



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Injured Workers Pharmacy

Respondent Name

AIU Insurance Co

MFDR Tracking Number

M4-26-0250-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

September 24, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 29, 2024	NDC 66993093865	\$1,456.60	\$1,456.60
December 26, 2024	NDC 66993093865	\$1,456.60	\$1,456.60
Total		\$2,913.20	\$2,913.20

Requester's Position

"Our pharmacy continued to receive denials stating the treatment was not approved, but there was no reason behind the denial ... We even obtained a LOMN from the provider substantiating that the treatment is related and medically necessary, yet our bills continue to deny out ... The letter of medical necessity, that came from the provider, shows the treatment in question is for the accepted condition."

Amount in Dispute: \$2,913.20

Respondent's Position

"The medication appears to be a compound. Beginning July 1, 2018, rule 134.500 was amended to require that compounds go through the preauthorization process. We are not aware of the provider seeking preauthorization for the compound in question."

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 TAC [§133.20](#) sets out the requirements for medical bill submission.
2. 28 TAC [§133.250](#) sets out the requirements for reconsideration of medical bill payments.
3. 28 TAC [§133.307](#) sets out the procedures for resolving medical fee disputes.
4. 28 TAC [§134.503](#) sets out the fee guidelines for pharmaceutical services.

Denial Reasons

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

- HEA – Claim/service denied
- B13:60 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- P12:ZR – Workers' compensation jurisdictional fee schedule adjustment.
- 60(B13) – The provider has billed for the exact services on a previous bill.
- ZR(P12) – The provider or a different provider has billed for the exact service on a previous bill where no allowance was originally recommended.
- 29:XD – The time limit for filing has expired.
- XD(29) – This bill was submitted after the billing timeliness guidelines provided.

Issues

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

Findings

1. The requester is seeking reimbursement for an FDA approved drug represented by NDC 66993093865 dispensed on October 29, 2024, and December 26, 2024.

The insurance carrier denied the disputed drugs, stating "Claim/service denied." The insurance carrier did not maintain its reimbursement denial based on claim or service denial on reconsideration or in its position statement. Therefore, this reason will not be considered in this dispute.

The insurance carrier denied date of service December 26, 2024, based on timely filing in its reconsideration. DWC will consider this denial reason.

In its position statement, the insurance carrier argued that the drug in question is a compound and therefore required preauthorization. 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 to the request for medical fee dispute resolution (MFDR) was filed with DWC. Any new denial reasons or defenses raised shall not be considered in this review. Because DWC received no evidence that a denial based on lack of preauthorization was presented to Injured Workers Pharmacy before this request for MFDR was filed, DWC will not consider the new argument in this dispute.

2. The insurance carrier's explanation of benefits for the reconsideration of date of service December 26, 2024, the insurance denied payment stating that "the time limit for filing has expired."

Per 28 TAC §133.20(b), "a health care provider must not submit a medical bill later than the 95th day after the date the services are provided" with few exceptions.

Per 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."

The explanation of benefits indicates that the initial bill for this date of service was received by the insurance carrier on March 25, 2025. The explanation of benefits for the reconsideration of the bill indicates that the request was received by the insurance carrier on May 12, 2025. Because both of these dates are less than the required submission deadlines, DWC finds that the evidence supports timely submission of billing. This denial reason is not supported.

3. Because the insurance carrier failed to support its denial of payment for the drugs in question, DWC finds that the requester is entitled to reimbursement.

28 Texas Administrative Code §134.503 applies to the disputed service and states, in pertinent part:

(a) 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;

(C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection; or

(2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:

(A) health care provider; or

(B) pharmacy processing agent only if the health care provider has not previously billed the insurance carrier for the prescription drug and the pharmacy processing agent is billing on behalf of the health care provider.

DWC finds that the reimbursement for the disputed service is calculated as follows:

- Calcipotriene-Betamethasone DP 0.005%/.064% ointment:
 $(11.6208 \times 100 \times 1.25) + \$4.00 = \$1,456.60$

The total reimbursement amount is \$1,456.60 per dispense. For two dates of service, DWC finds that the total allowable reimbursement is \$2,913.20. 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 for the disputed services 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 AIU Insurance Co must remit to Injured Workers Pharmacy \$2,913.20 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

January 8, 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 §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.