



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts LLC

Respondent Name

Highlands Insurance Co

MFDR Tracking Number

M4-25-0571-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

November 6, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 29, 2024	00406-0523-05	\$536.65	\$536.62
March 28, 2024	00406-0523-05	\$536.65	\$536.62
April 25, 2024	00406-0523-05	\$536.65	\$536.62
May 23, 2024	00406-0523-05	\$536.65	\$536.62
		\$2,146.60	\$2,146.48

Requestor's Position

"Oxycodone APAP 10-325 MG was a Y drug on the ODG formulary each time it was filled and did not require preauthorization. Each date of service was denied with the code "197- Precertification/authorization/notification/pre-treatment absent."

Amount in Dispute: \$2,146.60

Respondent's Position

The Austin carrier representative for Highlands Insurance Co is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on November 13, 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 §413.031](#) and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.530](#) sets out the requirements of prior authorization for pharmacy services.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmacy services.

Denial Reasons

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

Issues

1. Is the insurance carrier's denial supported?
2. What rule is applicable to reimbursement?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement of the medication Oxycodone/APAP 10-325MG for dates of service ranging from February of 2024 through May of 2024. The insurance carrier denied the claim for missing prior authorization.

DWC Rule 28 Texas Administrative Code §134 (b) Preauthorization for claims subject to the division's closed formulary.

(1) Preauthorization is only required for:

(A) drugs identified with a status of "N" in the current edition of the ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates;

Review of the applicable Appendix A for disputed dates of service found the medication has an indication of "Y" therefore, no prior authorization was required. The insurance carrier's denial is not supported. The services in dispute will be reviewed per applicable fee guidelines.

2. DWC Rule 28 Texas Administrative Code §134.503 (c)(1)(A)(B) states in pertinent part (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;

Date of Service	Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
February 29, 2024 March 28, 2024, April 25, 2024 May 23, 2024	Oxycodone /Acetamino phen	00406-0523- 05	G	\$3.55	120	\$536.62	\$536.65	\$536.62 ea

The total reimbursement is \$2,146.48, 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 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 Highlands Insurance Co must remit to EZ Scripts LLC \$2,146.48 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

February 19, 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 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.