



# Medical Fee Dispute Resolution Findings and Decision

## General Information

**Requestor Name**  
EZ Scripts, LLC

**Respondent Name**  
TPCIGA for American Motorists Insurance Co.

**MFDR Tracking Number**  
M4-24-1359-01

**Carrier's Austin Representative**  
Box Number 50

**DWC Date Received**  
February 19, 2024

## Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 5, 2023	Naloxone Hydrochloride nasal spray 4mg/0.1ML NDC: 45802-0811-84	\$328.00	\$328.00

## Requestor's Position

"Date of service 05/25/2023[sic], for the medication Naloxone 4 MG/0.1 MG SPRY, was denied by MyMatrixx as not authorized. This medication was a Y drug on the ODG drug formulary in May 2023."

**Amount in Dispute:** \$328.00

## Respondent's Position

"The bill has been disputed because the prescription of Naloxone exceeded the 30 day supply limit and was rejected. The request was for a 60 day supply, but the limit is 30 days."

**Response Submitted by:** Broadspire

## 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:

- 197 – Precertification/authorization/notification/pre-treatment.

### Issues

1. Is the insurance carrier's denial of payment based on preauthorization supported?
2. Is the insurance carrier's position statement argument supported?
3. Is the requestor entitled to reimbursement?

### Findings

1. The requestor, EZ Scripts, LLC., is seeking reimbursement for Naloxone Hydrochloride nasal spray dispensed on April 5, 2023.

Submitted documentation indicates that the insurance carrier denied Naloxone Hydrochloride nasal spray 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 drug in question was not identified with a status of "N" in the applicable edition of the ODG, *Appendix A* for the date of service reviewed in this dispute. 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 preauthorization is not supported for the date of service in question.

2. In its position statement the respondent asserts that the disputed drug was denied payment due to the prescription exceeding a 30-day supply limit. A review of the submitted documentation finds no evidence of a 30-day supply limitation for the disputed drug, Naloxone Hydrochloride nasal spray dispensed on April 5, 2023.

DWC finds that the insurance carrier's argument that the prescription for the disputed drug exceeds a 30-day supply limit, is not supported.

3. Because the insurance carrier failed to support its denial reason for the service in this dispute, DWC finds that EZ Scripts, LLC is entitled to reimbursement.

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:**  $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \$4.00$  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 generic drug Naloxone Hydrochloride nasal spray 4mg/0.1ML, dispensed on April 5, 2023:

- AWP per unit = 64.80000; units dispensed = 4

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

- Naloxone Hydrochloride nasal spray 4mg/0.1ML:  $(64.80000 \text{ AWP} \times 4 \text{ units} \times 1.25) + \$4.00 = \$328.00$

The total allowable reimbursement is \$328.00. 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 requester has established that additional reimbursement of \$328.00 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 TPCIGA for American Motorists Insurance Co. must remit to EZ Scripts, LLC \$328.00 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

## **Authorized Signature**

March 20, 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](http://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, call CompConnection at 1-800-252-7031, option 3 or email [CompConnection@tdi.texas.gov](mailto: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](mailto:CompConnection@tdi.texas.gov).