



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

ProximaRx

Respondent Name

XL Insurance America Inc

MFDR Tracking Number

M4-24-2996-01

Carrier's Austin Representative

Rep Box 19

DWC Date Received

August 30, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 23, 2024	NDC # 39328-0024-30	\$126.11	\$77.75

Requestor's Position

"The carrier denied the bill based on LACK OF PREAUTHORIZATION. These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: \$126.11

Respondent's Position

The Austin carrier representative for XL Insurance America Inc is Flahive, Ogden & Latson. Flahive, Ogden & Latson was notified of this medical fee dispute on September 5, 2024. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under §133.307(d)(1).

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 TAC §§134.530](#) and [134.540](#) sets out the closed formulary requirements.

Denial Reasons

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

- 197, 90438 – Payment denied/reduced for absence of precertification/authorization.
- 00663 – Reimbursement has been calculated according to state fee schedule guidelines.
- 5725 – First Script has denied the line for Utilization.

Issues

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

Findings

1. The requestor is seeking reimbursement in the amount of \$126.11 for prescription dispensed on April 23, 2024. The insurance carrier denied reimbursement for the disputed prescription due to the absence of precertification/authorization.

28 TAC §134.530 (b)(1)(A), requires preauthorization for the following:

- 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 drugs.

The DWC finds that the drug in question is identified with a status of "Y" in the applicable edition of the ODG, Appendix A. Therefore, the drug does 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. Reimbursement is therefore determined per 28 TAC §134.503.

2. 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;

Drug	NDC	Generic(G) / Brand(B)	Price / Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed Amt
Lidocaine 4%	39328002430	G	1.966	30	\$77.75	\$126.11	\$77.75
TOTAL					\$77.75	\$126.11	\$77.75

The total reimbursement is \$77.75. 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 \$77.75 is due.

Order

Pursuant to the 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 respondent must remit to the requestor \$77.75 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

November 8, 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.