



Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

EZ Scripts LLC

Respondent Name

XL Specialty Insurance Co.

MFDR Tracking Number

M4-24-2272-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

June 14, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 15, 2023	Diclofenac Sod 1% NDC: 21922-0009-09	\$77.00	\$76.94
June 15, 2023	Methocarbamol 500mg NDC: 76385-0123-01	\$61.68	\$61.35
June 15, 2023	Gabapentin 300mg NDC: 67877-0223-10	\$153.74	\$153.70
August 29, 2023	Naproxen DR 500mg NDC: 69543-0426-10	\$634.75	\$634.72
January 9, 2024	Ibuprofen 400mg NDC: 67877-0319-01	\$31.45	\$31.45
Total		\$958.62	\$958.16

Requestor's Position

"The attached bills were denied with the code 'payment is denied because the service was performed by provider outside the client's MPN network.' The jurisdiction of the claim is Texas. EZ Scripts did not need to be in-network to service the patient."

Amount in Dispute: \$958.62

Respondent's Position

The Austin carrier representative for XL Specialty Insurance Co. is Flahive Ogden & Latson. The representative was notified of this medical fee dispute on June 26, 2024. Per 28 Texas Administrative Code §133.307 (d)(1), if the DWC does not receive the response within 14

calendar days of the dispute notification, then the DWC may base its decision on the available information. As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

Findings and Decision

Authority

This medical fee dispute is decided according to [Texas Labor Code \(TLC\) §413.031](#) and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Background

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. [TLC 408.021](#) establishes entitlement to medical benefits.
4. [Texas Insurance Code §1305.101](#) defines the duties of networks to provide medical treatment.

Denial Reasons

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

- COMMENT/881 - PAYMENT IS DENIED BECAUSE THE SERVICE WAS PERFORMED BY PROVIDER OUTSIDE THE CLIENT'S MPN NETWORK.
- 242 - Services not provided by network/primary care providers.
- 5050 - Claim is denied. No payment will be made.
- P4 - WORKERS' COMPENSATION CLAIM ADJUDICATED AS NON-COMPENSABLE. THIS PAYER NOT LIABLE FOR CLAIM OR SERVICE/TREATMENT.
- N612 - Medical provider not authorized/certified to provide treatment to injured workers in this jurisdiction.
- B13 - The provider has billed for the exact services on a previous bill.
- 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 reason(s) for denial supported?
2. What rules apply to the disputed service?
3. Is the requestor entitled to reimbursement?

Findings

1. EZ Scripts, LLC seeks reimbursement for prescription medications dispensed on June 15, 2023, August 29, 2023, and January 9, 2024. The insurance carrier states the medications were

denied because it was provided outside the network. Prescription medication may not, directly or through a contract, be delivered through a workers' compensation health care network.

Texas Insurance Code §1305.101 (c) states, "(c) Notwithstanding any other provision of this chapter, prescription medication or services, as defined by Section [401.011](#)(19)(E), Labor Code, may not, directly or through a contract, be delivered through a workers' compensation health care network. Prescription medication and services shall be reimbursed as provided by Section [408.0281](#), Labor Code, other provisions of the Texas Workers' Compensation Act, and applicable rules of the commissioner of workers' compensation."

DWC concludes that the disputed prescription medications dispensed by the provider are not subject to the provisions of a workers' compensation health care network. DWC finds that the insurance carrier's denial reason(s) are not supported. Therefore, EZ Scripts, LLC is entitled to reimbursement for the medications rendered on June 15, 2023, August 29, 2023, and January 9, 2024.

2. The service in dispute will be reviewed per applicable fee guideline. DWC Rule 28 TAC §134.503 (c) states the insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of 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:
 - Generic drugs: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount;
3. EZ Scripts, LLC seeks reimbursement in the total amount of \$958.62 for prescription medications dispensed between June 15, 2023, and January 9, 2024. Because the insurance carrier failed to support its denial reason(s) for payment of these medications, DWC will adjudicate for the maximum allowable reimbursement (MAR) for the disputed medications in accordance with 28 TAC §134.503(c).

Drug	Number Units Dispensed	NDC	Generic (G)/ Brand (B)	Price/Unit	AWP Formula	Billed Amount	Lesser of AWP and Billed Amount
Diclofenac Sod 1%	100	21922-0009-09	G	\$0.58350	\$76.94	\$77.00	\$76.94
Methocarbamol 500mg	90	76385-0123-01	G	\$0.50980	\$61.35	\$61.68	\$61.35
Gabapentin 300mg	90	67877-0223-10	G	\$1.33070	\$153.70	\$153.74	\$153.70
Naproxen DR 500mg	60	69543-0426-10	G	\$8.40960	\$634.72	\$634.75	\$634.72
Ibuprofen 400mg	60	67877-0319-01	G	\$0.36600	\$31.45	\$31.45	\$31.45
Total MAR							\$958.16

DWC finds that the requestor is entitled to reimbursement for the disputed drugs dispensed

between June 15, 2023, and January 9, 2024, in the total amount of \$958.16. Therefore, this amount is recommended.

Conclusion

The outcome of each independent medical fee dispute relies on the relevant evidence the requestor and respondent present at the time of adjudication. Although all the evidence in this dispute may not have been discussed, it was considered.

DWC finds the requestor has established that reimbursement is due in the total amount of \$958.16.

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 XL Specialty Insurance Co. must remit to EZ Scripts, LLC the amount of \$958.16 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		September 27, 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 512-804-4812.