



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requester Name**

Injured Workers Pharmacy

**Respondent Name**

Old Republic Insurance Co.

**MFDR Tracking Number**

M4-25-2563-01

**Carrier's Austin Representative**

Box Number 44

**DWC Date Received**

June 13, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 25, 2024	70512010610	\$1,521.31	\$1,521.31

### Requester's Position

"A Medical Fee Dispute Resolution request has been submitted for invoices not paid by Gallagher Bassett for Date of Service DICLOFENAC SODIUM 1% GEL, NDC 70512010610. DOS 6/25/24 Gallagher originally approved the date of service for payment, but it was not processed at the correct rate. The invoice was supposed to be reprocessed for payment in full, but to date – no payment has been made. There has also been no EOB denial"

**Amount in Dispute:** \$1,521.31

### Respondent's Position

"... 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 \(TLC\) §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 §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical services.
4. 28 TAC §§[134.530](#) and [134.540](#) set out the preauthorization requirements for pharmaceutical services.

### Denial Reasons

Neither party submitted an explanation of benefits for the disputed services.

### Issues

1. Did Old Republic Insurance Co. take final action on the bill for the disputed service before medical fee dispute resolution was requested?
2. Did the drug in question require preauthorization?
3. Is Injured Workers Pharmacy entitled to reimbursement for the drug in question?

### Findings

1. Injured Workers Pharmacy is seeking reimbursement for Diclofenac Sodium 1% Gel dispensed on June 25, 2024.

The requester argued that it did not receive payment or an explanation of denial for medical bills submitted for the drug in question. The insurance carrier failed to provide a substantive response to this dispute to refute this claim.

Per 28 TAC §133.240(a), the insurance carrier is required to take final action by paying, reducing, or denying the service in question not later than 45 days after receiving the medical bill. This deadline is not extended by a request for additional information.

The greater weight of evidence presented to DWC supports that a complete bill for the services in question was received by the insurance carrier or its agent. DWC found no evidence indicating that the insurance carrier took final action on the bill for the drug in question.

2. In email correspondence provided with this dispute, the insurance carrier stated, "It didn't required [sic] prior authorization when it was billed at the incorrect \$521.31 amount because it paid automatically as a formulary medication. When it was reversed and rekeyed it required prior authorization due to the higher/correct cost of \$1521.31 that was then subsequently denied for payment by the client."

Preauthorization rules for pharmaceutical services are found in 28 TAC §§134.530 and 134.540. Preauthorization is only required for

- drugs identified with a status of "N" in the current edition of the ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates;
- any prescription drug created through compounding; and
- any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but that is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

DWC finds that the drug in question is not identified with a status of "N" in the applicable edition 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.

The requirement for preauthorization is not triggered by a price point for any drug as stated by the insurance carrier.

DWC finds that the drug in question did not require preauthorization.

3. Because the insurance carrier failed to support a denial of payment for the drug in this dispute, DWC finds that Injured Workers Pharmacy 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:  $(2.4277 \times 500 \times 1.25) + \$4.00 = \$1,521.31$

The total allowable reimbursement is \$1,521.31. This amount is recommended.

## 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 \$1,521.31 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 Old Republic Insurance Co. must remit to Injured Workers Pharmacy \$1,521.31 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

## **Authorized Signature**

_____	_____	August 20, 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](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, please call CompConnection at 1-800-252-7031, option three 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 tres o correo electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).