures for payment and denial of medical bills.
2. 28 TAC §133.305 sets out the procedures for resolving medical disputes.
3. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
4. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
5. 28 TAC, Chapter 19 sets out the requirements for utilization review.

Denial Reasons

The insurance carrier denied the payment for the disputed services with the following claim adjustment codes:

- 109 – Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.
- 50 – These are non-covered services because this is not deemed a 'medical necessity' by the payer.

Issues

1. Did New Hampshire Insurance Co. raise a new defense in its response?
2. Is this dispute subject to dismissal based on medical necessity?
3. Did New Hampshire Insurance Co. maintain its denial based on liability supported?
4. Is Memorial Compounding Rx (Memorial) entitled to additional reimbursement?

Findings

1. Memorial is seeking reimbursement for a compound dispensed December 11, 2017.

In its position statement, Flahive, Ogden & Latson, on behalf of New Hampshire Insurance Co., argued that there was "no documentation that Dr. Nash was authorized to prescribe any medication for this patient." The insurance carrier also stated that "the Requestor did not request and receive preauthorization for this investigational or experimental compound formulation."

The response from the insurance carrier is required by 28 TAC §133.307(d)(2)(F) to address only the denial reasons presented to the health care provider before to the request for medical fee dispute resolution (MFDR) was filed with DWC. Any new denial reasons or defenses raised shall not be considered in this review.

The submitted documentation does not support that denials based on authorization of the prescribing doctor or preauthorization were provided to Memorial before this request for MFDR was filed. Therefore, DWC will not consider these arguments in the current dispute review.

2. Per explanation of benefits dated January 10, 2018, the insurance carrier denied the disputed compound based on medical necessity.

According to 28 TAC §133.305(b), medical necessity disputes must be resolved prior to submission of a medical fee dispute. 28 TAC §133.240(q) requires the insurance carrier to perform a utilization review before a denial based on medical necessity, including giving the health care provider – in this case, Memorial – an opportunity to discuss the treatment in question.

When responding to a medical fee dispute, 28 TAC §133.307(d)(2)(I) requires the respondent to submit documentation that supports a denial based on lack of medical necessity. New Hampshire Insurance Co. provided no evidence to support that it performed a utilization review of the compound in question to determine medical necessity in accordance with 28 TAC §§134.240 and 19.2009.

This denial reason is not supported. Therefore, this dispute is not subject to dismissal based on medical necessity.

3. Per explanation of benefits dated January 2, 2018, the insurance carrier also denied payment based on liability, stating, "Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor."

DWC finds that the insurance carrier did not maintain this denial on subsequent explanations of benefits or in its position statement. Therefore, this denial reason will not be reviewed.

4. Because New Hampshire Insurance Co. failed to support its denial reason for the service in this dispute, DWC finds that 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 per 28 TAC §134.503(c). Each ingredient is listed below with its reimbursement amount. 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
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
Gabapentin	38779246109	G	\$59.85	3.6	\$269.33	\$204.66	\$204.66
Bupivacaine	38779052405	G	\$45.60	1.2	\$68.40	\$54.72	\$54.72
Amitriptyline	38779018904	G	\$18.24	1.8	\$41.04	\$32.83	\$32.83
						Total	\$555.68

The total allowable reimbursement is \$555.68. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement of \$555.68 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that New Hampshire Insurance Co. must remit to Memorial Compounding Rx \$555.68 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

August 12, 2022

Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** with any other required

information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.