



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

ProximaRx

Respondent Name

Indemnity Insurance Co of North America

MFDR Tracking Number

M4-24-2837-01

Carrier's Austin Representative

Rep Box 15

DWC Date Received

August 23, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 19, 2024	NDC # 43598-0977-10	\$77.81	\$21.98
January 19, 2024	NDC # 00781-2868-10	\$324.42	\$14.80
January 19, 2024	NDC # 72888-0012-05	\$106.72	\$65.52
January 19, 2024	NDC # 29300-0124-10	\$247.62	\$241.65
Total		\$756.57	\$343.95

Requestor's Position

"Bill for date of service 01/19/2024 was denied indicating lack of PREAUTHORIZATION. These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: \$756.57

Respondent's Position

"Please see the EOB for this dispute"

Received by: Downs & Stanford, P.C.

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.

Denial Reasons

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

- 5264 – Payment is denied-service not authorized.
- 197 – Payment denied/reduced for absence of precertification/authorization.

Issues

1. Is insurance carrier's denial reason(s) supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor seeks payment in the amount of \$756.57, for medications dispensed on January 19, 2024.

Submitted documentation indicates that the insurance carrier denied the disputed drugs based on preauthorization. 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.

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 drugs based on preauthorization is not supported.

- The DWC concludes that the disputed medications rendered on January 19, 2024, are identified as “Y” status drugs. As a result, pre-authorization was not required. Because the insurance carrier’s denial reason was not supported reimbursement is recommended.

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 \text{ per unit}) \times (\text{number of units}) \times 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
Diclofenac Sodium Gel 1 %	43598097710	G	0.14380	100	\$21.98	\$77.81	\$21.98
Cyclobenzaprine HCl	72888001205	G	1.64050	30	\$65.52	\$106.72	\$65.52
Meloxicam	29300012410	G	3.16870	60	\$241.65	\$247.62	\$241.65
Omeprazole	00781286810	G	0.14400	60	\$14.80	\$324.42	\$14.80
TOTAL					\$343.95	\$756.57	\$343.95

The total reimbursement is \$343.95. 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 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed date of service January 19, 2024. It is ordered that the respondent must remit to the requestor \$343.95 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

October 28, 2024

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.