

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts, LLC

Respondent Name

Merged-Connecticut Indemnity Co. into Arrowood

MFDR Tracking Number

M4-23-0446-01

Carrier's Austin Representative

Box Number 10

DWC Date Received

October 18, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 24, 2022	NPC 50228046601	\$113.40	\$0.00
	NPC 00406048401	\$387.60	\$0.00
June 30, 2022	NPC 50228046601	\$113.40	\$0.00
	NPC 00527133705	\$387.60	\$0.00
	NPC 00406048401	\$42.50	\$42.38
August 17, 2022	NPC 00527133705	\$578.70	\$0.00
	NPC 00406048401	\$42.50	\$0.00
Total		\$1,665.70	\$42.38

Requestor's Position

- Per UR Review Nabumetone, Baclofen, and Acetaminophen Codeine were denied by UR as not medically necessary.
- Adjuster has refused to provide documentation in support of this to our offices and redirects us to the provider who have no supporting documentation of this determination.
- Bill review has been unable to assist they are not able to resubmit the bills as reconsiderations.

Amount in Dispute: \$1,665.70

Respondent's Position

Please find enclosed a copy of the Arbicare utilization review (u/r) dated 7-21-2022 providing a not medically necessary or appropriate outcome for acetaminophen-codeine #3 tablet 300-30mg, 50/30.

Please also find enclosed a copy of the Prium utilization review (u/r) dated 3-31-2014 providing an adverse determination for Baclofen 20 mg and Nabumetome 750 mg.

Response Submitted by: Arrowpoint Capital

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 §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
3. 28 TAC §§134.530 and 134.540 set out the preauthorization requirements for pharmaceutical services.

Denial Reasons

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

- 90 – Ingredient cost adjustment.
- 39 – Services denied at the time authorization/pre-certification was requested.
- Denied by Utilization Review

Issues

1. What is the basis for this dispute?
2. Is the insurance carrier's denial based on preauthorization supported?
3. Is EZ Scripts, LLC entitled to additional reimbursement for the drugs in question?

Findings

1. Per the submitted DWC060 requesting medical fee dispute resolution, EZ Scripts, LLC is seeking reimbursement for the following:

Date of Service	NDC Number	Defined As
May 24, 2022	50228046601	Nabumetone Oral Tab 750 mg
May 24, 2022	00406048401	Acetaminophen/Codeine 300-30
June 30, 2022	50228046601	Nabumetone Oral Tab 750 mg
June 30, 2022	00527133705	Baclofen Oral Tab 20 mg
June 30, 2022	00406048401	Acetaminophen/Codeine 300-30
August 17, 2022	00527133705	Baclofen Oral Tab 20 mg
August 17, 2022	00406048401	Acetaminophen/Codeine 300-30

The following explanations of benefits (EOB) were provided for review:

- a. EOB dated September 6, 2022, for NDC 50228046601, date of service May 24, 2022, denying payment stating, "Denied by utilization review (UR)."
- b. EOB dated September 7, 2022, for NDC 00406048401, date of service May 24, 2022, indicating payment of the full billed amount of \$42.38.
- c. EOB dated June 15, 2022, for NDC 50228046601, date of service June 30, 2022, denying payment stating, "Services denied at the time authorization/pre-certification was requested."
- d. EOB dated June 15, 2022, for NDC 00527133705, date of service June 30, 2022, denying payment stating, "Services denied at the time authorization/pre-certification was requested."
- e. EOB dated July 15, 2022, for NDC 00406048401, date of service June 30, 2022, denying payment stating, "Services denied at the time authorization/pre-certification was requested."
- f. EOB dated September 2, 2022, for NDC 00527133705, date of service August 17, 2022, denying payment stating, "Denied by utilization review (UR)."
- g. EOB dated September 2, 2022, for NDC 00406048401, date of service August 17, 2022, denying payment stating, "Denied by utilization review (UR)."

Because NDC 00406048401 Acetaminophen/Codeine 300-30 dispensed on date of service May 24, 2022, was paid in full, this drug will not be considered for reimbursement in this dispute. All other drugs as listed above will be the basis of this dispute.

2. The insurance carrier argued that it had denied the services in question based on preauthorization. Per 28 TAC §134.530 (b)(1) and §134.540 (b), preauthorization is only required for:
 - drugs identified with a status of "N" in the current edition of the ODG Appendix A;
 - 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.

DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are a compound. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.

The insurance carrier provided two documents to support its argument:

- a. Retrospective review dated March 31, 2014, recommending adverse determination for Baclofen 20 mg and Nabumetone 750 mg.
- b. Prospective review dated July 21, 2022, recommending adverse determination for "acetaminophen-codeine #3 tablet 300-30 mg."

Per 28 TAC §134.600 (o),

- (5) The requestor or injured employee may appeal the denial of a reconsideration request regarding an adverse determination by filing a dispute in accordance with Labor Code §413.031 and related division rules.
- (6) A request for preauthorization for the same health care shall only be resubmitted when the requestor provides objective clinical documentation to support a substantial change in the injured employee's medical condition or that demonstrates that the injured employee has met clinical prerequisites for the requested health care that had not been previously met before submission of the previous request.

No evidence was provided to support that an appeal of the retrospective review adverse determination had been appealed or that a new preauthorization request was submitted based on a change in the injured employee's medical condition meeting clinical prerequisites. Therefore, based on the retrospective review dated March 31, 2014, the insurance carrier's denial of payment for the following is supported:

- (a) NDC 50228046601, Nabumetone Oral Tab 750 mg, date of service May 24, 2022,
- (b) NDC 50228046601, Nabumetone Oral Tab 750 mg, date of service June 30, 2022,
- (c) NDC 00527133705, Baclofen Oral Tab 20 mg, date of service June 30, 2022, and
- (d) NDC 00527133705, Baclofen Oral Tab 20 mg, date of service August 17, 2022.

No evidence was submitted to support that an adverse decision through utilization review regarding medical necessity was in effect for NDC 00406048401, Acetaminophen/Codeine 300-30, date of service June 30, 2022. Denial of payment for this drug on this date of service based on preauthorization is not supported.

When preauthorization is not required, 28 TAC §134.600 (r) allows the health care provider and insurance carrier to voluntarily discuss certification of the recommended health care. Per the submitted prospective review dated July 21, 2022, the prescriber submitted a request for utilization review for "Acetaminophen-codeine #3 tablet 300-30 mg, 50/30" on July 18, 2022. On July 21, 2022, the reviewer issued an adverse determination. Therefore, denial of payment for this drug on date of service August 17, 2022, is supported.

3. Because the insurance carrier did not support its denial of payment for NDC 00406048401, Acetaminophen/Codeine 300-30, date of service June 30, 2022, EZ Scripts, LLC is entitled to payment.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503 (c).

- Acetaminophen/Codeine 300-30: $(0.614 \times 50 \times 1.25) + \$4.00 = \$42.38$

The total allowable reimbursement for the drug in question is \$42.38. 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 requestor has established that additional reimbursement of \$42.38 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 Merged-Connecticut Indemnity Co. into Arrowood must remit to EZ Scripts, LLC \$42.38 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

January 9, 2023

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.