



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

EZ Scripts LLC

**Respondent Name**

OBI National Insurance Company

**MFDR Tracking Number**

M4-25-0881-01

**Carrier's Austin Representative**

Rep Box 29

**DWC Date Received**

December 18, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 5, 2024	NDC # 27241-0097-06 Duloxetine HCl Enteric Cap 20 MG	\$528.85	\$528.85
April 5, 2024	NDC # 13107-0001-30 Mirtazapine Tab 7.5 MG	\$102.74	\$102.74
July 1, 2024	NDC # 70954-0020-10 Prazosin HCl Cap 2 MG	\$16.07	\$16.07
<b>Total</b>		<b>\$647.66</b>	<b>\$647.66</b>

### Requestor's Position

"Enclosed are the outstanding pharmacy bills from EZ Scripts, which were submitted to Intact Insurance Specialty Solutions, in a timely manner after each prescription was filled. Duloxetine DR 20 MG and Mirtazapine 7.5 MG filled on 04/05/2024 were denied with the code 'HE75 Prior Authorization required to process this bill.' Both medications were Y drugs on the formulary at the time they were filled and did not require preauthorization. EZ Scripts seeks an additional payment for the date of service 07/01/2024."

**Amount in Dispute:** \$647.66

## **Respondents' Position**

The Austin carrier representative for OBI National Insurance Company is Dean G Pappas Law Firm LLC. Dean G Pappas Law Firm LLC was notified of this medical fee dispute on December 24, 2024. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under §133.307(d)(1).

## **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.
4. 28 Texas Administrative Codes [§§134.530](#) and [134.540](#) sets out the closed formulary requirements, effective January 17, 2011, 35 TexReg 11344.

### **Denial Reasons**

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

- HE75 - Prior Authorization required to process this bill.
- 318 - Recommended payment of this procedure or supply should be reimbursed only if pre-authorization has been obtained by the claims examiner.
- 793 - Reduction due to PPO contract.
- 197 - Precertification/authorization/notification absent.
- 45 - Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement. usage: This adjustment amount cannot equal the total service or claim charge amount; and must not dupl.
- HE83 - Duplicate Paid/Captured Claim.

## **Issues**

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

## **Findings**

1. The requestor is seeking reimbursement in the amount of \$647.66 for medication(s) dispensed on April 5, 2024, and July 1, 2024. The insurance carrier is denying reimbursement for Duloxetine DR 20 MG and Mirtazapine 7.5 MG due to the denial reasons "HE75 Prior Authorization required to process this bill". The insurance carrier is reducing reimbursement for Prazosin HCl Cap 2 MG due to the reduction code "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 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:  $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25) + \$4.00 \text{ dispensing fee per prescription} = \text{reimbursement amount};$

Drug	NDC	Generic(G) Brand(B)	Price / Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed Amt
Duloxetine HCl Enteric Cap 20 MG	27241-0097-06	G	6.99833	60	\$528.87	\$528.85	\$528.85
Mirtazapine Tab 7.5 MG	13107-0001-30	G	2.63333	30	\$102.75	\$102.74	\$102.74
Prazosin HCl Cap 2 MG	70954-0020-10	G	1.32240	30	\$53.59	\$53.58	\$53.58
<b>TOTAL</b>					<b>\$685.21</b>	<b>\$685.17</b>	<b>\$685.17</b>

The total reimbursement is \$685.17. The carrier made a previous payment of \$37.51 on July 22, 2024; therefore, the requester is entitled to the remaining amount of \$647.66. 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 of \$647.66 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 the respondent must remit to the requestor \$647.66 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 20, 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](http://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](mailto: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](mailto:CompConnection@tdi.texas.gov).