



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts

Respondent Name

AIU Insurance Co.

MFDR Tracking Number

M4-25-0075-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 10, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 28, 2023 – August 1, 2024	29300012510	\$1,485.52	\$1,485.52

Requestor's Position

"Meloxicam 15 mg was denied on each bill. This was a Y drug on the formulary each time it was filled. We reached out to the adjuster and supervisor on multiple occasions with no response. It is EZ Scripts' understanding that this claim is open and compensable."

Amount in Dispute: \$1,485.52

Respondent's Position

The Austin carrier representative for AIU Insurance Co. is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on September 17, 2024.

Per 28 Texas Administrative Code §133.307(d)(1), 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 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).

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.240, effective March 30, 2014, 39 TexReg 2095](#) sets out the procedures for payment and denial of medical bills before December 28, 2023.
2. [28 TAC §133.240, effective December 28, 2023, 48 TexReg 7999](#) sets out the procedures for payment and denial of medical bills.
3. [28 TAC §133.305, amended to be effective March 30, 2014, 39 TexReg 2095](#) sets out the procedures for resolving medical disputes before December 28, 2023.
4. [28 TAC §133.305, effective December 28, 2023, 48 TexReg 7999](#) sets out the procedures for resolving medical disputes.
5. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
6. [28 TAC, Chapter 19](#) sets out the requirements for utilization review.

Denial Reasons

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

- VPEB – Denied-Based on entitlement of benefits.
- B20:N3 – Procedure/service was partially or fully furnished by another provider.
- N3 (B20) – A reduction was made because a different provider has billed for the exact services on a previous bill.
- HEMD – These are non-covered services because this is not deemed a 'medical necessity' by the payer
- B13:60 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- 60 (B13) – The provider has billed for the exact services on a previous bill.
- VPMB – The Claim is Terminated
- HEA1 – Claim/service denied.
- P12:ZR – Workers' compensation jurisdictional fee schedule adjustment.
- 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 based on compensability supported?
2. Is the insurance carrier's denial based on medical necessity supported?
3. Is the insurance carrier's denial based on billing by another provider supported?
4. Is EZ Scripts entitled to reimbursement for the drugs in question?

Findings

1. EZ Scripts is seeking reimbursement for Meloxicam 15 mg dispensed on the following dates of service:
 - September 28, 2023
 - November 29, 2023
 - December 28, 2023
 - April 2, 2024
 - May 1, 2024
 - May 30, 2024
 - July 2, 2024
 - August 1, 2024

The insurance carrier denied payment, in part, based on the compensability of the claim. 28 TAC §§133.305(b) and 133.307(c)(1)(B)(i) state that a dispute regarding compensability must be resolved prior to a request for medical fee dispute.

Per 28 TAC §133.307(d)(2)(H), the respondent is required to attach a copy of any related Plain Language Notice (PLN) if the medical fee dispute involves compensability or liability.

Review of the submitted documentation finds that the insurance carrier failed to attach a copy of a related PLN to support a denial based on the compensability of the claim in question. This denial reason was not supported.

2. The insurance carrier also denied payment, in part, based on medical necessity.

According to 28 TAC §133.305(b), medical necessity disputes must be resolved prior to submission of a medical fee dispute. 28 TAC §133.240(q) requires the insurance carrier to perform a utilization review before a denial based on medical necessity, including giving the health care provider – in this case, EZ Scripts – an opportunity to discuss the treatment in question.

When responding to a medical fee dispute, 28 TAC §133.307(d)(2)(I) requires the respondent to submit documentation that supports a denial based on lack of medical necessity. AIU Insurance Co. provided no evidence to support that it performed a utilization review on the drugs in question to determine medical necessity in accordance with 28 TAC §§134.240 and 28 TAC, Chapter 19. This denial reason is not supported.

3. The insurance carrier also denied payment, in part, stating, "A reduction was made because a different provider has billed for the exact services on a previous bill."

The insurance carrier provided no evidence of previous billing or reimbursement of a different provider for the services in question. DWC finds that this denial reason is not supported.

4. Because the insurance carrier failed to support its denial of payment for the services in question, DWC finds that EZ Scripts is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c)(a), with relevant formula for generic drugs: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount.

$$\text{Meloxicam 15 mg tablets: } (4.845 \times 30 \times 1.25) + \$4.00 = \$185.69$$

The total allowable reimbursement for eight dates of service is \$1,485.52. 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 requestor has established that reimbursement of \$1,485.52 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 AIU Insurance Co. must remit to EZ Scripts \$1,485.52 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

January 15, 2025

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 three 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 tres o correo electrónico CompConnection@tdi.texas.gov.