

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts LLC

Respondent Name

AIU Insurance

MFDR Tracking Number

M4-25-0673-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

November 19, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 21, 2024	00406-0484-01	\$111.02	\$111.00
April 2, 2024	00406-0485-01	\$126.18	\$126.12
May 8, 2024	00406-0123-05	\$29.95	\$29.93
June 5, 2024	00406-0123-05	\$61.09	\$61.05
July 24, 2024	00406-0485-01	\$44.72	\$44.71
August 22, 2024	00406-0485-01	\$44.72	\$44.71
September 18, 2024	00406-0484-01	\$57.51	\$0.00
		\$475.19	\$417.52

Requestor's Position

"Acetaminophen Codeine filled on 03/21/2024, 04/02/2024, 07/24/2024, 08/22/2024 and 09/18/2024 were denied with the code "197 Precertification / authorization / notification / pre-treatment absent." This medication was a Y drug on the ODG formulary each time it was filled and did not require preauthorization. Hydrocodone Acetaminophen 5-325 MB filled on 05/08/2024 and 06/05/2024 were denied with the code "197 Precertification /authorization / notification/pre-treatment absent." This medication was a Y drug on the ODG formulary each time it was filled and did not require preauthorization."

Supplemental response January 27, 2025.

"We have not received additional payment yet."

Amount in Dispute: \$475.19

Respondent's Position

"Our initial response to the above referenced medical fee dispute resolution is as follows: We have escalated the bills in question for manual review to determine if additional monies are owed. We will provide a supplemental response on the bill auditing company has finalized their review."

Response submitted by: Gallagher Bassett

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 §134.503](#) sets out the fee guidelines for pharmacy services.

Denial Reasons

- P2 – Not a work related injury/illness and thus not the liability of the workers' compensation carrier.
- 197 – Precertification/authorization/notification/pre-treatment absent.
- 27-Expenses incurred after coverage terminated.

Issues

1. Did the requestor support their position statement?
2. Is the insurance carrier's denial for relatedness supported?
3. Is the insurance carrier's denial for coverage terminated supported?
4. Is the insurance carrier's denial for lack of pre-authorization supported?
5. What rule is applicable to reimbursement?
6. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement of medication dispensed from March 21, 2024 through September 18, 2024. The requestor states in their position statement, "...outstanding pharmacy bills from EZ Scripts, which were submitted to Gallagher Bassett Services Inc in a timely manner..." Review of the submitted documents found no explanation of benefits for the date of service September 18, 2024. This date of service will not be adjudicated. The

remaining dates of service will be reviewed according to the applicable DWC rules and fee guidelines.

2. The submitted explanation of benefits indicates a denial for "Not a work related injury/illness..." for the medication Acetaminophen-Codeine for dates of service, March 21, 2024, April 2, 2024, May 8, 2024, June 5, 2024, and July 24, 2024. DWC Rule 28 TAC §133.307(d)(2)(H) requires that if the medical fee dispute involves compensability, extent of injury, or liability, the insurance carrier shall attach a copy of any related Plain Language Notice in accordance with Rule §124.2 (relating to carrier reporting and notification requirements).

DWC Rule 28 TAC §124.2(h) requires notification to the division and claimant of any dispute of disability or extent of injury using plain language notices with language and content prescribed by the division. Such notices "shall provide a full and complete statement describing the carrier's action and its reason(s) for such action. The statement must contain sufficient claim-specific substantive information to enable the employee/legal beneficiary to understand the carrier's position or action taken on the claim."

Review of the submitted information finds no copies, as required by Rule §133.307(d)(2)(H), of any PLN-11 or PLN 1 notices issued in accordance with Rule §124.2. The insurance carrier's denial reason is therefore not supported. Furthermore, because the respondent failed to meet the requirements of Rule §133.307(d)(2)(H) regarding notice of issues of extent of injury, the respondent has waived the right to raise such issues during dispute resolution. Consequently, the division concludes there are no outstanding issues of compensability, extent, or liability for the injury. The disputed services are therefore reviewed pursuant to the applicable rules and guidelines.

3. The insurance carrier denied the date of service August 22, 2024 for acetaminophen-codeine as expenses incurred after coverage terminated. DWC finds that Texas Labor Code (TLC) 408.021 applies to the injured employee's entitlement to the disputed medical benefits, which states in pertinent part, "ENTITLEMENT TO MEDICAL BENEFITS. (a) An employee who sustains a compensable injury is entitled to all health care reasonably required by the nature of the injury as and when needed. The employee is specifically entitled to health care that:

(1) cures or relieves the effects naturally resulting from the compensable injury; (2) promotes recovery; or (3) enhances the ability of the employee to return to or retain employment. "TLC 408.021 (b) states, "Medical benefits are payable from the date of the compensable injury." TLC § 401.011(19) defines "Health Care" and states in part, ". . . includes all reasonable and necessary medical aid, medical examinations, medical treatment, medical diagnoses, medical evaluations, and medical services."

DWC finds that the injured employee involved in this dispute was entitled to the medical benefits rendered on the disputed date of service. Therefore, the insurance carrier's denial reason is not supported. The service in dispute will be reviewed per applicable fee guideline.

4. The remaining services in dispute were denied by the insurance carrier due to lack of preauthorization. 28 TAC §134.530(b)(1)(A) states in pertinent part preauthorization is

required for drugs identified with a status of "N" in the current edition of Appendix A, ODG Workers' Compensation Drug Formulary. Review of Appendix A found the following: The DWC finds that the drugs in question are not identified with a status of "N" in the applicable edition of the ODG, Appendix A.

Review of the ODG, Appendix A for applicable dates of service finds that the medications in dispute, are indicated as "Y" drugs. Therefore, these drugs do not require preauthorization. The DWC concludes that the insurance carrier's denial of payment of the disputed drug based on preauthorization is not supported.

5. 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
March 21, 2024	Acetamin/cod	00406048401	G	1.42	60	111.00	111.02	111.00
April 2, 2024	Acetamin/cod	00406048501	G	1.085	90	126.12	126.18	126.12
May 8, 2024	Hydrocodone/acetamin	00406012305	G	0.69	30	29.93	29.95	29.93
June 5, 2024	Hydrocodone/acetamin	00406012305	G	0.69	66	61.05	61.09	61.05
July 24, 2024	Acetamino-Cod	00406048501	G	1.08	30	44.71	44.72	44.71
August 22, 2024	Acetamino-Cod	00406048501	G	1.08	30	44.71	44.72	44.71

6. The total reimbursement is \$417.52 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 requester has established that reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that AIU Insurance must remit to EZ Scripts LLC \$417.52 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	February 27, 2025
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 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.