



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts LLC

Respondent Name

Hanover Casualty Co

MFDR Tracking Number

M4-25-1957-01

Carrier's Austin Representative

Box Number 47

DWC Date Received

April 22, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 30, 2024	50228-0180-10	\$103.90	\$103.90
October 30, 2024	00406-0484-01	\$111.02	\$111.00
November 29, 2024	00406-0484-01	\$111.02	\$111.00
November 29, 2024	50228-0180-01	\$103.90	\$103.90
December 27, 2024	50228-0180-10	\$103.90	\$103.90
December 27, 2024	00406-0484-01	\$111.02	\$111.00
		\$644.76	\$644.70

Requestor's Position

"Acetaminophen Codeine 300-30 MG and Gabapentin 300 MG were denied with the code 'VPEB Denied – Based on entitlement to benefits' and 'The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.' The adjuster previously stated that the bills should be approved for payment."

Amount in Dispute: \$644.76

Respondent's Position

"The basis for the denial is that the claimant was released to full duty effective 7/18/2024. As such, any services rendered after that date are not considered medically necessary."

Response submitted by: medata

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.
3. [TLC 408.021](#) details entitlement to medical benefits
4. [28 TAC §133.240](#) sets out requirements of adverse determinations.
5. [TAC 28 §19.2009 Subchapter U](#) sets out the requirements of notice of determinations made in utilization review.

Denial Reasons

- VPEB – Denied – Based on entitled of benefits.
- D3(P12) – The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- APRV – The Provider's charges were reviewed with consideration of the Payer's UR/Preauthorization Decision (s) governing this Claimant. The listed Allowance reflects the result (s) of their Decision(s) and all applicable Bill Review Decision(s).
- HNFD – Patient has been released to full duty.
- N3 (B20) – A reduction was made because a different provider has billed for the exact services on a previous bill.
- 60 (B13) – The provider has billed for the exact services on a previous bill.

Issues

1. Are the insurance carrier's denials supported?
2. What rule is applicable to reimbursement?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement of the following medications on the specific dates of service indicated.
 - Gabapentin 300 mg, quantity 60, date of service October 30 2024. Billed amount \$103.90
 - Acetamin/Cod 300-30mg, quantity 60, date of service October 30, 2024. Billed amount \$111.02

- Acetamin/Cod 300-30mg tab, quantity 60, date of service November 29, 2024. Billed amount \$111.02
- Gabapentin 300 mg, quantity 60, date of service November 29, 2024. Billed amount \$103.90.
- Gabapentin 300 mg, quantity 60, date of service December 27, 2024. Billed amount \$103.90.
- Acetamin/Cod 300-30mg, quantity 60, date of service December 27, 2024. Billed amount \$111.02.

The insurance carrier referenced a "UR/Preauthorization Decision (s) governing this Claimant." DWC Rule 28 Texas Administrative Code §133.240 (q) states, in relevant part, "When denying payment due to an adverse determination under this section, the insurance carrier shall comply with the requirements of §19.2009 of this title ... Additionally, in any instance where the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title ..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ..."

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §133.240 (q).

Additional denial reason, "VPEB – Denied – Based on entitled of benefits" was also used in the denial of the disputed charges. TLC Sec. 408.021. Entitlement To Medical Benefits states, (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.
 - (b) Medical benefits are payable from the date of the compensable injury.
 - (c) Except in an emergency, all health care must be approved or recommended by the employee's treating doctor.
 - (d) **An insurance carrier's liability for medical benefits may not be limited or terminated by agreement or settlement.**

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 the applicable fee guideline.

2. 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
October 30, 2024	Gabapentin	50228018010	G	1.332	60	\$103.90	\$103.90	\$103.90
October 30, 2024	Acetamin/Cod	00406048401	G	1.426	60	\$111.00	\$111.02	\$111.00
November 29, 2024	Acetamin/Cod	00406048401	G	1.426	60	\$111.00	\$111.02	\$111.00
November 29, 2024	Gabapentin	50228018010	G	1.332	60	\$103.90	\$103.90	\$103.90
December 27, 2024	Gabapentin	50228018010	G	1.332	60	\$103.90	\$103.90	\$103.90
December 27, 2024	Acetamin/Cod	00406048401	G	1.426	60	\$111.00	\$111.02	\$111.00
Total								\$644.70

3. The total reimbursement is \$644.70; 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 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 Hanover Casualty Co must remit to EZ Scripts LLC \$644.70 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

Date

May 30, 2025

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.