



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Injured Workers Pharmacy LLC

Respondent Name

State Office of Risk Management

MFDR Tracking Number

M4-25-1953-01

Carrier's Austin Representative

Box Number 45

DWC Date Received

April 22, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 8, 2024	00093216568 Hydrocodone-Acetaminophen 7.5-325 quantity 90	\$182.13	\$182.13
July 8, 2024	00172392760 Diazepam 10 mg quantity 1	\$4.41	\$4.41
July 8, 2024	00406012401 Pregabalin 100 mg quantity 2	\$90.65	\$90.65
July 8, 2024	72205001490 Naloxone HCL 4 mg spray quantity 2	\$320.02	\$320.02
		\$597.21	\$597.21

Requestor's Position

"Carrier originally denied needing medicals. Medicals were received and submitted with the appeal along with the original EOBs. Carrier denied the appeal for timely filing, even though we submitted the original EOBs for proof that we filed timely on the original submission."

Amount in Dispute: \$597.21

Respondent's Position

"In a review of the medications in dispute and the treatment guidelines, the Office will maintain its denial at this time as the medical evidence (Exhibit B) does not support how these medications are being prescribed for the accepted injury of (redacted) however appears to be prescribed for conditions as mentioned above that are disputed. Furthermore, due to the requester's change of the billed amount of their requests for reconsiderations the Office will maintain its denial of timely filing."

Response submitted by: SORM

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 §134.503](#) sets out the fee guidelines for pharmacy services.
3. [28 TAC §133.10](#) outlines the requirements of medical bill submission.
4. [28 TAC §133.240](#) sets out the requirements of medial bill payments and denials.
5. [Texas Department of Insurance Subchapter U §19.2003](#) defines terms of utilization review.
6. [TDI §19.2009](#) sets out requirements of notice of utilization review determinations.

Denial Reasons

- 29 – The time limit for filing has expired.
- P13 – Payment reduced or denied based on workers' compensation jurisdictional regulations or payment policies.
- There is no medical to support the rationale for the use of these medications.
- Note: The provider has resubmitted this bill, but has removed/changed the diagnosis code, CPT/HCPC code(s), POS and/or total bill charge amount, thus making it a new bill and subject to the 95-day timely filing rule.

Issues

1. Is the insurance carrier's denial of timely filing supported?
2. Did the insurance carrier follow the appropriate administrative process to address denial of no medical support?
3. Did the insurance carrier raise a new issue?
4. What rule is applicable to reimbursement?
5. Is the requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for medications prescribed on July 8, 2024. The insurance carrier originally denied the claim for no medical support. Upon reconsideration, the insurance carrier denied for timely filing with an explanation of "The provider has resubmitted this bill, but has removed/changed the diagnosis code, CPT/HCPC code(s), POS and/or total bill charge, amount, thus making it a new bill and subject to the 95day timely filing rule." Review of the submitted medical claim form (DWC66) and explanation of benefits finds the following. DWC66 dated July 8, 2024. Stamped received by SORM on July 17, 2024

- Hydroco/Apap, 7.5-325 quantity 90, billed amount \$90.65
- Diazepam 10mg billed, quantity 1, billed amount \$4.41
- Pregabalin 100 mg billed, quantity 30, billed amount \$320.02
- Naloxone HCL 4mg nasal spray, quantity 2, billed amount \$182.13

The explanation of benefits dated July 31, 2024 indicates.

- Hydroco/Apap 7.5-325, quantity 90 billed amount \$90.65 denied for no medical support.
- Pregabalin 100 mg, quantity 30, billed amount \$320.02 – denied for no medical support.
- Naloxone HCL 4mg nasal spray, quantity 2, billed amount \$182.13 – denied for no medical support.
- Diazepam 10mg, quantity 1, billed amount \$4.41 denied for no medical support.

The explanation of benefits dated December 23, 2024 indicates.

- Pregabalin 100mg, quantity 30, billed amount \$320.02 – denied timely (new bill)
- Naloxone HCL 4mg nasal spray, quantity 2, billed amount \$182.13 – denied timely (new bill)
- Hydroco/Apap 7.5-325, **quantity 30**, (this information was not found on either the original DWC66 claim or on the one marked "Reconsideration"). The billed amount \$90.65 – denied timely (new bill)
- Diazepam 10mg, quantity 1, billed amount \$4.41 – denied timely (new bill)

The explanation of benefits dated January 7, 2025 received by the carrier on December 19, 2024.

- Hydroco/Apap tab 7.5-325, quantity 90, billed amount \$90.25 – denied timely (new bill)

- Diazepam tab 10mg, quantity 1, billed amount \$4.41 – denied timely (new bill)
- Pregabalin 100 mg, quantity 30, billed amount \$320.02 – denied timely (new bill)
- Naloxone HCL 4 mg spray, quantity 2, billed amount \$182.13 – denied timely (new bill)

Additionally, explanation of benefits dated January 7, 2025 received by the carrier on December 19, 2024.

- Hydroco/Apap 7.5-325, quantity 90, billed amount \$90.65, denied as duplicate.
- Diazepam tab 10mg, quantity 1, billed amount \$4.41, denied as duplicate.
- Pregabalin Cap 100mg, quantity 30, billed amount \$320.02, denied as duplicate.
- Naloxone HCL Spry 4mg, quantity 2, billed amount \$182.13, denied as duplicate.

The explanation of benefits dated February 13, 2025 marked as “Reconsideration” indicates.

- Hydroco/Apap 7.5-325, quantity 90, billed amount \$90.65 – denied for timely filing, original payment decision maintained.
- Diazepam 10 mg billed amount, quantity 1, billed amount \$4.41 – denied for timely filing, original payment decision maintained.
- Pregabalin 100 mg billed, quantity 30, billed amount \$320.02 - denied for timely filing, original payment decision maintained.
- Naloxone HCL 4mg nasal spray, quantity 2, billed amount \$182.13 – denied for timely filing, original payment decision maintained.

The requirements of submission of a complete pharmacy medical bill are found at DWC Rule 28 TAC §133.10 (3)(A) – (Z). This rule does NOT indicate the requirement of diagnosis code, CPT/HCPC code(s), POS. Regarding the charged amount. Review of the submitted DWC66 forms and the corresponding explanation of benefits found no difference in the billed amounts on either the original DWC66 or the DWC66 marked as “Reconsideration”. The respondent’s position of timely filing of a “new” bill is not supported.

2. The insurance carrier denied the disputed charges as, “There is no medical to support the rationale for the use of these medications.”

DWC Rule 28 Texas Administrative Code §133.240 (q) states, in relevant part, “When denying payment due to an adverse determination under this section, the insurance carrier shall comply with the requirements of §19.2009 of this title ...

Additionally, in any instance where the insurance carrier is questioning the medical necessity or appropriateness of the health care services, the insurance carrier shall comply with the requirements of §19.2010 of this title ..., including the requirement that prior to issuance of an adverse determination the insurance carrier shall afford the health care provider a reasonable opportunity to discuss the billed health care with a doctor ...”

Submitted documentation does not support that the insurance carrier followed the appropriate procedures for a retrospective review denial of the disputed services outlined in §19.2003 (b)(31) or §133.240 (q).

Therefore, the insurance carrier did not appropriately raise medical necessity for this dispute

and this denial reason will not be considered in this review.

3. The insurance carrier responded to this request for MFDR with the following statement, "...the medical evidence does not support how these medication are being prescribed for the accepted injury of (redacted)... ...appears to be prescribed for conditions as mentioned above that are disputed."

A review of the submitted information finds insufficient documentation to support that an EOB was presented to the health care provider, giving notice of the compensability/relatedness denial reasons or defenses raised in the insurance carrier's response to MFDR.

Rule §133.307(d)(2)(F) requires that: The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review. Based on the rules and findings shown above, the services in dispute will be reviewed per applicable fee guidelines.

4. 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: $((\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;

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Hydrocodon-Acetaminoph	00406012401	G	0.77	90	\$90.65	\$90.65	\$90.65
Diazepam	00172392760	G	0.33	1	\$4.41	\$4.41	\$4.41
Pregabalin	72205001490	G	8.427	30	\$320.02	\$320.02	\$320.02
Naloxone HCL	00093216568	G	71.25	2	\$182.13	\$182.13	\$182.13

5. The total reimbursement is \$597.21, 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 SORM must remit to Injured Workers Pharmacy LLC \$597.21 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	August 15, 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, 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.