



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

TrustRX Pharmacy

Respondent Name

Travelers Indemnity Co. of Connecticut

MFDR Tracking Number

M4-25-2427-01

Carrier's Austin Representative

Box Number 05

DWC Date Received

June 2, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 1, 2024	Ztlido Pad 1.8%	\$930.06	\$930.06
August 27, 2024	Ztlido Pad 1.8%	\$958.32	\$958.32
September 25, 2024	Ztlido Pad 1.8%	\$958.32	\$958.32
Total		\$2,846.70	\$2,846.70

Requestor's Position

"Attached to this submission are copies of the original bills, corresponding Explanation of Benefits (EOBs) reflecting denials, and the reconsideration requests with their respective responses. These documents are provided to support the dispute and demonstrate that appropriate billing and appeals processes have been followed."

Amount in Dispute: \$2,846.70

Respondent's Position

"The Provider contends they are entitled to reimbursement on the basis that the disputed prescriptions are not included in the DWC Pharmacy Formulary N-list. The Carrier conducted retrospective utilization review of the submitted medications ... which determined the prescription medications were not reasonable and necessary medical treatment for the compensable injury."

Findings and Decision

Authority

This medical fee dispute is decided according to [Texas Labor Code \(TLC\) §413.031](#) and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.240](#) sets out the procedures for payment or denial of a medical bill.
2. [28 TAC §133.250](#) sets out the procedures for reconsideration of a medical bill.
3. [28 TAC §133.305](#) sets out the procedures for resolving medical disputes.
4. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
5. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical services.
6. 28 TAC §§[134.530](#) and [134.540](#) set out the procedures for preauthorization of pharmaceutical services.

Denial Reasons

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

- 50 – These are non-covered services because this is not deemed a 'medical necessity' by the payer.
- 29 – The time limit for filing has expired.
- W3 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 197 – Precertification/authorization/notification absent.

Issues

1. Is the insurance carrier's denial based on medical necessity supported?
2. Is the insurance carrier's denial based on preauthorization supported?
3. Is the insurance carrier's denial based on timely filing supported?
4. Is TrustRX Pharmacy entitled to reimbursement for the drugs in question?

Findings

1. TrustRX Pharmacy is seeking reimbursement for Ztlido Pads dispensed on July 1, 2024. Per explanation of benefits dated August 8, 2024, the insurance carrier denied date of service July 1, 2024, based on medical necessity.

According to 28 TAC §133.305(b), medical necessity disputes must be resolved prior to submission of a medical fee dispute. 28 TAC §133.240(q) requires the insurance carrier to perform a utilization review before a denial based on medical necessity, including giving the health care provider – in this case, TrustRX Pharmacy – an opportunity to discuss the treatment in question.

Per 28 TAC §133.307(d)(2)(l), the the respondent is required to submit documentation that supports a denial based on lack of medical necessity. Travelers submitted a document dated September 12, 2024, to support its denial of the disputed drug. This document is dated after the insurance carrier’s denial based on medical necessity; therefore, it is not relevant to this date of service. DWC finds that the insurance carrier failed to provide evidence to support that it performed a utilization review for the date of service in question.

In its position statement, the insurance carrier argued that it “conducted retrospective utilization review of the submitted medications.”

The response from the insurance carrier is required by 28 TAC §133.307(d)(2)(F) to address only the denial reasons presented to the health care provider before the request for medical fee dispute resolution was filed with DWC. Any new denial reasons or defenses raised will not be considered in this review.

No documentation was found to support that the other dates of service considered in this dispute were denied based on medical necessity. DWC finds that this denial reason is not supported.

2. TrustRX Pharmacy is also seeking reimbursement for Ztlido Pads dispensed on August 27, 2024, and September 25, 2024. Per explanations of benefits dated October 3, 2024, and October 31, 2025, the insurance carrier denied payment 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 Ztlido is not identified with a status of “N” in the applicable editions of the ODG, *Appendix A*. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not identify the disputed drug as a compound. Therefore, this drug does not require preauthorization for this reason.

The submitted documentation does not identify the disputed drug as experimental or investigational. Therefore, this drug does not require preauthorization for this reason.

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

3. Per explanations of benefits dated May 15, 2025, the drugs in question were denied for timely filing. Because this denial reason was not applied to the initial reviews of the dates of service in question, DWC will consider this denial as it applies to the requests for reconsideration.

28 TAC §133.250(b) states, "The health care provider shall submit the request for reconsideration no later than 10 months from the date of service." Based on the documentation provided, reconsideration for all three dates of service were submitted on or about April 15, 2025, and received by the insurance carrier on April 21, 2025. These dates are less than 10 months from the dates of service of all three disputed bills.

DWC finds that this denial reason is not supported.

4. Because the insurance carrier failed to support its denial of payment for the services in question, 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)(B), with relevant formula for brand-name drugs: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.09) + \$4.00 \text{ dispensing fee per prescription} = \text{reimbursement amount}$.

$$\text{Ztlido Pad 1.8\%: } (14.592 \times 60 \times 1.09) + \$4.00 = \$958.32 \text{ per date of service}$$

TrustRX Pharmacy is seeking reimbursement of \$930.06 for date of service July 1, 2024, and \$958.32 each for August 27, 2024, and September 25, 2024. Therefore, the total allowable reimbursement for the services in question is \$2,846.70. 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 \$2,846.70 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 Travelers Indemnity Co. of Connecticut must remit to TrustRX Pharmacy \$2,846.70 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 18, 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, please call CompConnection at 1-800-252-7031, option three 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 tres o correo electrónico CompConnection@tdi.texas.gov.