



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

EZ SCRIPTS LLC

Respondent Name

AMERICAN ZURICH INSURANCE CO

MFDR Tracking Number

M4-21-0844-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

January 28, 2021

REQUESTOR'S POSITION SUMMARY

"The denial states that the medication, Naproxen, was denied due to a lack of prior authorization. At the time of filing, this medication was an approved drug on the Texas Drug Formulary and did not require prior authorization."

Amount in Dispute: \$61.60

RESPONDENT'S POSITION SUMMARY

"We are attaching a copy of the carrier's EOB dated April 30, 2020 and information including a lack of documentation. We are also attaching a copy of an EOB dated June 9, 2020, ... which indicates that the payment for the claim may have been provided in a previous payment. It is the carrier's position that the provider is not entitled to any reimbursement for the Naproxen filled on March 24, 2020."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 24, 2020	Naproxen Oral Tablet 500 mg	\$61.60	\$61.34

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 §133.210 sets out the documentation requirements for 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.
4. 28 Texas Administrative Code §134.530 sets out the preauthorization requirements for pharmaceutical services.

5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - HE75 – Prior Authorization required to process this bill.
 - B13 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
 - 60 – The provider has billed for the exact services on a previous bill.

Issues

1. Did American Zurich Insurance Company raise a new defense in its response?
2. Is American Zurich Insurance Company's denial of payment based on preauthorization supported?
3. Is EZ Scripts, LLC entitled to reimbursement for the drug in question?

Findings

1. EZ Scripts, LLC is seeking reimbursement for Naproxen oral tablets dispensed on March 24, 2020. In its position statement, Flahive, Ogden & Latson, on behalf of the insurance carrier, argued that payment was denied, in part, based on "lack of documentation."

The response from the insurance carrier is required 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 the DWC. Any new denial reasons or defenses raised shall not be considered in this review.¹

The submitted documentation does not support that a denial based on documentation was provided to EZ Scripts, LLC before this request for MFDR was filed. Therefore, the DWC will not consider this argument in the current dispute review.

2. American Zurich Insurance Company denied the drug in question based on lack of preauthorization. Preauthorization is only required for:

- drugs identified with a status of "N" in the current edition of the ODG, Appendix A²;
- any compound prescribed before July 1, 2018 that contains a drug identified with a status of "N" in the current edition of the ODG Appendix A;
- any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
- any investigational or experimental drug.³

Review of the ODG, Appendix A finds that the drug in question is not identified with a status of "N" in the current edition of the ODG, Appendix A.

The determination of a service's investigational or experimental nature is determined on a case-by-case basis through utilization review.⁴ American Zurich Insurance Company provided no argument or evidence that the it engaged in a prospective or retrospective utilization review to establish that the specific drug considered in this review is investigational or experimental.

The DWC finds that the insurance carrier failed to support that the drug in question required preauthorization.

3. Because American Zurich Insurance Company failed to support its denial reason for the service in this dispute, the DWC finds that EZ Scripts, LLC is entitled to reimbursement.

The reimbursement considered in this dispute is calculated as follows⁵:

- Naproxen oral tablets 500 mg: $(1.14678 \times 40 \times 1.25) + \$4.00 = \$61.34$

The total allowable reimbursement is \$61.34. This amount is recommended.

¹ 28 TAC §133.307 (d)(2)(F)

² *ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary*

³ 28 TAC §134.530(b)(1) and §134.540(b)

⁴ Texas Insurance Code §19.2005(b)

⁵ 28 TAC §134.503 (c)

Conclusion

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 \$61.34.

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 \$61.34, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	March 29, 2021 Date
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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.