



# Medical Fee Dispute Resolution Findings and Decision

## General Information

**Requester Name**

TrustRx Pharmacy

**Respondent Name**

Starr Specialty Insurance Co

**MFDR Tracking Number**

M4-26-0588-01

**Insurance Carrier's Austin Representative**

BOX 19 Flahive Ogden & Latson

**DWC Date Received**

October 30, 2025

## Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
December 26, 2024	Lidocaine 5%	\$92.50	\$92.50
January 26, 2025	Lidocaine 5%	\$92.50	\$92.50
<b>Total</b>		<b>\$185.00</b>	<b>\$185.00</b>

## Requester's Position

"Trustrx Pharmacy dispensed Lidocaine on December 26, 2024, and January 23, 2025, for the accepted compensable injury ... The carrier, Sedgwick, partially paid each date of service at \$354.00, leaving a balance of \$92.50 per date. Trustrx submitted timely reconsideration requests for both dates, providing Red Book pricing documentation to support the billed amount."

**Amount In Dispute:** \$185.00

## Respondent's Position

"It appears that the provider has added all of the prescriptions that were filled on both of those dates and has included them in the total amount billed and paid. However, for purposes of this Medical Fee Dispute, since the only medication in question is the lidocaine, the DWC 66 billed

\$446.50 and the EORs recommended \$354. Subtracting the second number from the first number produces the claimed amount of \$92.50 for each date of service.

"The provider has been paid in accordance with the fee guidelines. The provider is not entitled to any additional monies."

**Response Submitted By:** Flahive, Ogden & Latson

## 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 [134.503](#) sets out the fee guidelines for services provided by a pharmacy.

### Adjustment Reasons

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

1. P12(D2) – Workers' compensation jurisdictional fee schedule adjustment.
2. D2(P12) – The charge for the over-the-counter medication exceeds the retail price.
3. B13(60) – Previously paid. Payment for this claim/service may have been provided in a previous payment.
4. 29(XD) – The time limit for filing has expired.
5. 60(B13) – The provider has billed for the exact services on a previous bill.
6. XD(29) – This bill was submitted after the billing timeliness guidelines provided.
7. 309 – The charge for this procedure exceeds the fee schedule allowance.
8. W1 – Workers' compensation state fee schedule adjustment
9. N600 – Adjusted based on the applicable fee schedule for the region in which the service was rendered.

### Issues

1. What is DWC considering in this medical fee dispute?
2. Is the requester entitled to additional reimbursement?

### Findings

1. The requester is seeking \$185.00 for lidocaine dispensed on dates of service December 26, 2024, and January 26, 2025. The total billed amount was 893.00. The insurance carrier paid a

total of \$708.00. DWC will review these services for additional reimbursement.

2. In its position statement, the insurance carrier stated that it paid the requester for the disputed services "in accordance with the fee guidelines." 28 TAC Section 134.503 provides the fee guidelines for pharmaceutical benefits. DWC finds that the drug in question is a generic drug labeled Lidocaine 5% with NDC 39328002530.

28 TAC Section 134.503(c) states, in relevant part,

- (c) The insurance carrier must 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; ...
  - (2) notwithstanding §133.20(e)(1) of this title (Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
    - (A) health care provider.

The pharmacy supplied a Red Book entry with an AWP of 1.96667 per unit and billed 180 units. The maximum allowable reimbursement is calculated as follows:

$$(1.96667 \times 180 \times 1.25) + \$4.00 = \$446.50$$

The total allowable reimbursement for two dates of service is \$893.00. The insurance carrier paid a total of \$708.00. An additional reimbursement of \$185.00 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 additional reimbursement is due.

## **Order**

Under Texas Labor Code Sections [413.031](#) and [413.019](#), DWC has determined the requester is entitled to additional reimbursement for the disputed services. It is ordered that Starr Specialty Insurance Co must remit to TrustRx Pharmacy \$185.00 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

February 4, 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](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 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 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](mailto:CompConnection@tdi.texas.gov).