



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

EZ Scripts

Respondent Name

Liberty Mutual Fire Insurance

MFDR Tracking Number

M4-25-2412-01

Carrier's Austin Representative

Box Number 60

DWC Date Received

May 30, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 14, 2025	69557011130	\$987.35	\$987.35
February 26, 2025	69557011130	\$987.35	\$987.35
Total		\$1,974.70	\$1,974.70

Requester's Position

"ZTLido External Patch 1.8% filled on 01/14/2025 and 02/26/2025 were denied with the code 'pre-authorization was required, but not requested for this service per DWC rule 134.600 (5917).' The medication did not require preauthorization per the ODG formulary in January and February of 2025."

Amount in Dispute: \$1,974.70

Respondent's Position

"We have again reviewed services on January 14, 2022 and February 26, 2025, and the denial stands as Pre-Authorization was not requested for this medication ... Upon further review, we have found that an overpayment was issued for DOS 2/26/2025 on 6/6/2025 in the amount of \$987.35. A refund was requested on 6/16/2025 ..."

Response Submitted by: Liberty Mutual Insurance

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 \(TAC\) §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical services.
3. 28 TAC §§[134.530](#) and [134.540](#) set out the preauthorization requirements for pharmaceutical services.

Denial Reasons

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

- 5917 – Pre-authorization was required, but not requested for this service per DWC Rule 134.600.
- U301 – This item has been reviewed on a previously submitted bill, or is currently in process. Notification of decision has been previously provided or will be issued upon completion of our review.
- U301 – This item has been reviewed on a previously submitted bill, or is currently in process. Notification of decision has been previously provided or will be issued upon completion of our review. Per Minnesota rule 5221.0500 Subp.1A.

Issues

1. Does DWC have jurisdiction to review this dispute?
2. Is the insurance carrier's denial of payment based on preauthorization supported?
3. Is EZ Scripts entitled to reimbursement for the drugs in question?

Findings

1. EZ Scripts is seeking reimbursement for ZTLido patches dispensed on January 14, 2025, and February 26, 2025. The insurance carrier denied the drugs, in part, based on a Minnesota rule. DWC Medical Fee Dispute Resolution only has jurisdiction to review disputes that involve Texas claims. No evidence was provided to support that this claim was under Minnesota jurisdiction. Per documentation known to DWC, it is concluded that this dispute is based on a Texas claim. Therefore, DWC has jurisdiction to review this dispute.

2. Submitted documentation indicates that the insurance carrier also denied the disputed drug based on preauthorization. Per 28 TAC §134.530(b)(1) and §134.540(b), 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.

DWC finds that ZTLido is not identified with a status of “N” in the applicable edition of the ODG, *Appendix A*. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not identify the disputed drug as a compound. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not identify the disputed drug as experimental or investigational. Therefore, this drug does not require preauthorization for this reason.

DWC concludes that the insurance carrier’s denial of payment of the disputed drug based on preauthorization is not supported.

3. Because the insurance carrier failed to support its denial reason for the drug in this dispute, DWC finds that EZ Scripts is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c)(1)(B), with relevant formula for generic drugs: ((AWP per unit) x (number of units) x 1.09) + \$4.00 dispensing fee per prescription = reimbursement amount. EZ Scripts billed 60 units for each date of service.

$$\text{ZTLido External 1.8\% Patches: } (15.036 \times 60 \times 1.09) + \$4.00 = \$987.35$$

For two dates of service, DWC finds that the total allowable reimbursement is \$1,974.70. In its position statement, the insurance carrier said, “we have found that an overpayment was issued for DOS 2/26/2025 on 6/6/2025 in the amount of \$987.35.” DWC found no evidence of this payment in the submitted documentation. Therefore, a reimbursement of \$1,974.70 is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requester 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 \$1,974.70 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to reimbursement for the disputed services. It is ordered that Liberty Mutual Fire Insurance must remit to EZ Scripts \$1,974.70 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

July 11, 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. 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.