



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

ProximaRx

Respondent Name

Starr Indemnity & Liability Co.

MFDR Tracking

Number M4-25-0222-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 24, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 3, 2024	Gabapentin Cap 300mg NDC: 50228-0180-10	\$137.42	\$53.95

Requestor's Position

"The carrier denied the original bill as well as the reconsideration based on (LACK OF PREAUTHORIZATION). ProximaRX did not receive any additional denial codes for the rejection of this bill from the carrier."

Amount in Dispute: \$137.42

Respondent's Position

"The Austin carrier representative for Starr Indemnity & Liability Co. is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on October 1, 2024. Per 28 Texas Administrative Code §133.307 (d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information. As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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 \(TAC\) §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:

- 75 – Prior authorization required.
- 197 – Precertification/authorization/notification/pre-treatment absent.

Issues

1. Is the insurance carrier's denial of payment based on lack of preauthorization supported?
2. Is the requestor entitled to reimbursement?

Findings

1. The requestor, ProximaRx is seeking reimbursement for Gabapentin 300mg dispensed on April 3, 2024.

Submitted documentation indicates that the insurance carrier denied the disputed drug based on lack of 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 the drug in question was not identified with a status of "N" in the applicable edition of the ODG, *Appendix A* for the date of service reviewed in this dispute. Therefore, this drug did not require preauthorization for this reason.

The submitted documentation does not support that the disputed drug was a compound. Therefore, this drug did not require preauthorization for this reason.

The submitted documentation does not support that the disputed drug was experimental or investigational. Therefore, this drug did not require preauthorization for this reason.

DWC concludes that the insurance carrier's reimbursement denial of the disputed drug, Gabapentin, based on lack of preauthorization is not supported.

2. Because the insurance carrier failed to support its denial reason for the service in this dispute, DWC finds that the requestor is entitled to reimbursement.

The DWC finds that 28 TAC §134.503(c) applies to the reimbursement for the drug in dispute, which states, "(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:** $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount; ..."

DWC finds that for the generic drug Gabapentin 300mg, dispensed on April 3, 2024:

- AWP per unit = 1.33200; units dispensed = 30

The maximum allowable reimbursement is calculated according to 28 TAC §134.503 (c) using the formula above:

- Gabapentin 300mg: $(1.33200 \text{ AWP} \times 30 \text{ units} \times 1.25) + \$4.00 = \$53.95$

The total allowable reimbursement is \$53.95. 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 requester has established that reimbursement in the amount of \$53.95 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 Starr Indemnity & Liability Co. must remit to ProximaRx \$53.95 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

January 17, 2025

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, 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.