



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts LLC

Respondent Name

Great American Alliance Insurance Co.

MFDR Tracking Number

M4-23-2097-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

April 26, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
04/28/2022	Amlodipine NDC: 67877-0199-10	\$93.36	\$93.36
04/28/2022	Omeprazole NDC: 55111-0158-10	\$315.40	\$315.36
04/28/2022	Tizanidine NDC: 55111-0180-10	\$113.88	\$113.88
04/28/2022	Gabapentin NDC: 67877-0223-10	\$453.21	\$453.11
04/28/2022	Duloxetine HCL NDC: 67877-0265-90	\$588.02	\$588.00
04/28/2022	Celecoxib NDC: 33342-0157-15	\$287.88	\$287.88
04/28/2022	Hydrocodone APAP NDC: 00406-0125-01	\$165.32	\$165.32
04/28/2022	Pregabalin NDC: 59762-1354-01	\$952.04	\$952.04
04/28/2022	Senna Time S NDC: 49483-0081-01	\$275.12	\$8.32
04/29/2022	Myrbetriq NDC: 00469-2602-30	\$549.70	\$0.00
04/29/2022	Tadalafil NDC: 27241-0113-03	\$2,709.40	\$2,709.40
04/29/2022	NDC: 00574-0146-01	\$15.90	\$0.00
04/29/2022	Temazepam NDC: 67877-0146-01	\$60.62	\$0.00
Total		\$6,579.85	\$5,686.67

Requestor's Position

"The bills for the medications was denied because 'Pre certification/authorization absent.' The medications listed were on the Texas Drug Formulary as a 'Y' drug and were written by the patients primary Doctor as being necessary for their treatment. These prescriptions did not need an authorization and should not have been denied for payment."

Amount in Dispute: \$6,579.85

Respondent's Position

"The medical bills were submitted but there was insufficient documentation to support any reimbursement for the medications. The provider is not entitled to any payment."

Response Submitted by: Great American Alliance Insurance Co.

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 (MFDR).
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 denied the payment for the disputed services with the following claim adjustment codes:

- 16 – Claim/ service lacks information or has submission/billing errors.
- 270 – No allowance has been recommended for this procedure/service/supply please see special *NOTE* below.
- Note: 270 - Denied: Precertification/authorization absent.

Issues

1. Does submitted documentation support that the drugs in dispute were submitted to the insurance carrier?
2. Is the insurance carrier's denial of payment based on preauthorization supported?
3. Is EZ Scripts LLC entitled to reimbursement?

Findings

1. The requester is seeking reimbursement for multiple drugs dispensed on dates of service April 28 and April 29, 2022.

28 TAC RULE §133.307(c)(2) states in pertinent part, "(2) Health Care Provider or Pharmacy Processing Agent Request. The requestor must send the request to the division in the form and manner prescribed by the division by any mail service, personal delivery, or electronic transmission as described in §102.5 of this title. **The request must include:** ... (J) a copy of all medical bills related to the dispute, as described in §133.10 of this chapter (concerning Required Billing Forms/Formats) or §133.500 (concerning Electronic Formats for Electronic Medical Bill Processing) as originally submitted to the insurance carrier in accordance with this chapter...".

Review of submitted documentation finds no record that a drug with NDC# 00574-0146-01 or with NDC#00469-2602-30 were billed to the insurance carrier on disputed dates of service. Therefore, drug NDC#00574-0146-01 and NDC#00469-2602-30, included on the requester's DWC060 MFDR request form, will not be reviewed.

2. Submitted documentation indicates that the insurance carrier denied all drugs considered in this dispute 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.

The submitted documentation does not support that the disputed drugs were compounds. Therefore, the drugs did not require preauthorization for this reason.

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

Of the drugs in question in this dispute, the only drug that was identified with a status of "N" in the applicable edition of the ODG, *Appendix A* for the date of service reviewed in this dispute, was Temazepam, NDC: 67877-0146-01. Therefore, Temazepam is the only drug in this dispute that required preauthorization. Review of submitted documents finds no evidence of preauthorization for Temazepam on the disputed dates of service.

The division finds that the insurance carrier's denial of payment for the disputed drug Temazepam, NDC: 67877-0146-01, based on preauthorization, on the disputed date of service, is supported.

The division finds that for all drugs in this dispute, other than Temazepam, no preauthorization was required in accordance with 28 TAC §134.530(b)(1) and §134.540(b). The division finds that the denial reason based on preauthorization, is not supported for the drugs listed in this dispute, other than Temazepam.

- Because the insurance carrier failed to support its denial reason for all drugs in this dispute, other than Temazepam, the division finds that EZ Scripts LLC, is entitled to reimbursement.

The division finds that 28 TAC §134.503(c) applies to the reimbursement for the drugs in dispute, which states, "(c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of: (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:

(A) Generic drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount; ..."

Drug Name	NDC	Units Billed	Price/ unit	Generic (G)/ Brand (B)	AWP Formula	Lesser of AWP and Billed = MAR
Amlodipine 30u	67877-0199-10	30	2.38333	G	\$93.37	\$93.36
Omeprazole DR x	55111-0158-10	60	4.15150	G	\$315.36	\$315.36
Tizanidine HCL	55111-0180-10	60	1.46507	G	\$113.88	\$113.88
Gabapentin	67877-0223-10	270	1.33070	G	\$453.11	\$453.11
Duloxetine HCL	67877-0265-90	60	7.78667	G	\$588.00	\$588.00
Celecoxib	33342-0157-15	30	7.57	G	\$287.88	\$287.88
Hydrocodone APAP	00406-0125-01	135	.95640	G	\$165.39	\$165.32
Pregabalin	59762-1354-01	90	8.42744	G	\$952.09	\$952.04
Senna – Time S	49483-0081-01	90	0.03840	G	\$8.32	\$8.32
Tadalafil	27241-0113-03	30	72.144	G	\$2,709.40	\$2,709.40
Total MAR						\$5,686.67

The division finds the maximum allowable reimbursement is \$5,686.67, as shown in calculations above. The insurance carrier paid \$0.00, therefore \$5,686.67 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.

The division finds the requestor has established that additional reimbursement of \$5,686.67 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, the division has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that Great American Alliance Insurance Co., must remit to EZ Scripts, LLC, \$5,686.67 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

June 30, 2023

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 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.