



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

ProximaRX

Respondent Name

Indemnity Insurance Co of North America

MFDR Tracking Number

M4-25-1692-01

Carrier's Austin Representative

Rep Box 15

DWC Date Received

March 27, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 25, 2024	NDC # 29300-0413-05 / Cyclobenzaprine	\$106.72	\$65.52
July 25, 2024	NDC # 71093-0120-05 / Gabapentin	\$73.40	\$0.00
July 25, 2024	NDC # 51293-0845-05 / Ibuprofen	\$61.53	\$0.00
July 25, 2024	NDC # 39328-0024-30 / Lidocaine Cream 4%	\$126.11	\$77.75
Total		\$367.76	\$143.27

Requester's Position

"On 03/17/2025, ProximaRX spoke with both TMESYS and Sedgwick Bill Review, who informed ProximaRX that only Gabapentin 100mg and Ibuprofen 800mg showed in their system. Most importantly, per TMESYS, payments for Gabapentin 100mg and Ibuprofen 800mg DOS 07 /25/24 were processed online by an NPI that DOES NOT BELONG TO PROXIMARX. There is NO record of Cyclobenzaprine 5mg and Lidocaine 4% DOS 07/25/24 despite ProximaRX sending the carrier an original bill and a Request for Reconsideration. As of the date of this letter, ProximaRX has yet to receive payment or a written response."

Amount in Dispute: \$367.76

Respondents' Position

"The Carrier has submitted the bill in dispute for processing per the pharmacy fee guidelines. Carrier requests that the Provider withdraw this dispute once a payment is received. The Carrier further requests that Medical Fee Dispute Resolution assist with the procurement of a withdrawal from the Provider or issue a Findings and Decision stating no additional monies are owed."

Received by: Downs Stanford, P.C.

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 §133.305](#) sets out the general procedures for medical dispute resolution.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmacy.
4. 28 Texas Administrative Codes [§§134.530](#) and [134.540](#) sets out the closed formulary requirements, effective January 17, 2011, 35 TexReg 11344.
5. [28 TAC §133.230](#) sets out the procedures for insurance carrier audits of a medical bill.

Denial Reasons

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

- D3(P12) - The charge for the prescription drug is greater than the maximum reimbursement for a generic drug.
- HEA1 - Claim/Service denied.

Issues

1. What are the services in dispute?
2. Is the requester entitled to additional reimbursement for Gabapentin and Ibuprofen?
3. Did the insurance carrier audit the charges for Cyclobenzaprine and Lidocaine in accordance with 28 TAC §133.230(b)(4)?
4. What rules govern the reimbursement of pharmaceutical services?

Findings

1. The requester is seeking a total reimbursement of \$367.76 for medications dispensed on July 25, 2024, which include Gabapentin, Ibuprofen, Lidocaine, and Cyclobenzaprine. The insurance carrier issued partial payment for the Gabapentin and Ibuprofen and reduced the remaining billed amount, referencing an adjustment under the Workers' Compensation fee schedule and the charge for the prescription drug is greater than the maximum reimbursement for a generic drug. No adjustment reason codes were identified on the EOBs for Cyclobenzaprine and Lidocaine.
2. To determine if the requester is entitled to additional reimbursement for the Gabapentin and Ibuprofen the Division applies the provisions of Rule at 28 TAC §134.503(c) which states, in pertinent part, that the insurance carrier shall reimburse the lesser of: (1) the fee established by the Division's applicable formula 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; or (2) the amount billed to the insurance carrier.

The requester is seeking reimbursement in the amount of \$73.40 for Gabapentin and \$61.53 for Ibuprofen. The requester has the burden of supporting its request for this amount. In its position statement, the requester did not demonstrate how it arrived at the requested amount or whether that amount is consistent with the methodology under 28 TAC §134.503(c). After notification by DWC's medical fee dispute resolution program of the carrier's response and payment, the requester did not take the opportunity to refute the carrier's payment calculation. For that reason, the DWC is moving to resolve this dispute with the information available and concludes that no additional reimbursement can be recommended.

3. The requester seeks payment for Cyclobenzaprine and Lidocaine, dispensed on the same date. While the insurance carrier acknowledged these medications on the Explanation of Benefits (EOB), it did not assign any specific denial reasons or provide justification for issuing a \$0.00 payment.

According to 28 TAC §133.230(b)(4), the insurance carrier is required to notify the healthcare provider of its final action by issuing an EOB that clearly explains any reductions or denials, including all applicable defenses, in a format approved by the Division of Workers' Compensation (DWC).

Further, 28 TAC §133.307 limits Medical Fee Dispute Resolution (MFDR) to only those denial reasons or defenses that were communicated to the provider prior to the filing of the dispute. Any new denial reasons raised after the MFDR request are not considered.

In this case, the requester submitted sufficient documentation to support its billing. The insurance carrier did not provide any valid denial reasons prior to the MFDR request. Therefore, the Division finds that the insurance carrier failed to comply with the auditing and notification requirements and did not present any timely or valid defense. As a result, the requester is entitled to full reimbursement for the disputed medications (Cyclobenzaprine and Lidocaine) per applicable fee guidelines.

4. Under 28 TAC §134.503(c), reimbursement for prescription medications is calculated using the following formula, based on the Average Wholesale Price (AWP) in effect on the date of service:

Generic drugs:

$$((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \$4.00 \text{ dispensing fee per prescription} = \text{Total reimbursement amount.}$$

This rule governs how the insurance carrier must calculate and reimburse pharmaceutical charges, including those at issue in this dispute.

Drug	NDC	Generic(G) / Brand(B)	Price / Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed Amt
Cyclobenzaprine	29300041305	G	1.64050	30	\$65.52	\$106.72	\$65.52
Lidocaine Cream 4%	39328002430	G	1.96667	30	\$77.75	\$126.11	\$77.75
TOTAL					\$143.27	\$232.83	\$143.27

The requester is entitled to a total reimbursement amount of \$143.27.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requester 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 of \$143.27 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to reimbursement for the disputed services. It is ordered that the respondent must remit to the requester \$143.27 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

June 26, 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.