



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

TrustRx Pharmacy

Respondent Name

American Zurich Insurance Co

MFDR Tracking Number

M4-25-0618-01

Carrier's Austin Representative

Rep Box 19

DWC Date Received

November 12, 2024

Summary of Findings

| Dates of Service | Disputed Services | Amount in Dispute | Amount Due |
|-------------------|----------------------------------|-------------------|------------|
| November 21, 2023 | NDC # 16714-0661-02 / Gabapentin | \$23.96 | \$23.46 |

Requestor's Position

"I have attached the Bill for DOS 11/21/23 for processing of payment. Per the Texas ODG form these medications are 'Y' status and do NOT require Prior Auth."

Amount in Dispute: \$23.96

Respondent's Position

"The provider has attached a copy of the relevant records for the November 21, 2023, date of service. The provider claims to be a pharmacy processing agent. It is seeking payment of \$119.60. On that date, it appears that two prescriptions were filled. It is unclear as to the specific prescription currently being pursued but given the amount in dispute identified on the DWC 60 is \$23.96, we believe that the medication/prescription in dispute is for gabapentin. The provider is seeking payment of \$23.96. It remains the carrier's position that the provider is not entitled to any reimbursement. The carrier's EOBs indicate that preauthorization was required and not obtained."

Response Submitted by: Flahive, Ogden & Latson

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 §133.305](#) sets out the general procedures for medical dispute resolution.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmacy.

Denial Reasons

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

- HEAL – Precertification/authorization/notification absent.

Issues

1. Is insurance carrier's denial reason(s) supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking reimbursement in the amount of \$23.46 for medication Gabapentin dispensed on November 21, 2023. The insurance carrier is denying reimbursement due to the denial reason "HEAL – Precertification/authorization/notification absent".

Submitted documentation indicates that the insurance carrier denied the disputed drugs based on preauthorization. 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.

The DWC finds that the drugs in question are identified with a status of "Y" in the applicable edition of the ODG, Appendix A. Therefore, these drugs do not require preauthorization for this reason. The DWC concludes that the insurance carrier's denial of payment of the disputed drug based on preauthorization is not supported.

Based on the documentation provided, DWC finds that the carrier failed to sufficiently support the denial for reimbursement. The requestor is therefore entitled to reimbursement for the medications in dispute.

2. 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: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

| Drug | NDC | Generic(G) / Brand(B) | Price / Unit | Units Billed | AWP Formula | Billed Amt | Lesser of AWP and Billed Amt |
|--------------|-------------|-----------------------|--------------|--------------|-------------|------------|------------------------------|
| Gabapentin | 16714066102 | G | 0.53228 | 30 | \$23.96 | \$23.46 | \$23.46 |
| TOTAL | | | | | \$23.96 | \$23.46 | \$23.46 |

The total reimbursement is \$23.46. 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 reimbursement of \$23.46 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 respondent must remit to the requestor \$23.46 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 7, 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, 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.