



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

TrustRx Pharmacy

Respondent Name

Safety National Casualty Corp.

MFDR Tracking Number

M4-25-0623-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

November 13, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 26, 2024	Lidocaine 50 mg – 00603188016	\$389.34	\$389.34
	Tizanidine 4 mg – 55111018010	\$58.94	\$58.94
	Diclofenac Sodium 10 mg – 43598097710	\$39.95	\$39.95
February 22, 2024	Diclofenac Sodium 10 mg – 43598097710	\$39.95	\$39.95
	Lidocaine 50 mg – 00603188016	\$389.34	\$389.34
April 15, 2024	Diclofenac Sodium 10 mg – 69097052444	\$135.55	\$135.55
	Lidocaine 50 mg – 00603188016	\$389.34	\$389.34
	Tizanidine 4 mg – 55111018010	\$58.94	\$0.00
Total		\$1,501.35	\$1,442.41

Requestor's Position

"Attached to this Medical Fee Dispute Resolution request are the following:

- Copy of the original Bill (s) sent to carrier
- Copy of original denial
- Copy of the appeals that were sent into the carrier (regarding original denial)
- Copy of denials after appeal were processed"

Amount in Dispute: \$1,501.35

Respondents' Position

"Our initial response to the above referenced medical fee dispute resolution is as follows: we have escalated the bills in question for manual review to determine if additional monies are owed."

Response Submitted by: Gallagher Bassett

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 \(TAC\) §133.305](#) sets out the procedures for resolving medical disputes.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.503](#) effective October 23, 2011, 36 TexReg 6949 sets out the fee guidelines for pharmacy.
4. 28 TAC §§[134.530](#) and [134.540](#) effective April 22, 2018, 43 TexReg 2275 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:

- 109, 90147 - Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor.
- 197 - Payment denied/reduced for absence of precertification/authorization.
- 00663 - Reimbursement has been calculated according to state fee schedule guidelines
- 5023 - Precertification, authorization or notification is absent.
- ZK10 - Resolution Manager denial
- 93 - No claim level adjustment
- P12 - Workers' compensation jurisdictional fee schedule adjustment.
- 219 - Based on the extent of injury
- 5017 – Payment denied for compensability, injury or illness for which service was tendered is not compensable.
- P4 – Workers' compensation claim adjudicated as non-compensable. This payer is not liable for claim or service/treatment.
- 5029 – Payment denied based on extent of injury.

Issues

1. Is this dispute subject to dismissal based on compensability?
2. Is this dispute subject to dismissal based on the extent of injury?
3. Is the insurance carrier's denial based on preauthorization supported?
4. Is the requester entitled to additional reimbursement?

Findings

1. The requester did not list the names of the drugs or NDC numbers on its request for medical fee dispute. A review of the pharmacy bills submitted by the requestor and respondent indicates that this dispute involves the following:
 - Date of service January 26, 2024
 - Lidocaine, NDC 00603188016
 - Tizanidine, NDC 55111018010
 - Diclofenac Sodium, NDC 43598097710
 - Date of service February 22, 2024
 - Diclofenac Sodium, NDC 43598097710
 - Lidocaine, NDC 00603188016
 - April 15, 2024
 - Diclofenac Sodium, NDC 69097052444
 - Lidocaine, NDC 00603188016
 - Tizanidine, NDC 55111018010

The insurance carrier denied the services, in part, stating, "Claim not covered by this payer/contractor. You must send the claim to the correct payer/contractor," and "Workers' compensation claim adjudicated as non-compensable. This payer not liable for claim or service/treatment."

Medical fee dispute is defined in relevant part by 28 TAC §133.305(a)(4) as "A dispute that involves an amount of payment for non-network health care rendered to an injured employee that has been determined to be medically necessary and appropriate for treatment of that injured employee's compensable injury."

Per 28 TAC §133.307(f)(3)(C), DWC may dismiss a medical fee dispute that includes an unresolved compensability issue.

Per Benefit Dispute Agreement dated April 4, 2022, the parties agreed that the injured employee sustained a compensable injury on the date of injury that is the subject of this dispute.

Because the compensability issue has been resolved, DWC finds that this dispute is not subject to dismissal for this reason.

2. The insurance carrier also denied the disputed drugs with denial codes "219 - Based on extent of injury," and "5029 - Payment denied based on extent of injury." The respondent's response does not provide sufficient evidence on the claim denial codes.

28 TAC §133.307(d)(2)(H), states that if a medical fee dispute involves the extent of injury of the compensable injury the insurance carrier must attach any related Plain Language Notice (PLN).

Review of the submitted documentation finds that Gallagher Bassett failed to attach a copy of a related PLN on behalf of the insurance carrier to support a denial based on the extent of the compensable injury.

Because the insurance carrier failed to provide information required by 28 TAC §133.307(d)(2)(H) to support this denial reason, DWC finds that this dispute is not subject to dismissal based on the extent of the compensable injury.

3. The insurance carrier denied Diclofenac Sodium and Lidocaine dispensed on date of service April 15, 2024, in part, 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 Diclofenac Sodium and Lidocaine are not identified with a status of "N" in the applicable edition of the ODG, *Appendix A*. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are compounds. Therefore, these drugs do not require preauthorization for this reason.

The submitted documentation does not support that the disputed drugs are experimental or investigational. Therefore, these drugs do not require preauthorization for this reason.

DWC concludes that the insurance carrier's denial of payment of the disputed drugs based on preauthorization is not supported.

4. Because the insurance carrier's denial reasons are not supported, DWC finds that the requestor 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.

Date	Drug	NDC	Generic (G) Brand (B)	Price/Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP/Billed
1/26/2024	Lidocaine 50 mg	00603188016	G	\$10.27567	30	\$389.34	\$389.34	\$389.34
1/26/2024	Tizanidine 4 mg	55111018010	G	\$1.46507	30	\$58.94	\$58.94	\$58.94
1/26/2024	Diclofenac Sodium 10 mg	43598097710	G	\$0.14380	200	\$39.95	\$39.95	\$39.95
2/22/2024	Diclofenac Sodium 10 mg	43598097710	G	\$0.14380	200	\$39.95	\$39.95	\$39.95
2/22/2024	Lidocaine 50 mg	00603188016	G	\$10.27567	30	\$389.34	\$389.34	\$389.34
4/15/2024	Diclofenac Sodium 10 mg	69097052444	G	\$0.52620	200	\$135.55	\$135.55	\$135.55
4/15/2024	Lidocaine 50 mg	00603188016	G	\$10.27567	30	\$389.34	\$389.34	\$389.34
4/15/2024	Tizanidine 4 mg	55111018010	G	\$1.46507	30	\$58.94	\$58.94	\$58.94
Total						\$1,501.35	\$1,501.35	\$1,501.35

The total reimbursement is \$1,501.35. The insurance carrier paid \$58.94 for Tizanidine 4mg dispensed on April 14, 2024. DWC recommends an additional payment of \$1,442.41.

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 is entitled to reimbursement in the amount of \$1,442.41.

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 Safety National Casualty Corp. must remit to TrustRx Pharmacy \$1,442.41 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. 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.