



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Injured Workers Pharmacy LLC

**Respondent Name**

AIU Insurance Co.

**MFDR Tracking Number**

M4-25-0389-01

**Carrier's Austin Representative**

Rep Box 19

**DWC Date Received**

October 17, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 2, 2024	70512010610	\$610.93	\$610.93

### Requestor's Position

"The medication was originally denied when submitted electronically via Sedgwick's preferred PBM for this client, Optum. That submission was denied for medication not authorized. The adjuster reviewed the denial and resubmitted for processing on 6/24/24, however the paper bill denied as well. The denial on the paper bill said that claim/service lacks information needed for adjudication.

"We went back to the adjuster to address the denial. The adjuster explained that Optum ultimately denied and rejected the treatment as being outside ODG. A final appeal was submitted explaining that the medication is 'Y' status and not outside the ODG, however; our appeals denied."

**Amount in Dispute:** \$610.93

## Respondent's Position

"The EOB dated July 3, 2024 denied the bill on the basis of lack of information to support the filling of the medication in the first place. There is no medical report that the carrier is aware of that would support the filling of the medication in question. The bill was also denied because a different provider had billed for the exact service says on a previous bill.

The carrier continues to deny reimbursement is required for the medication in question."

**Received 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 Texas Administrative Code §133.20 effective January 29, 2009, 34 TexReg 430](#) sets out the procedures for submission of a medical bill.
2. [28 TAC §133.210](#) sets out the general procedures for medical dispute resolution.
3. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
4. [28 TAC §134.502](#) sets out the procedures for pharmaceutical services.
5. [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:

- VPAD – Claim/Service lacks information which is needed for adjudication
- B20:N3 – Procedure/service was partially or fully furnished by another provider.
- B13:60 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- P12:ZR(XD) – Workers' compensation jurisdictional fee schedule adjustment.
- N3(B20) – A reduction was made because a different provider has billed for the exact services on a previous bill.
- 60 (B13) – The provider has billed for the exact services on a previous bill.
- XD (P12) - This bill was submitted after the billing timeliness guidelines provided.
- ZR (P12) – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.

## **Issues**

1. Is the insurance carrier's denial of payment based on billing by another provider supported?
2. Is the insurance carrier's denial based on lack of information supported?
3. Is the insurance carrier's denial based on timely filing supported?
4. Is Injured Workers Pharmacy LLC entitled to reimbursement?

## **Findings**

1. Injured Workers Pharmacy LLC is seeking reimbursement for Diclofenac Sodium 1% Gel dispensed on May 2, 2024. The insurance carrier denied payment, in part, stating, "Procedure/service was partially or fully furnished by another provider."

DWC found no evidence to support an argument that the drug in question was dispensed by another provider.

2. The insurance carrier also denied the drug in question stating, "Claim/Service lacks information which is needed for adjudication." In its position statement, the respondent also stated, "There is no medical report that the carrier is aware of that would support the filling of the medication in question."

Documentation is not required to be submitted with the medical bill for the services in dispute according to 28 TAC §133.210. When an insurance carrier needs more information to process the bill, 28 TAC §133.210(d) requires a request to the health care provider that must:

- (1) be in writing;
- (2) be specific to the bill;
- (3) specifically describe the information to be included in the response;
- (4) be relevant and necessary for the resolution of the bill;
- (5) be for information that the health care provider has;
- (6) indicate the specific reason that the insurance carrier needs the information; and
- (7) include a copy of the bill that the insurance carrier is requesting the additional documentation for.

The insurance carrier failed to submit evidence that it made an appropriate request for additional documentation with the required specificity. Therefore, the insurance carrier's denial for this reason is not supported.

3. Per explanation of benefits dated August 20, 2024, the insurance carrier denied payment, in part, stating, "This bill was submitted after the billing timeliness guidelines provided."

According to 28 TAC §133.20(b), a health care provider must submit a medical bill to the insurance carrier within 95 days from the date of service with few exceptions.

An explanation of benefits dated July 3, 2024, indicates that the insurance carrier received a medical bill for the drug in question on June 20, 2024. This is less than 95 days from the date of service. Therefore, this denial reason is not supported.

4. Because the insurance carrier's denial reasons were not supported, DWC finds that Injured Workers Pharmacy LLC 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.

Diclofenac Sodium 1% Gel (NDC 70512010610): (2.4277 x 200 x 1.25) + \$4.00 = \$610.93

The total reimbursement is \$610.93. 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 \$610.93 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 May 2, 2024. It is ordered that AIU Insurance Co. must remit to Injured Workers Pharmacy LLC \$610.93 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, call CompConnection at 1-800-252-7031, option 3 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 3 o correo electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).