



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

EZ Scripts LLC

**Respondent Name**

Great American Alliance Insurance Company

**MFDR Tracking Number**

M4-25-1301-01

**Carrier's Austin Representative**

Rep Box 19

**DWC Date Received**

February 13, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 15, 2024	NDC # 57237-0233-01 Sulfamethoxazole-Trimethoprim	\$39.05	\$39.05
June 18, 2024	NDC # 27241-0113-03 Tadalafil	\$8,039.00	\$8,039.00
<b>Total</b>		<b>\$8,078.05</b>	<b>\$8,078.05</b>

### Requestor's Position

"SULFA-TRIMETHOPRIM 800-160 mg, filled on 04/15/2024, was denied with the code 'claim/service lack information or has submission/billing errors.' The attached bill does not have any errors and updated medical records were included with the submission. The medication was a Y drug on the ODG formulary at the time it was filled and did not require preauthorization. EZ Scripts submitted appeals on 10/03/2024 and 10/04/2024. Both were denied. EZ Scripts seeks an additional payment for date of service 06/18/2024. Attached is documentation from Redbook showing the correct AWP per unit price for NDC code 27241-0113-03 is 72.14400."

**Amount in Dispute:** \$8,078.05

## Respondent's Position

"The provider's medical bill was denied on August 8, 2024 because of a lack of information or billing errors in addition to ANSI code 270. The carrier paid the provider the amount of \$81.20 based upon its EOB dated November 22, 2024. The provider is not entitled to any additional monies."

**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 ([TAC](#)) [§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 TAC §134.530](#) sets out rules for Closed Formulary for Claims Not Subject to Certified Networks.
5. [28 TAC 133.10](#) sets out rules for Required Billing Forms/Formats.

### **Denial Reasons**

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

- 16 - Claim/service lacks information or has submission/billing error(s).
- 170 - No allowance has been recommended for this procedure/service/supply PLEASE SEE SPECIAL \*NOTE\* BELOW.
- 270- denied cpt,hcpcs,ndcmrevor icd-10
- Note: \*\*\* IF ALLOWANCE IS RECOMMENDED, PAYMENT TO FOLLOW UNDER SEPARATE COVER\*\*\*\*\*
- W3 - In accordance with TDI-DWC RULE 134.804, this bill has been identified as request for reconsideration or appeal.
- 350 - Bill has been identified as a request for reconsideration or appeal.
- 375 - PLEASE SEE SPECIAL \*NOTE\* BELOW.
- Note: Re-evaluation: Upon further review, an additional allowance is recommended.
- Q01 - Additional allowance recommended. This has been re-evaluated and an additional allowance is recommended.

## **Issues**

1. Is insurance carrier's denial reason(s) supported?
2. Is the disputed medication Tadalafil listed on the closed formulary, ODG Treatment in Workers' Comp Appendix A, ODG Workers' compensation Drug Formulary?
3. Is the requester entitled to additional reimbursement?

## **Findings**

1. The requestor is seeking reimbursement in the amount of \$8,078.05 for prescriptions dispensed on April 15, 2024, and June 18, 2024. The insurance carrier is denying reimbursement for Sulfamethoxazole-Trimethoprim and reducing payment for Tadalafil due to "Claim/service lacks information or has submission/billing error(s)".

28 TAC 133.10(f)(3)(A-AA), sets out the billing requirements for a complete pharmacy medical bill related to Texas Workers' Compensation health care..."

The insurance carrier denied the prescription with denial reason code "270- denied cpt, hcpcs, ndc mrevor icd-10". A review of the submitted documentation finds that the requestor included the information that is required when billing for pharmacy services. The insurance carrier did not submit documentation to support their denial reason. As a result, the requestor is entitled to reimbursement.

2. Review of the applicable Appendix A found the disputed medication, Tadalafil is not listed on this formulary.

DWC Rule §134.530 (e)(1) states "Appeals process for drugs excluded from the closed formulary. When the prescribing doctor determines and documents that a drug excluded from the closed formulary is necessary to treat an injured employee's compensable injury and has prescribed the drug, the prescribing doctor, other requester, or injured employee must request approval of the drug by requesting preauthorization, including reconsideration, under §134.600 of this title and applicable provisions of Chapter 19 of this title (Licensing and Regulation of Insurance Professionals)."

Pre-authorization was requested by EZ Scripts on June 17, 2024, and authorized by Genex with UR Determination "Recommended prospective request for 90 tadalafil (Cialis) 10 mg (no refills) between 6/11/2024 and 10/10/2024 be certified".

The requestor is therefore entitled to reimbursement for the medication in dispute.

3. 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 per unit) x (number of units) x 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
Sulfamethoxazole-Trimethoprim	57237023301	G	1.40220	20	\$39.06	\$39.05	\$39.05
Tadalafil	27241011303	G	72.14400	90	\$8,120.20	\$8,120.20	\$8,120.20
<b>TOTAL</b>					<b>\$8,159.26</b>	<b>\$8,159.25</b>	<b>\$8,159.25</b>

The total reimbursement is \$8,159.25. The carrier paid \$81.20 on November 22, 2024; therefore, the requester is entitled to the remaining amount of \$8,078.05.

### **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 \$8,078.05 is due.

### **Order**

Pursuant to the 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 \$8,078.05 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 27, 2025 Date
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### **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).