



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts, LLC

Respondent Name

American Zurich Insurance Co.

MFDR Tracking Number

M4-23-3314-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

August 28, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 31, 2022	Acetaminophen 500mg NDC: 57896-0201-10	\$2.70	\$2.70
August 31, 2022	Celecoxib 200mg NDC: 33342-0156-11	\$350.20	\$350.20
September 15, 2022	Gabapentin 600mg NDC: 71093-0111-05	\$382.00	\$382.00
Total		\$734.90	\$734.90

Requestor's Position

"Optum bill review confirmed the bills were approved but[sic] payment, but after invoicing Sedgwick, they had not received the funds to issue the payment. EZ Scripts is asking that the Division of Workers' Compensation order Sedgwick Claims Management Services, Inc to pay our outstanding balance."

Amount in Dispute: \$734.90

Respondent's Position

"The entitlement to reimbursement for the subject medical bill has been denied on an extent of injury basis (medication is for treatment unrelated to the compensable injury). Under 28 TAC 133.307(f)(3)(C), this request must be DISMISSED... The Requestor is not entitled to additional payment. Otherwise, this request must be DISMISSED."

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 \(TAC\) §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §133.240](#) sets out the procedures for medical bill processing by insurance carriers.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical services.

Adjustment Reasons

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

- B13 – The provider has billed for the exact services on a previous bill.
- ZR(P12) – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.

Issues

1. Did the insurance carrier raise a new defense in its response?
2. Have any of the drugs in dispute been previously reimbursed?
3. Is the requestor entitled to reimbursement for the drugs in dispute?

Findings

1. In its position statement, the respondent asserts that the insurance carrier denied the drugs in dispute due to extent of injury. The Administrative Law Judge's Decision and Order and the PLN-11 submitted by the respondent addresses an extent of injury dispute.

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 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.

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

2. The requestor stated in its position statement that per the bill review the disputed drugs dispensed on August 31, 2022, and September 15, 2022, were approved for reimbursement, but that EZ Scripts has never received payment for the drugs in dispute.

A review of the submitted explanation of benefits (EOB) documents dated September 20, 2022, and September 29, 2022, finds that all three disputed drugs had been approved for payment of charges in full. However, the EOBs dated November 24, 2022, finds that for Gabapentin dispensed on September 15, 2022, a payment in the amount of \$382.00 was reversed. No reason codes were provided to support payment reversal or denial of payment for the drugs in dispute.

Based on the documentation provided, DWC finds there is insufficient evidence that the insurance carrier has reimbursed the drugs in dispute or provided a sufficient reason for denial as is required by 28 TAC §133.240(f).

3. The requestor is seeking reimbursement in the total amount of \$734.90 for drugs dispensed on August 31, 2022, and on September 15, 2022. Because the insurance carrier failed to sufficiently support a denial of reimbursement or that the bills were paid, EZ Scripts is entitled to reimbursement.

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

In accordance with 28 TAC §134.503(c) DWC finds that the following reimbursement calculations apply:

For the generic drug Gabapentin, dispensed on the disputed date of service September 15, 2022:

- AWP per unit = 2.52; units dispensed = 120
- The maximum allowable reimbursement (MAR) is calculated according to 28 TAC §134.503 (c) using the formula above:
- Gabapentin 600mg: $(2.52 \text{ AWP} \times 120 \text{ units} \times 1.25) + \$4.00 = \$382.00$ MAR
- DWC finds that the requestor is entitled to reimbursement in the amount of \$382.00 for Gabapentin dispensed on September 15, 2022.

For the generic drug Celecoxib, dispensed on the disputed date of service August 31, 2022:

- AWP per unit = 4.616; units dispensed = 60
- The maximum allowable reimbursement (MAR) is calculated according to 28 TAC §134.503(c) using the formula above:
- Celecoxib 200mg: $(4.616 \text{ AWP} \times 60 \text{ units} \times 1.25) + \$4.00 = \$350.20 \text{ MAR}$
- DWC finds the requestor is entitled to reimbursement in the amount of \$350.20 for Celecoxib dispensed on August 31, 2022.

For the generic drug Acetaminophen, dispensed on the disputed date of service August 31, 2022:

- AWP per unit = 0.01758; units dispensed = 120
- The maximum allowable reimbursement (MAR) is calculated according to 28 TAC §134.503(c) using the formula above:
- Acetaminophen 500mg: $(0.01758 \text{ AWP} \times 120 \text{ units} \times 1.25) + \$4.00 = \$6.64 \text{ MAR}$
- The requestor billed \$2.70, therefore, DWC finds that the requestor is entitled to reimbursement in the amount of \$2.70 for Acetaminophen dispensed on August 31, 2022.

DWC finds that the requestor is entitled to reimbursement in the total amount of \$734.90 for disputed drugs dispensed on August 31, 2022, and on September 15, 2022.

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 requestor has established that reimbursement in the total amount of \$734.90 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 American Zurich Insurance Co. must remit to EZ Scripts, LLC \$734.90 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

February 13, 2024

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