



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

EZ Scripts LLC

Respondent Name

Pennsylvania Manufacturers Indemnity Company

MFDR Tracking Number

M4-25-2637-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

June 23, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 9, 2025	NDC # 00603-1880-16 Lidocaine Patch 5%	\$488.46	\$488.42
April 9, 2025	NDC # 51991-0748-90 Duloxetine HCl	\$126.74	\$126.74
Total		\$615.20	\$615.16

Requester's Position

"Lidocaine 5% patch and Duloxetine HCL 60 MG filled on 04/09/2025 were paid by Cadence RX and reduced with the code 'this bill has been reviewed with state certified databases including WHA information center and/or FairHealth, or proprietary charge and reimbursement data...'. None of the patient's medications were processed with this PPO discount prior to these dates of service."

Amount in Dispute: \$615.20

Respondent's Position

"The provider billed \$1,160.05 for the lidocaine and \$286.79 for the DULoxetine. The provider acknowledged that the carrier reimbursed the provider a total of \$831.64. The breakdown was \$671.59 for the lidocaine and \$160.05 for the DULoxetine. The provider is seeking an additional payment of \$615 based upon \$488.46 attributed to the lidocaine and \$126.74 attributed to the DULoxetine. We are attaching a copy of the provider's DWC 66 and the carrier's EOB. The carrier maintains its position that the provider is not entitled to any additional reimbursement."

Response Submitted by: Flahive, Ogden & Latson

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 \(TAC\) §133.305](#) sets out the procedures for resolving medical disputes.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [The Texas Insurance Code \(TIC\) Chapter 1305](#) sets out the general provisions for workers' compensation health care networks.
4. [28 TAC §134.503](#) sets out the fee guidelines for pharmaceutical benefits.
5. [28 TAC §141.1](#) sets out the guidelines for dispute resolution—benefit review conference.
6. [Texas Labor Code §401.011](#) sets out general definitions for the Texas Workers' Compensation Act.
7. [Texas Labor Code §408.0281](#) sets out reimbursement for pharmaceutical services, administrative violations.

Denial Reasons

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

- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- A1 – Claim/Service denied. Final Escalation Reached.
- P24 – This bill been reviewed with state certified databases including WHA information center and/or FairHealth, or proprietary charge and reimbursement data.

Issues

1. Is the insurance carrier’s reduction supported?
2. Is the requester entitled to reimbursement for the drug in question?

Findings

1. The requester seeks additional reimbursement in the amount of \$615.20 for prescription medications dispensed on April 9, 2025. The insurance carrier reduced reimbursement for the disputed drugs, Lidocaine 5% patch and Duloxetine HCl, with reduction code P24 stating "This bill has been reviewed with state certified databases including WHA information center and/or FairHealth, or proprietary charge and reimbursement data...."

Sec 1305.101, titled *Providing or Arranging for Health Care*, states in relevant part, "(c) Notwithstanding any other provision of this chapter, prescription medication or services, as defined by Section [401.011](#)(19)(E), Labor Code, may not, directly or through a contract, be delivered through a workers' compensation health care network. Prescription medication and services shall be reimbursed as provided by Section [408.0281](#), Labor Code, other provisions of the Texas Workers' Compensation Act, and applicable rules of the commissioner of workers' compensation."

The division finds that the disputed prescription medications dispensed by the provider may not, directly or through a contract, be delivered through a workers' compensation health care network. The insurance carrier’s reduction of payment for this reason is not supported.

2. Because the insurance carrier failed to support its denial of payment, the requester is entitled to additional reimbursement for the drugs in question.

The service in dispute will be reviewed per the applicable fee guidelines. 28 TAC §134.503(c)(1) and (2) states, in pertinent part, "the insurance carrier must reimburse the health care provider or pharmacy processing agent for prescription drugs, the lesser of 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"

- Generic drugs: (AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount.

The calculation of the total allowable amount is as follows:

Drug Name	NDC No.	Generic (G) Brand (B)	Price/Unit	Qty	AWP	Billed Amount	Lesser of AWP and Billed Amount
Lidocaine 5% patch	00603188016	G	10.27567	90	\$1,160.01	\$1,160.05	\$1,160.01
Duloxetine HCl	51991074890	G	7.54100	30	\$286.79	\$286.79	\$286.79
					Total	\$1,446.84	\$1,446.80

The DWC finds that the requester is entitled to reimbursement in the amount of \$1,446.80. The carrier paid \$160.05 for Duloxetine HCl and \$671.59 for Lidocaine 5% patch for a combined total of \$831.64 on May 23, 2025; therefore, the requester is entitled to the remaining amount of \$126.74 for Duloxetine HCl and \$488.42 for Lidocaine 5% patch for a combined total of \$615.16.

Conclusion

The outcome of this medical fee dispute relies on the relevant evidence the requester and respondent present at the time of adjudication. Although all the evidence in this dispute may not have been discussed, it was considered.

The DWC finds the requester has established that reimbursement of \$615.16 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 Pennsylvania Manufacturers Indemnity Company must remit to EZ Scripts LLC \$615.16 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

July 15, 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.