



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

ProximaRX

Respondent Name

Granite State Insurance Co

MFDR Tracking Number

M4-25-0183-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 20, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 20, 2024	65162-0918-38	\$357.50	\$357.50
		\$357.50	\$357.50

Requestor's Position

"ProximaRX has received several denials for the bill with date of service **02/20/2024**. The carrier denied the **original bill** as well as the reconsideration based on **(LACK OF PREAUTHORIZATION)**. ...I have attached the EOBs as well as the documentation to prove that ProximaRX has met the requirements to receive reimbursement."

Amount in Dispute: \$357.50

Respondent's Position

"...one of the carrier's EOBs which denied the medication on the basis that the medication is not on the formulary and requires preauthorization before the medication is filled. The provider failed to obtain preauthorization."

Response submitted 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 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.530](#) sets out the requirements of prior authorization.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmacy services.

Denial Reasons

- 83 – Claim previously processed.
- 75 – Prior authorization required.
- 65 – Patient is not covered.
- 70 – Drug not on formulary.
- P2 – Not a work related injury/illness and thus not the liability of the workers' compensation carrier.
- 85 – Claim not processed.

Issues

1. Are the insurance carrier's denials supported?
2. What rule(s) apply to disputed services?

Findings

1. The requestor is seeking reimbursement for medication dispensed on February 20, 2024. The insurance carrier denied the claim for the reasons shown above. DWC Rule 28 TAC §133.307(d)(2)(H) requires that if the medical fee dispute involves compensability, extent of injury, or liability, the insurance carrier shall attach a copy of any related Plain Language Notice in accordance with Rule §124.2 (relating to carrier reporting and notification requirements).

DWC Rule 28 TAC §124.2(h) requires notification to the division and claimant of any dispute of disability or extent of injury using plain language notices with language and content prescribed by the division. Such notices "shall provide a full and complete statement describing the carrier's action and its reason(s) for such action. The statement must contain sufficient claim-specific substantive information to enable the employee/legal beneficiary to understand the carrier's position or action taken on the claim."

Review of the submitted information finds no copies, as required by Rule §133.307(d)(2)(H), of

any PLN-11 or PLN 1 notices issued in accordance with Rule §124.2.

The insurance carrier’s denial reason is therefore not supported. Furthermore, because the respondent failed to meet the requirements of Rule §133.307(d)(2)(H) regarding notice of issues of compensability, extent of injury or liability, the respondent has waived the right to raise such issues during dispute resolution. Consequently, the division concludes there are no outstanding issues of compensability, extent, or liability for the injury. The disputed services are therefore reviewed pursuant to the applicable rules and guidelines.

Regarding the denial for lack of prior authorization. DWC Rule 28 TAC §134.530 (b)(1)(A) states in pertinent part, “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.”

Review of the applicable Appendix A found this medication (Lidocaine) is not listed as a “N” drug. The denial for lack of prior authorization is not supported.

As stated above, the denied medication is on the formulary, the denial from the insurance carrier is not supported. The service in dispute will be reviewed per applicable fee guideline.

- 2. DWC Rule 28 Texas Administrative Code §134.503 (c)(1)(A)(B) states in pertinent part (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

(1) 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:

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

(B) Brand name drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.09) + \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
Lidocaine	65162091838	G	8.465	35	\$374.34	\$357.50	\$357.50

The total reimbursement is \$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 requester has established that additional 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 services. It is ordered that Granite State Insurance Co 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

_____	_____	October 31, 2024
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, please 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.