



# Medical Fee Dispute Resolution Findings and Decision

## General Information

**Requestor Name**

ProximaRX

**Respondent Name**

Technology Insurance Company Inc.

**MFDR Tracking Number**

M4-24-3000-01

**Carrier's Austin Representative**

Box Number 17

**DWC Date Received**

August 30, 2024

## Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 9, 2024	65162091838	\$357.50	\$357.50

## Requestor's Position

"The explanation of benefits indicates that the carrier paid **\$30.00** and not the full amount of **\$499.77.**"

**Amount in Dispute:** \$357.50

## Respondent's Position

"Respondent denied payment for the prescription of Lidocaine ointment 5% for lack of utilization review of the medication. Currently, only Lidocaine 5% patches (brand name Lidoderm) and 1.8% patches (brand name ZTlido) are Y drugs and are the only two forms of Lidocaine included on Appendix A ...

"Additionally, this medication was denied by UR ...

"In conclusion, as Lidocaine ointment 5% is not listed on Appendix A, preauthorization is required. Requestor failed to see preauthorization for this medication, and reimbursement should be denied."

## **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.

### Denial Reasons

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

- CMR – Payment disallowed: Billing error: Line item service previously processed electronically and reimbursement/denial decision previously rendered.

### Issues

1. Did the insurance carrier raise a new defense in its response?
2. Is the insurance carrier's denial of payment supported?
3. Is ProximaRX entitled to reimbursement for the drug in question?

### Findings

1. ProximaRX is seeking reimbursement for Lidocaine Ointment 5%. In its position statement, Downs-Stanford, P.C., on behalf of the insurance carrier, argued that "Respondent denied payment for the prescription of Lidocaine ointment 5% for lack of utilization review of the medication."

The response from the insurance carrier is required by 28 TAC §133.307(d)(2)(F) to address only the denial reasons presented to the health care provider before to the request for medical fee dispute resolution (MFDR) was filed with DWC. Any new denial reasons or defenses raised shall not be considered in this review.

The submitted documentation does not support that a denial based on lack of utilization review was provided to ProximaRX before this request for MFDR was filed. Therefore, DWC will not consider this argument in the current dispute review.

2. The insurance carrier denied the drug in question stating, "Payment disallowed: Billing error:

Line item service previously processed electronically and reimbursement/denial decision previously rendered." No evidence was provided by either party that a previous denial was processed. DWC finds that the respondent failed to provide sufficient evidence to support its denial of payment.

- 3. Because the insurance carrier failed to support its denial of payment, DWC finds that ProximaRX is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c)(1)(A), with relevant formula for generic drugs: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount.

$$\text{Lidocaine Ointment 5\%: } (8.46501 \times 35 \times 1.25) + \$4.00 = \$374.34$$

The total allowable reimbursement is \$374.34. ProximaRX is seeking \$357.50. 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 \$357.50 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 Technology Insurance Company Inc. must remit to ProximaRX \$357.50 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

May 7, 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](http://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](mailto: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](mailto:CompConnection@tdi.texas.gov).