



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Injured Workers Pharmacy LLC

Respondent Name

Valley Forge Insurance Company

MFDR Tracking Number

M4-26-0193-01

Insurance Carrier's Austin Representative

BOX 57 Continental Casualty Co

DWC Date Received

September 19, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
January 27, 2025	NDC # 39328002430 Lidocaine 4 % Cream	\$151.50	\$151.50
Total		\$151.50	\$151.50

Requester's Position

"A Medical Fee Dispute Resolution request has been submitted for invoices not paid by CAN for the medication LIDOCAINE 4% CREAM, NDC 39328002430. The invoice was denied for no preauthorization. An appeal was submitted explaining that the medication LIDOCAINE 4% CREAM is not an 'N' status medication, so would not require authorization prior to filling."

Amount In Dispute: \$151.50

Respondent's Position

"Regarding CPT code 39328002430 which was billed for Date of Service January 27, 2025, Carrier has forwarded this to our bill review vendor, Conduent, to be reaudited. To date, Carrier has not received a response from the URA regarding this matter. At this time, Carrier maintains any and all denials as represented in the EORs. Upon receipt of the URA's response, Carrier will supplement."

Findings and Decision

Authority

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

Statutes and Rules

1. 28 Texas Administrative Code (TAC) Section [133.307](#) sets out the procedures for resolving medical fee disputes.
2. 28 TAC Section [133.305](#) sets out the procedures for resolving medical disputes.
3. 28 TAC Section [134.503](#) sets out the fee guidelines for services provided by a pharmacy.
4. 28 TAC Sections [134.530](#) and [134.540](#) set out the preauthorization requirements for pharmaceutical services.

Adjustment Reasons

The insurance carrier denied payment for the disputed services with the following reasons:

- 197 – Precertification/authorization/notification/pre-treatment absent.
- 5026 – First Script has denied the line for utilization.
- 1 – A dispensing fee is not applicable to the allowance or payment of the medication.
- 3 – Charge for pharmaceuticals exceed the fees established by the fee schedule.
- 91 – Dispensing fee adjustment.
- W3 – Bill is a reconsideration or appeal.
- 193 – Original payment decision is being maintained. Upon review it was determined that this claim was processed properly.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- 1014 – The attached billing has been re-evaluated at the request of the provider. Based on this re-evaluation, we find our original review to be correct. Therefore, no additional allowance appears to be warranted.
- 2005 – No additional reimbursement allowed after review of appeal/reconsideration.

Issues

1. What is DWC considering in this medical fee dispute?
2. Is the insurance carrier's denial based on preauthorization supported?
3. Is the requester entitled to reimbursement?

Findings

1. The requester is seeking reimbursement in the amount of \$151.50 for medication dispensed on January 27, 2025. The insurance carrier is denying reimbursement due to lack of

preauthorization.

2. The submitted documentation indicates that the insurance carrier denied the disputed drugs based on preauthorization. Preauthorization is only required for:
 - Drugs identified with a status of "N" on the current edition of the ODG Appendix A
 - Any compound prescribed before July 1, 2018, that contains a drug identified with the 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.

The DWC finds that the drug in question is identified with a status of "Y" in the applicable edition of the ODG, Appendix A. Therefore, these drugs do not require preauthorization. The DWC concludes that the insurance carrier's denial of payment of the disputed drug based on preauthorization is not supported.

3. 28 TAC Section 134.503(c) states the insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of the 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: $((AWP \text{ per unit}) \times (\text{number of units}) \times 1.25 + \$4.00 \text{ dispensing fee per prescription}) = \text{reimbursement amount}$;

Drug	NDC	Generic (G) / Brand (B)	Price/Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed Amt
Lidocaine 4 % Cream	39328002430	G	1.96667	60	\$151.50	\$151.50	\$151.50
Total					\$151.50	\$151.50	\$151.50

The total reimbursement is \$151.50. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence requester and the respondent presented at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that reimbursement is due.

Order

Under Texas Labor Code Sections [413.031](#) and [413.019](#), DWC has determined the requester is entitled to reimbursement for the disputed services. It is ordered that Valley Forge Insurance Company must remit to Injured Workers Pharmacy LLC \$151.50 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC Section [134.130](#).

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

January 14, 2026

Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC Section [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 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 this Medical Fee Dispute Resolution Findings and Decision** with any other required information listed in 28 TAC Section [141.1\(d\)](#).

Si prefiere hablar con una persona en español acerca de esta correspondencia, favor de llamar a 800-252-7031, opción tres o correo electrónico CompConnection@tdi.texas.gov.