



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts, LLC

Respondent Name

American Zurich Insurance Co.

MFDR Tracking Number

M4-25-1660-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

March 25, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 21, 2024	68382080510	\$33.48	\$33.48
July 18, 2024	29300041510	\$126.85	Dismissed
	68382080510	\$33.48	Dismissed
July 23, 2024	00406048401	\$164.54	Dismissed
August 20, 2024	29300041510	\$126.85	\$126.79
	68382080510	\$33.48	\$33.48
August 21, 2024	00406048401	\$164.54	Dismissed
September 17, 2024	29300041510	\$126.85	Dismissed
	68382080510	\$33.48	Dismissed
October 18, 2024	29300041510	\$126.85	Dismissed
	68382080510	\$33.48	Dismissed
November 20, 2024	68382080510	\$11.86	\$11.86
January 6, 2025	29300041510	\$126.85	\$126.79
	68382080510	\$33.48	\$33.48
February 4, 2025	31722016605	\$193.45	Dismissed
	29300041510	\$126.85	Dismissed
	68382080510	\$33.48	Dismissed
Total		\$1,529.85	\$365.88

Requestor's Position

"The Trazadone filled on 06/21/2024, 07/18/2024, 08/20/2024, 09/17/2024, 10/18/2024, 11/20/2024, 01/06/2025, 02/04/2025 were denied with the codes 'HE75 Prior Authorization required to process this bill' and '9D(P12) The charge for the Closed Formulary Drug requires Prior Authorization as defined within Texas Administrative Code Chapter 134, Section 134.530 and 134.540. If Prior Authorization was obtained, please resubmit with a copy of the required information.' This was a Y drug on the ODG formulary each time it was filled.

"Cyclobenzaprine filled on 07/18/2024, 08/20/2024, 09/17/2024, 10/18/2024, 11/20/2024, 01/06/2025, 02/04/2025 were denied with the codes 'HE75 Prior Authorization required to process this bill' and '9D(P12) The charge for the Closed Formulary Drug requires Prior Authorization as defined within Texas Administrative Code Chapter 134, Section 134.530 and 134.540. If Prior Authorization was obtained, please resubmit with a copy of the required information.' This was a Y drug on the ODG formulary each time it was filled.

"Acetaminophen filled on 07/23/2024 and 08/21/2024 was denied with the code 'HEA1 Claim/Service denied.' No additional information was provided."

Amount in Dispute: \$1,529.85

Respondent's Position

"The carrier raised a dispute of all conditions other than sprains/strains ... The medical prescriptions were not for the sprains/strains but rather for the disputed conditions.

"The provider is not entitled to medical fee dispute resolution or the dates of service in question or if the provider is entitled to medical fee dispute resolution, the provider is not entitled to any reimbursement ... Since the carrier prevailed at the CCH on the extent of injury issue, it follows that any medications that were filled on the basis of the disputed conditions is not reimbursable.

"Additionally, the claimant is in the Coventry First Health network. Accordingly, the resolution of any medical fee disputes would be through the network itself."

Response Submitted by: Flahive, Ogden & Latson

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 \(TAC\) §133.240](#) sets out the procedures for payment, reduction, or denial of a medical bill.

2. [28 TAC §133.305](#) sets out the procedures for resolving medical disputes.
3. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
4. [28 TAC §134.503, effective October 23, 2011, 36 TexReg 6949](#), sets out the fee guidelines for pharmaceutical services prior to dates of service prior to November 28, 2024.
5. [28 TAC §134.503, effective November 28, 2024, 49 TexReg 9758](#), sets out the fee guidelines for pharmaceutical services for dates of service on or after November 28, 2024.
6. [28 TAC §134.540, effective April 22, 2018, 43 TexReg 2275](#), sets out the preauthorization requirements for pharmaceutical services for claims subject to certified health care networks for dates of service prior to November 28, 2024.
7. [28 TAC §134.540, effective November 28, 2024, 49 TexReg 9758](#), sets out the preauthorization requirements for pharmaceutical services for claims subject to certified health care networks for dates of service on or after November 28, 2024.
8. [28 TAC, Chapter 19](#) sets out the requirements for utilization review.
9. [Texas Insurance Code \(TIC\), Chapter 1305](#) sets out the rules regarding certified health care networks.

Denial Reasons

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

- HE75 – Prior Authorization required to process this bill.
- HEA1 – Claim/Service denied.
- 60(B13) – The provider has billed for the exact services on a previous bill.
- 9D(P12) – The charge for the Closed Formulary Drug requires Prior Authorization as defined within Texas Administrative Code Chapter 134, Section 134.530 and 134.540. If Prior Authorization was obtained, please resubmit with a copy of the required information.
- ZR(P12) – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.
- B13(60) – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- HEMD – These are non-covered services because this is not deemed a ‘medical necessity’ by the payer.
- P12(ZR)(9D) – Workers’ compensation jurisdictional fee schedule adjustment.
- B13(VL) – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- VL(B13) – The provider has billed for the exact services on a previous bill under review and in-progress
- 247 – A payment or denial has already been recommended for this service.
- 5264 – Payment is denied-service not authorized.

- 5477 – Charges denied as claim is still under investigation
- 18 – Exact duplicate claim/service.
- 197 – Payment denied/reduced for absence of precertification/authorization.
- P8 – Claim is under investigation.
- N111 – No appeal right except duplicate claim/service issue. This service was included in a claim that has been previously billed and adjudicated.

Issues

1. What are the services in dispute?
2. Are the services in question subject to workers' compensation health care network rules?
3. Are dates of service denied due to extent of injury or compensability issues eligible for DWC medical fee dispute resolution?
4. Are dates of service denied due to medical necessity issues eligible for DWC medical fee dispute resolution?
5. Is the insurance carrier's denial based on preauthorization supported?
6. Is EZ Scripts, LLC entitled to reimbursement for the drugs in question?

Findings

1. EZ Scripts LLC is seeking reimbursement for the following:
 - June 21, 2024;
 - Trazodone, 30 units, \$33.48
 - July 18, 2024;
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
 - July 23, 2024;
 - Acetaminophen/Codeine, 90 units, \$164.54
 - August 20, 2024;
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
 - August 21, 2024;
 - Acetaminophen/Codeine, 90 units, \$164.54
 - September 17, 2024;
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
 - October 18, 2024;
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
 - November 20, 2024;
 - Trazodone, 8 units, \$11.86

- January 6, 2025;
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
- February 4, 2025.
 - Cyclobenzaprine, 90 units, \$126.85
 - Trazodone, 30 units, \$33.48
 - Gabapentin, 60 units, \$193.45.

These services will be reviewed in this dispute.

2. In its position statement, the insurance carrier stated "... the claimant is in the Coventry First Health network. Accordingly, the resolution of any medical fee disputes would be through the network itself."

Per TIC §1305.101(c), "Notwithstanding any other provision of this chapter, prescription medication or services, as defined by Section 401.011(19)(E), Labor Code, may not, directly or through a contract, be delivered through a workers' compensation health care network. Prescription medication and services shall be reimbursed as provided by Section 408.0281, Labor Code, other provisions of the Texas Workers' Compensation Act, and applicable rules of the commissioner of workers' compensation."

The DWC concludes that the disputed prescription drugs in question are not subject to the provisions of a workers' compensation health care network.

3. The insurance carrier also denied the following dates of service, in part, with denial code HEA1 – "Claim/Service denied," 5477 – "Charges denied as claim is still under investigation," or P8 – "CLAIM IS UNDER INVESTIGATION."

- July 18, 2024;
- July 23, 2024;
- August 21, 2024;
- September 17, 2024
- October 18, 2024; and
- February 4, 2025.

If a dispute over the compensability or extent of injury exists for the same service for which there is a medical fee dispute, 28 TAC §133.305(b) states that the compensability or extent of injury dispute must be resolved before submission of a medical fee dispute resolution request for the services.

The insurance carrier denied payment for these services due to an unresolved compensability or extent of injury issue. The insurance carrier notified the requestor of the denial on an explanation of benefits as defined by 28 TAC §133.240.

No evidence was submitted to indicate that the issue was resolved for the services in question before submitting this request for medical fee dispute resolution.

DWC finds that good cause exists to dismiss the listed dates of service according to 28 TAC §133.307(f)(3).

4. The insurance carrier denied date of service August 20, 2024, in part with denial code HEMD – “These are non-covered services because this is not deemed a ‘medical necessity by the payer.’”

According to 28 TAC §133.305(b), medical necessity disputes must be resolved prior to submission of a medical fee dispute. 28 TAC §133.240(q) requires the insurance carrier to perform a utilization review before a denial based on medical necessity, including giving the health care provider an opportunity to discuss the treatment in question.

When responding to a medical fee dispute, 28 TAC §133.307(d)(2)(l) requires the respondent to submit documentation that supports a denial based on lack of medical necessity. The insurance carrier provided no evidence to support that it performed a utilization review on the drug in question to determine medical necessity in accordance with 28 TAC §§134.240 and 19.2009.

This denial reason is not supported. Therefore, this date of service is eligible for DWC medical fee dispute resolution.

5. The following dates of service are eligible for medical fee dispute resolution and were denied, in part, based on lack of preauthorization.

- June 21, 2024;
- August 20, 2024;
- November 20, 2024; and
- January 6, 2024.

For these dates of service, the requestor is seeking reimbursement for Trazodone and Cyclobenzaprine. These drugs are not compounds, investigational, or experimental, therefore, per 28 TAC §134.540(b)(1), preauthorization is only required if the drugs are “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.”

DWC finds that these drugs are not identified with a status of “N” in the applicable edition of the ODG, Appendix A. Therefore, these drugs do not require preauthorization. The denial for this reason is not supported.

6. Because the insurance carrier failed to support its denial of payment for the services eligible for medical fee dispute resolution, DWC finds that EZ Scripts, LLC is entitled to reimbursement.

The reimbursement considered in this dispute 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.

- June 21, 2024
 - Trazodone: $(0.78632 \times 30) \times 1.25 + \$4.00 = \$33.49$
EZ Scripts LLC is requesting \$33.48. This amount is recommended.

- August 20, 2024
 - Cyclobenzaprine: $(1.09150 \times 90) \times 1.25 + \$4.00 = \$126.79$
 - Trazodone: $(0.78632 \times 30) \times 1.25 + \$4.00 = \$33.49$
 EZ Scripts LLC is requesting \$33.48. This amount is recommended.
- November 20, 2024
 - Trazodone: $(0.78632 \times 8) \times 1.25 + \$4.00 = \$11.86$
- January 6, 2025
 - Cyclobenzaprine: $(1.09150 \times 90) \times 1.25 + \$4.00 = \$126.79$
 - Trazodone: $(0.78632 \times 30) \times 1.25 + \$4.00 = \$33.49$
 EZ Scripts LLC is requesting \$33.48. This amount is recommended.

The total reimbursable amount is \$365.88. 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 \$365.88 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 American Zurich Insurance Co. must remit to EZ Scripts, LLC \$365.88 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	April 30, 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 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 electrónico CompConnection@tdi.texas.gov.