



Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

EZ Scripts, LLC

Respondent Name

Hartford Casualty Insurance Co.

MFDR Tracking Number

M4-24-0651-01

Carrier's Austin Representative

Box Number 47

DWC Date Received

November 16, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 16, 2023	Ztlido 1.8% patch NDC: 69557-0111-30	\$1,326.60	\$1,326.60
January 17, 2023	Biofreeze 4% gel NDC: 59316-0102-12	\$20.51	\$14.12
Total		\$1,347.11	\$1,340.72

Requestor's Position

"...bill review denied the Ztlido External 1.8% Patch filled on 01/16/2023 for a lack of preauthorization. This was a Y drug on the ODG drug formulary in January 2023. Biofreeze filled on 01/17/2023 was denied for timely filing, but EOR from Optum with bill ID... shows the bill was received by the carrier on 03/22/2023."

Amount in Dispute: \$1,347.11

Respondent's Position

The Austin carrier representative for Hartford Casualty Insurance Co. is Burns, Anderson, Jury & Brenner, LP. The representative was notified of this medical fee dispute on November 21, 2023. Per 28 Texas Administrative Code (TAC) §133.307 (d)(1). DWC received an email from the representative on December 20, 2023, advising DWC that the carrier is working on the overdue response. If DWC does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information. As of today, no further response has been received from the insurance carrier or its representative. DWC will base this decision on the information available.

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 §133.20](#) sets out requirements of medical bill submission by health care providers.
4. [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:

- 5264 - Payment is denied-service not authorized.
- 197 – Payment denied/reduced for absence of precertification/authorization.
- D3(P12) - The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- 60(B13) - The provider has billed for the exact services on a previous bill.
- XD(P12) – The bill was submitted after the billing timeliness guidelines provided.
- 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. Is the insurance carrier's denial of payment based on preauthorization supported?
2. Is the insurance carrier's denial of payment based on untimely filing supported?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor is seeking reimbursement for Ztlido 1.8% patch x 90 units dispensed on January 16, 2023. A review of the submitted documentation indicates that the insurance carrier denied Ztlido 1.8% patch 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 was not identified with an "N" status in the applicable edition of the ODG, *Appendix A* for the disputed date of service. Therefore, this drug did not require preauthorization for this reason.

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

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

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

2. The requestor is seeking reimbursement for Biofreeze 4% gel dispensed on January 17, 2023. A review of the submitted documentation finds that the insurance carrier denied Biofreeze 4% gel based on untimely filing of the medical bill.

28 TAC §133.20 sets out requirements of timely medical bill submission, states in pertinent part "(b) Except as provided in Labor Code §408.0272(b), (c) or (d), a health care provider shall not submit a medical bill later than the 95th day after the date the services are provided."

A review of the explanation of benefits (EOB) documents finds that the EOB reviewed on April 4, 2023, shows receipt of the bill on March 22, 2023, for Biofreeze dispensed on January 17, 2023. DWC finds that the first bill was received by the carrier less than 95 days

after the date of service and therefore the bill was filed timely in accordance with 28 TAC §133.20.

DWC finds that the insurance carrier's denial of Biofreeze for the disputed date of service, based on untimely filing of the medical bill, is not supported.

3. The requestor is seeking reimbursement in the total amount of \$1,347.11 for the drugs Ztlido patch and Biofreeze gel dispensed on January 16 and 17, 2023, respectively. Because the insurance carrier failed to support its denial reasons for the services in this dispute, DWC finds that the requestor is entitled to reimbursement.

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

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

DWC finds that for the brand name drug Ztlido 1.8% patch dispensed on January 16, 2023: AWP per unit = 13.488; units dispensed = 90

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

- Ztlido 1.8% patch: $(13.488 \text{ AWP} \times 90 \text{ units} \times 1.09) + \$4.00 = \$1,327.17$
- Total MAR on the disputed date of service for Ztlido 1.8% patch x 90 units is \$1,327.17.
- The requestor charged \$1,326.60. Therefore, reimbursement in the amount of \$1,326.60 is recommended.

DWC finds that for the brand name drug Biofreeze 4% gel dispensed on January 17, 2023: AWP per unit = 0.10427; units dispensed = 89

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

- Biofreeze 4% gel: $(0.10427 \text{ AWP} \times 89 \times 1.09) + \$4.00 = \$14.12$
- Total MAR on the disputed date of service for Biofreeze 4% gel x 89 units is \$14.12. This amount is recommended.

DWC finds that the requestor is entitled to reimbursement in the total amount of \$1,340.72 for drugs dispensed on the disputed dates of service.

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 reimbursement in the total amount of \$1,340.72 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 Hartford Casualty Insurance Co. must remit to EZ Scripts, LLC \$1,340.72 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

March 14, 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.