



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts

Respondent Name

Leonard Family Corp.

MFDR Tracking Number

M4-25-0577-01

Carrier's Austin Representative

Box Number 16

DWC Date Received

November 6, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 8, 2023	59316010228	\$43.27	\$42.75
	43598097710	\$18.00	\$18.00
	00603188016	\$389.35	\$389.35
December 6, 2023	59316010228	\$43.27	\$42.75
	63868073001	\$12.25	\$12.25
	00603188016	\$389.35	\$389.35
January 5, 2024	59316010228	\$43.27	\$42.75
	69097052444	\$69.75	\$69.75
	00603188016	\$389.35	\$389.35
February 6, 2024	59316010228	\$43.27	\$42.75
	69097052444	\$69.75	\$69.75
	00603188016	\$389.35	\$389.35
March 6, 2024	59316010228	\$42.75	\$42.75
	69097052444	\$69.75	\$69.75
	00603188016	\$389.35	\$389.35
April 4, 2024	59316010228	\$42.75	\$42.75
May 3, 2024	59316010228	\$42.75	\$42.75
Total		\$2,487.58	\$2,485.50

Requestor's Position

"Biofreeze 4% Gel, Lidocaine 5% Patch, and Diclofenac 1% Gel filled on 11/08/2023, 12/06/2023, 01/05/2024, 02/06/2024, and 04/04/2024 were denied with the code 'HE75 Prior Authorization required to process this bill.'" These medications were Y drugs on the ODG formulary each time they were filled.

"Lidocaine 5% Patch filled on 02/06/2024 and 03/06/2024 was denied with the code 'HEAL PRECERTIFICATION/AUTHORIZATION/NOTIFICATION ABSENT'. This medication was a Y drug on the formulary both months it was filled.

"Reconsiderations were submitted for each date of service, but the medications were denied again."

Amount in Dispute: \$2,487.58

Respondent's Position

The Austin carrier representative for Leonard Family Corp., is Ray Peña McChristian, PC. The representative was notified of this medical fee dispute on November 13, 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 \(TAC\) §133.305](#) sets out the procedures for resolving medical disputes.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.503](#), effective October 23, 2011, 36 TexReg 6949 sets out the fee guidelines for pharmaceutical services prior to November 28, 2024.
4. [28 TAC §134.530](#), effective April 22, 2018, 43 TexReg 2275 sets out the formulary procedures for pharmaceutical services prior to November 28, 2024.

Denial Reasons

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

- HE70 – Product/Service Not Covered
- HE75 – Prior Authorization required to process this bill.
- VPEB – Denied – Based on entitlement of benefits.
- B13:60 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- P12:ZR – Workers’ compensation jurisdictional fee schedule adjustment.
- 60(B13) – The provider has billed for the exact services on a previous bill.
- ZR(P12) – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.
- 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.
- HEAL – Precertification/Authorization/Notification Absent

Issues

1. Did the insurance carrier support its denial based on compensability?
2. Did the insurance carrier support its denial based on billing by another provider?
3. Is the insurance carrier’s denial based on preauthorization supported?
4. Is EZ Scripts entitled to reimbursement for the drugs in dispute?

Findings

1. EZ Scripts is seeking reimbursement for Diclofenac Sodium 1% Gel, Biofreeze, and Lidocaine 5% Patch dispensed on:
 - November 8, 2023;
 - December 6, 2023;
 - January 5, 2024;
 - February 6, 2024;
 - March 6, 2024;
 - April 4, 2024; and
 - May 3, 2024.

The insurance carrier denied Diclofenac Sodium and Biofreeze dispensed on November 8, 2023, and February 6, 2024, stating, “Denied – Based on entitlement to benefits.”

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 respondent failed to provide a copy of a related PLN to support a denial based on the compensability of the claim in question.

This dispute is not subject to dismissal as the denial reason was not supported.

2. The insurance carrier denied payment for Lidocaine on dates of service November 8, 2023, and March 6, 2024, stating "Procedure/service was partially orfully [sic] furnished by another provider," and "A reduction was made because a different provider has billed for the exact services on a previous bill."

No evidence was provided by the insurance carrier to support this denial reason.

3. The insurance carrier also denied payment for the drugs in question based on lack of preauthorization. Per 28 TAC §134.530(b)(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;
 - (B) any prescription drug created through compounding prescribed before July 1, 2018 that contains a drug 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;
 - (C) any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
 - (D) any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, Appendix A. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are a compound. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.

DWC concludes that the insurance carrier's denial of payment of the disputed drugs based on preauthorization is not supported.

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

Reimbursement for the drugs in question is calculated according to 28 TAC §134.503(c)(a), with relevant formula for generic drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount.

Date	Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
11/8/2023	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$43.27	\$42.75
11/8/2023	Diclofenac Sodium 1% Gel	43598097710	G	\$0.144	100	\$22.00	\$18.00	\$18.00
11/8/2023	Lidocaine 5% Patch	00603188016	G	\$10.276	30	\$389.35	\$389.35	\$389.35
12/6/2023	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$43.27	\$42.75
12/6/2023	Diclofenac Sodium 1% Gel	63868073001	G	\$0.098	100	\$16.25	\$12.25	\$12.25
12/6/2023	Lidocaine 5% Patch	00603188016	G	\$10.276	30	\$389.35	\$389.35	\$389.35
1/5/2024	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$43.27	\$42.75
1/5/2024	Diclofenac Sodium 1% Gel	69097052444	G	\$0.526	100	\$69.75	\$69.75	\$69.75
1/5/2024	Lidocaine 5% Patch	00603188016	G	\$10.276	30	\$389.35	\$389.35	\$389.35
2/6/2024	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$43.27	\$42.75
2/6/2024	Diclofenac Sodium 1% Gel	69097052444	G	\$0.526	100	\$69.75	\$69.75	\$69.75
2/6/2024	Lidocaine 5% Patch	00603188016	G	\$10.276	30	\$389.35	\$389.35	\$389.35
3/6/2024	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$42.75	\$42.75
3/6/2024	Diclofenac Sodium 1% Gel	69097052444	G	\$0.526	100	\$69.75	\$69.75	\$69.75
3/6/2024	Lidocaine 5% Patch	00603188016	G	\$10.276	30	\$389.35	\$389.35	\$389.35
4/4/2024	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$42.75	\$42.75
5/3/2024	Biofreeze	59316010228	B	\$0.075	474	\$42.75	\$42.75	\$42.75
							Total	\$2,485.50

The total allowable reimbursement is \$2,485.50. 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 \$2,485.50 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 Leonard Family Corp. must remit to EZ Scripts \$2,485.50 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

March 13, 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 electronico CompConnection@tdi.texas.gov.