



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

EZ Scripts, LLC

**Respondent Name**

Insurance Co. of the State of PA

**MFDR Tracking Number**

M4-24-2232-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

June 11, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 5, 2023	Celecoxib 200mg NDC: 50228-0158-05	\$146.14	\$146.14
July 5, 2023	Gabapentin 600mg NDC: 71093-0111-05	\$571.00	\$571.00
July 5, 2023	Amitriptyline HCL 25mg NDC: 29300-0420-01	\$27.85	\$27.85
August 7, 2023	Methylprednisolone NDC: 59762-4440-02	\$41.54	\$0.00
March 27, 2024	Celecoxib 200mg NDC: 50228-0158-05	\$100.00	\$0.00
<b>Total</b>		<b>\$886.53</b>	<b>\$744.99</b>

### Requestor's Position

"The celecoxib 200 MG filled on 07/05/2023 and methylprednisolone 4 MG filled on 08/07/2023, were denied with the code 'payment denied/reduced for absence of precertification/ authorization.' These were a Y drugs on the ODG formulary and did not require preauthorization. Amitriptyline HCL 25 MG and gabapentin 600 MG was denied as a duplicate bill. Gallagher

Bassett bill review said this denied because a separate bill was submitted with the same date of service. The celecoxib 200 MG filled on 03/27/2024 was processed as having a billed amount of \$46.14 and paid that amount. The bill was submitted with a price of \$146.14 in box 29 on the DWC 066. Gallagher Bassett bill review incorrectly processed the billed amount.”

**Amount in Dispute:** \$886.53

### **Respondent's Supplemental Position**

“Our bill audit company has determined additional monies are owed in the amount of \$100.00. Interest in the amount of \$0.98 has been added. Attached are an updated copy of the Explanation of Benefits and payment summaries...”

**Response Submitted by:** Gallagher Bassett

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

- 197 - PAYMENT DENIED/REDUCED FOR ABSENCE OF PRECERTIFICATION/AUTHORIZATION.
- 5725 - First Script has denied the line for utilization.
- B13 – PREVIOUSLY PAID. PAYMENT FOR THIS CLAIM/SERVICE MAY HAVE BEEN PROVIDED IN A PREVIOUS PAYMENT.
- 247 - A PAYMENT OR DENIAL HAS ALREADY BEEN RECOMMENDED FOR THIS SERVICE.

#### Issues

1. Which disputed drugs have been allowed reimbursement as of the date of this review?
2. Does evidence submitted support that a drug with NDC# 59762-4440-02, was billed by the requestor for disputed date of service August 7, 2023?

3. Is the insurance carrier's denial reason based on lack of preauthorization for the drug celecoxib dispensed on July 5, 2023, supported?
4. Is the insurance carrier's denial reason based on "utilization" for the drug celecoxib dispensed on July 5, 2023, supported?
5. Does the evidence submitted support that the drugs gabapentin and amitriptyline have previously received reimbursement?
6. Is the requestor entitled to additional reimbursement for the drugs in dispute?

### Findings

1. The requestor is seeking additional reimbursement in the amount of \$100.00 for the drug Celecoxib 200mg x 15 units dispensed on March 27, 2024. A review of the pharmacy bills submitted finds that the requestor charged \$146.14 for this drug on the disputed date of service. A review of the submitted explanation of benefits (EOB) documents submitted finds an EOB dated April 18, 2024, showing an erroneous charge of \$46.14 for Celecoxib 200mg dispensed on March 27, 2024. The same EOB document allowed reimbursement in the amount of \$46.14.

In its supplemental position statement, the insurance carrier acknowledges additional monies are owed in the amount of \$100.00. The insurance carrier submitted evidence of the additional payment made on July 12, 2024, in the amount of \$100.00 plus an additional \$0.98 paid in interest owed.

DWC finds no evidence, per submitted documentation, that any of the disputed drugs dispensed on July 5, 2023, have received payment.

DWC finds the requestor has been reimbursed a total amount of \$146.14, plus interest, out of \$146.14 charged for the disputed drug Celecoxib 200mg x 15 units dispensed on March 27, 2024. Therefore, no further reimbursement is recommended.

2. Per the request for Medical Fee Dispute Resolution (MFDR), form DWC060, one of the drugs in dispute dated August 7, 2023, includes a drug listed under NDC# 59762-4440-02. A review of the medical bills submitted finds no evidence that a drug matching this NDC number was ever billed to the insurance carrier. For this reason, DWC concludes that the requestor is not entitled to reimbursement for the drug listed on the DWC060 form under NDC# 59762-4440-02 and there will be no further review of this disputed drug.
3. The requestor is seeking reimbursement for the drug celecoxib, dispensed on July 5, 2023. Per review of the EOBs submitted, the insurance carrier denied the drug celecoxib in part for 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 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 reimbursement of the disputed drug celecoxib based on preauthorization is not supported for the date of service July 5, 2023.

4. A review of the EOBs submitted finds that the drug celecoxib dispensed on July 5, 2023, was denied by the insurance carrier citing, "First Script has denied the line for Utilization."

Retrospective utilization review is defined in 28 TAC §19.2003 (b)(31) as, "A form of utilization review for health care services that have been provided to an injured employee. Retrospective utilization review does not include review of services for which prospective or concurrent utilization reviews were previously conducted or should have been previously conducted."

Additionally, 28 TAC §134.240 (q) states, in relevant part, "when the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ..."

28 TAC §133.307 (d)(2)(I) which sets out the procedures for medical fee dispute resolutions, states in pertinent part, "Response. On receipt of the request, the respondent must provide any missing information not provided by the requestor and known to the respondent. The respondent must also provide the following information and records: ... (I) If the medical fee dispute involves medical necessity issues, the insurance carrier must attach documentation that supports an adverse determination in accordance with §19.2005 of this title (concerning General Standards of Utilization Review)."

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §134.240 (q). As a result, the insurance carrier's denial reason, based on utilization is not supported. Therefore, the disputed service is reviewed pursuant to the applicable rules and guidelines.

5. The requestor is seeking reimbursement for the drugs gabapentin and amitriptyline dispensed on July 5, 2023. A review of the EOBs submitted finds that the insurance carrier's adjustment reasons assert that the claim for these drugs has either already been paid and a payment or denial has already been recommended.

A review of the documentation submitted finds no evidence of previous payment for either gabapentin or amitriptyline, dispensed on July 5, 2023. No evidence is found in the submitted documentation that a previous denial reason was provided.

DWC finds no evidence to support that gabapentin and amitriptyline, dispensed on July 5, 2023, have previously received a payment. Therefore, these disputed drugs are reviewed pursuant to the applicable rules and guidelines.

6. The requestor is seeking reimbursement in the total amount of \$886.53 for disputed drugs dispensed between the dates of July 5, 2023, and March 27, 2024.

As previously established in this medical fee dispute review, the drug in dispute on date of service August 7, 2023, is not entitled to reimbursement. The drug dispensed on March 27, 2024, was previously paid in full, therefore, is not entitled to additional reimbursement.

Because the denial reasons for the disputed drugs dispensed on July 5, 2023, were not supported, DWC finds that the requestor is entitled to reimbursement for the drugs celecoxib, gabapentin and amitriptyline dispensed on July 5, 2023.

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:  $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \$4.00$  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 celecoxib, dispensed on the disputed date of service: AWP per unit = 7.58136; units dispensed = 15.

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

- Celecoxib 200mg:  $(7.58136 \text{ AWP} \times 15 \text{ units} \times 1.25) + \$4.00 = \$146.15$  MAR
- DWC finds that the requestor is entitled to reimbursement in the amount of \$146.15 for 15 units of celecoxib dispensed on July 5, 2023.

DWC finds that for the generic drug gabapentin, dispensed on the disputed date of service: AWP per unit = 2.52; units dispensed = 180.

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

- Gabapentin 600mg:  $(2.52 \text{ AWP} \times 180 \text{ units} \times 1.25) + \$4.00 = \$571.00 \text{ MAR}$
- DWC finds that the requestor is entitled to reimbursement in the amount of \$571.00 for 180 units of gabapentin dispensed on July 5, 2023.

DWC finds that for the generic drug amitriptyline, dispensed on the disputed date of service: AWP per unit = 0.636; units dispensed = 30.

- Amitriptyline 25mg:  $(0.636 \text{ AWP} \times 30 \text{ units} \times 1.25) + \$4.00 = \$27.85 \text{ MAR}$
- DWC finds that the requestor is entitled to reimbursement in the amount of \$27.85 for 30 units of amitriptyline dispensed on July 5, 2023.

DWC finds that for the disputed drugs dispensed on July 5, 2023, the requestor is entitled to reimbursement in the total amount of \$744.99.

### 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 additional reimbursement in the amount of \$744.99 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 Insurance Co. of the State of PA must remit to EZ Scripts, LLC \$744.99 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### **Authorized Signature**

September 26, 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, please 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)