



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

EZ Scripts LLC

Respondent Name

City of Austin

MFDR Tracking Number

M4-25-2005-01

Carrier's Austin Representative

Rep Box 19

DWC Date Received

April 25, 2025

Summary of Findings

Dates of Service	Disputed Services			Amount in Dispute	Amount Due
October 4, 2024	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
October 4, 2024	NDC #	70954-0020-10	Prazosin HCl	\$53.58	\$53.58
October 21, 2024	NDC #	70954-0020-10	Prazosin HCl	\$103.15	\$103.15
October 21, 2024	NDC #	68382-0805-10	Trazodone HCl	\$62.95	\$62.95
October 31, 2024	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
November 18, 2024	NDC #	70954-0020-10	Prazosin HCl	\$103.15	\$103.15
December 2, 2024	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
December 19, 2024	NDC #	68382-0805-10	Trazodone HCl	\$62.95	\$62.95
December 30, 2024	NDC #	70954-0020-10	Prazosin HCl	\$103.15	\$103.15
January 2, 2025	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
January 15, 2025	NDC #	68382-0805-10	Trazodone HCl	\$62.95	\$62.95
January 28, 2025	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
January 28, 2025	NDC #	70954-0020-10	Prazosin HCl	\$103.15	\$103.15
February 21, 2025	NDC #	68382-0805-10	Trazodone HCl	\$62.95	\$62.95
February 26, 2025	NDC #	65862-0194-01	Fluoxetine HCl	\$194.80	\$194.80
February 26, 2025	NDC #	70954-0020-10	Prazosin HCl	\$103.15	\$103.15
Total				\$1,989.93	\$1,989.93

Requestor's Position

"Dates of service 10/04/2024, 10/31/2024, 11/18/2024, 12/02/2024, 12/30/2024, 01/02/2025, 01/28/2025, 02/29/2025 were denied by Optum bill review with the code 'Product/Service Not Covered.' The adjuster confirmed the patient's treatment for ... and ... were compensable injuries and approved. Per the adjuster, no medications were denied per utilization review or peer review. Trazadone filled on 10/21/2024, 12/19/2024, 01/15/2025, and 02/21/2025 was denied with the code 'Prior Authorization required to process this bill.' This medication was a Y drug on the ODG formulary each time it was filled."

Amount in Dispute: \$1,989.93

Respondents' Position

"We are attaching a copy of the provider's DWC 66s and the cares EOBs in response to the provider's medical bills. The curious position is set out in the EOBs. The carrier maintains his position that the provider is not entitled to reimbursement."

Received 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 §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 the payment for the disputed services with the following claim adjustment codes:

- 60(B13) - The provider has billed for the exact services on a previous bill.
- N3(B20) - A reduction was made because a different provider has billed for the exact services on the previous bill.
- ZR(P12) - The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.

- 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 is obtained, please resubmit with a copy of the required information.
- D3 (P12) - The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- HE70 - Product/Service Not Covered.
- HE75 - Prior Authorization required to process this bill.
- VL(B13) - The provider has billed for the exact services on a previous bill under review and in-progress.

Issues

1. Did the insurance carrier support the denial reason HE70?
2. Did the insurance carrier support the denial reason codes VL(B13), ZR(P12), N3(B20), and 60(B13)?
3. Is insurance carrier's denial reason(s) supported?
4. Is the requester entitled to additional reimbursement?

Findings

1. The insurance carrier denied reimbursement for disputed drugs Trazodone HCl and Prazosin HCl with denial code "HE70 - Product/Service Not Covered."

In accordance with 28 TAC §134.520 and 28 TAC §134.500(3), described in the finding above, DWC finds that the disputed drug is covered within the closed Workers' Compensation Drug Formulary.

In accordance with 28 TAC §134.530(b)(1) and §134.540(b), DWC finds that the drug in dispute did not require preauthorization.

DWC concludes that the insurance carrier's denial reason based on "Product/Service not covered", is not supported.

2. The insurance company denied the medications with denial codes VL(B13), ZR(P12), N3(B20), and 60(B13), indicating that the provider billed for the exact services on a previous bill and that a previous payment was issued. No evidence was found to support these denial reasons.
3. The requestor is seeking reimbursement in the amount of \$1,989.93 for medications dispensed on multiple dates from October 4, 2024, through February 26, 2025.

Submitted documentation indicates that the insurance carrier denied prescription for Trazodone based on preauthorization. Preauthorization is only required for:

- drugs 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;

- any prescription drug created through compounding; and
- any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but that is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

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 not 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.

4. 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: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

Date	Drug	NDC	Generic(G) Brand(B)	Price / Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed Amt
10/4/24	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
10/4/24	Prazosin HCl	70954002010	G	1.32240	30	\$53.59	\$53.58	\$53.58
10/21/24	Prazosin HCl	70954002010	G	1.32240	60	\$103.18	\$103.15	\$103.15
10/21/24	Trazodone HCl	68382080510	G	0.78632	60	\$62.97	\$62.95	\$62.95
10/31/24	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
11/18/24	Prazosin HCl	70954002010	G	1.32240	60	\$103.18	\$103.15	\$103.15
12/2/24	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
12/19/24	Trazodone HCl	68382080510	G	0.78632	60	\$62.97	\$62.95	\$62.95
12/30/24	Prazosin HCl	70954002010	G	1.32240	60	\$103.18	\$103.15	\$103.15
1/2/25	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
1/15/25	Trazodone HCl	68382080510	G	0.78632	60	\$62.97	\$62.95	\$62.95
1/28/25	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
1/28/25	Prazosin HCl	70954002010	G	1.32240	60	\$103.18	\$103.15	\$103.15
2/21/25	Trazodone HCl	68382080510	G	0.78632	60	\$62.97	\$62.95	\$62.95
2/26/25	Fluoxetine HCl	65862019401	G	5.08830	30	\$194.81	\$194.80	\$194.80
2/26/25	Prazosin HCl	70954002010	G	1.32240	60	\$103.18	\$103.15	\$103.15
TOTAL						\$1,990.23	\$1,989.93	\$1,989.93

The total reimbursement is \$1,989.93. 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 of \$1,989.93 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 \$1,989.93 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	June 4, 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, 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.