



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts, LLC

Respondent Name

Harlandale ISD

MFDR Tracking Number

M4-23-3272-01

Carrier's Austin Representative

Box Number 29

DWC Date Received

August 23, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
03/01/2023	Celecoxib NDC: 50228-0158-05	\$288.29	\$288.29
03/29/2023	Celecoxib NDC: 50228-0158-05	\$288.29	\$288.29
04/27/2023	Celecoxib NDC: 50228-0158-05	\$288.29	\$288.29
05/31/2023	Celecoxib NDC: 50228-0158-05	\$288.29	\$288.29
06/02/2023	Aloe Vera Gel NDC: 71661-0001-20	\$110.90	\$0.00
06/29/2023	Aloe Vera Gel NDC: 71661-0001-20	\$115.37	\$4.74
Total		\$1,139.43	\$1,139.43

Requestor's Position

"Tristar Risk Management denied payment for Celecoxib 200 MG. The adjuster said the medication was denied due to ODG guidelines but there was no Peer Review on file... Additionally, the carrier only issued a payment of \$4.74 for 24 units of Aloe Vera Gel filled on 06/02/2023. The fee schedule price for this medication is \$115.37. EZ Scripts is asking that the Division of Workers' Compensation order Tristar Risk Management to pay our outstanding balance."

Amount in Dispute: \$1,139.43 (per DWC060)

Respondent's Position

"Tristar disagrees with... EZ Scripts and their Request for Medical Fees in the amount of \$1,139.43 for dates of service from 3/01/2023 -6/29/2023. Tristar denied all the bills because there was no authorization. Tristar Bill Review will only follow the RX Formulary Listing that is on the TDI Website to verify if it requires authorization or not... Regarding the 24 units of Aloe Vera Gel filled on 6/02/2023, the units for the bill that was paid in the amount of \$4.74 was entered as it was shown on the bill, which was 24. Therefore, Tristar paid the bill correctly using these units. This is an over-the-counter medication, and the allowance would be paid the over-the-counter pricing."

Response Submitted by: Dean G. Pappas Law Firm, PLLC

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 \(TAC\) §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 denied the payment for the disputed services with the following claim adjustment codes:

- T197 – Payment denied/reduced for absence of, or exceeded, pre-certification and/or authorization.
- D2 – The charge for the over-the-counter medication exceeds the retail price.

- D3 - The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- P12 - Workers' compensation jurisdictional fee schedule adjustment.

Issues

1. Is the insurance carrier's denial of payment for the drug Celecoxib, based on lack of preauthorization, supported?
2. Is the insurance carrier's reduction of payment for the drug Aloe Vera Gel, based on charge exceeds retail price, supported?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor is seeking reimbursement for the drug Celecoxib dispensed on multiple dates from March 1, 2023, through May 31, 2023.

A review of the submitted documentation indicates that the insurance carrier denied the disputed drugs based on lack of 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 drug in question, Celecoxib, was not identified with a status of "N" in the applicable edition of the ODG, *Appendix A* for the dates of service reviewed in this dispute. Therefore, these drugs did not require preauthorization for this reason.

The submitted documentation does not support that the disputed drug was a compound. Therefore, the drug did not require preauthorization for this reason.

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

DWC finds that the insurance carrier's payment denial of the disputed drug, Celecoxib, based on lack of preauthorization, is not supported for the dates of service in question.

2. The requestor is seeking reimbursement for Aloe Vera Gel rendered on June 29, 2023, and additional reimbursement for Aloe Vera Gel, dispensed on June 2, 2023.

The submitted documentation indicates that the insurance carrier reduced payment for the disputed drug, dispensed on June 2, 2023, based on the charge exceeding the retail price of the over-the-counter drug, reimbursing the requestor \$4.74 for Aloe Vera Gel dispensed on

June 2, 2023. The submitted documentation finds no evidence to support that the requestor was reimbursed in any amount for Aloe Vera Gel dispensed on June 29, 2023.

DWC finds that the drug Aloe Vera gel is an over-the-counter drug. 28 TAC §134.503, which sets the reimbursement guideline for over-the-counter drugs, states in pertinent part, "(d) Reimbursement for nonprescription drugs or over-the-counter medications shall be the retail price of the lowest package quantity reasonably available that will fill the prescription."

DWC finds that the insurance carrier's reimbursement reduction reason for the drug Aloe Vera gel dispensed on June 2, 2023, based on charge exceeds over-the-counter retail price, is supported. Therefore, the requestor is not entitled to additional reimbursement for the disputed drug, Aloe Vera gel, dispensed on June 2, 2023.

Because submitted documentation finds no evidence of reimbursement for Aloe Vera gel dispensed on June 29, 2023, DWC finds that the requestor is entitled to reimbursement consistent with date of service June 2, 2023, in the amount of \$4.74 for Aloe Vera gel dispensed on June 29, 2023.

3. The requestor is seeking reimbursement for Celecoxib #30, in the amount \$288.29, for each date of service dispensed. Because the insurance carrier failed to support its denial reason for the drug Celecoxib, DWC finds that the requestor is entitled to reimbursement for the four disputed dates of service: March 1 and 29 of 2023, April 27, 2023, and May 31, 2023.

The DWC finds that 28 TAC §134.503(c) applies to the reimbursement for the drug 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; ..."

The DWC finds that for the generic drug Celecoxib dispensed on the disputed dates of service: AWP per unit = 7.58136; units dispensed = 30

The maximum allowable reimbursement (MAR) is calculated according to 28 TAC §134.503 (c) using the formula above:

- Celecoxib 200mg: $(7.58136 \text{ AWP} \times 30 \text{ units} \times 1.25) + \$4.00 = \$288.30$ MAR for each date of service dispensed.

Per 28 TAC §134.503(c)(2)(A) and (B), the requestor is entitled to the lesser of the provider's charge and the calculated MAR above. The requestor charged \$288.29 for each date of service that Celecoxib was dispensed. Therefore, the charged amount of \$288.29 for each date of service is recommended, as it is "the lesser of".

Review of submitted documentation finds that the insurance carrier paid \$0.00 for Celecoxib 200mg on the dates of service in dispute. The DWC finds that the total MAR for Celecoxib 200mg, dispensed on the four disputed dates of service, is \$1,153.16.

As established in finding #2 above, DWC finds the requestor is entitled to reimbursement in the amount of \$4.74 for Aloe Vera gel dispensed on June 29, 2023.

DWC finds that the total MAR in this dispute is \$1,157.90. However, the requestor is asking for a total amount of \$1,139.43, per the DWC060 Medical Fee Dispute Resolution request form. Therefore, that amount, \$1,139.43 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 that the MAR in this medical fee dispute is \$1,157.90. Requester is seeking \$1,139.43. Therefore, the requestor has established that reimbursement in the amount of \$1,139.43 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that Harlandale ISD must remit to EZ Scripts, LLC \$1,139.43 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

October 3, 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