



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Injured Workers Pharmacy

Respondent Name

National Surety Corp

MFDR Tracking Number

M4-26-0603-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

November 2, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
January 2, 2025	70710135209	\$1,709.87	\$404.26
January 2, 2025	68462019005	\$48.72	\$14.02
April 25, 2025	70710135209	\$1,790.87	\$1790.87
April 25, 2025	68462019005	\$48.72	\$48.72
Total		\$3670.18	\$2,257.87

Requester's Position

Carrier denied the following dates for no pre-authorization/certification prior to filing. Both medications in question are Y status per the TX formulary. An appeal was submitted with proof of & status, but there was no payment recommended upon appeal.

Amount In Dispute: \$3670.18

Respondent's Position

"...the carrier has reimbursed the provider for the January 2, 2025 date of service. We are attaching a copy of the provider's DWC 66 and the carrier's EOBs. The carrier paid the provider a total of \$1,421.31. ...No additional monies are owed for the January 2, 2025 date of service.

The carrier continues to deny the provider's bill for the date of service of April 25, 2025. The EOB denial language explains the carrier's position.

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.
3. Texas Insurance Code Chapter [1305](#) sets out the general provisions for workers' compensation health care networks.
4. TLC Labor Code Section [401.011](#) sets out general definitions for the Texas Workers' Compensation Act.
5. 28 TAC Sections [134.530](#) and [134.540](#) set out the preauthorization requirements for pharmaceutical services.
6. TAC Section [134.502](#) sets out the requirements of requesting a statement of medical necessity.
7. 28 TAC [133.210](#) sets out the requirements of medical documentation.

Adjustment Reasons

- 193 – Precertification/authorization/notification/pre-treatment absent.
- 350 - Bill has been identified as a request for reconsideration or appeal.
- 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
- 91 – Dispensing fee adjustment.
- 95 – Plan procedures not followed.

- G01 – This item was priced as a generic prescribed drug.
- P12 – Workers’ compensation jurisdictional fee schedule adjustment.
- PS5 – Pricer per Script Advisor contractual agreement.
- Q01 – Additional allowance recommended. This has been re-evaluated, and an additional allowance is recommended.
- U00 – There was no UR procedure/treatment request received.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.
- 16 – Claim/service lacks information or has submission/billing errors.
- M127 – Missing patient medical record for this service.
- MA27 – Missing/incomplete/invalid entitlement number or name shown on the claim.
- MA30 – Missing/incomplete/invalid type of bill.
- 251 – The attachment/other documentation that was received was incomplete or deficient. The necessary information is still needed to process the claim.
- Q02 – No additional allowance recommended. The documentation has been evaluated and does not support an additional allowance.
- Q46 – The date of service in the medical documentation provided does not match the date of service on the CMS1500 or UB04.
- N179 – Additional information has been requested from the member. The charges will be considered upon receipt of that information.
- QB3 – Documentation to substantiate this charge is insufficient for review. Please submit documentation to substantiate charges.
- UR – There was no UR procedure/treatment request received.
- 18/224 – Exact duplicate claim/service

Issues

1. What is DWC considering in this medical fee dispute?
2. Is the carrier’s reduction based on contract supported?
3. Is the insurance carrier’s denials supported?
4. What rule is applicable to reimbursement?
5. Is the requester due reimbursement?

Findings

1. The requester is seeking reimbursement of pharmacy services dispense in January and April of 2025. The January 2, 2025 charge received payment in the amount of \$1,421.31 on November 4, 2025 via check 128906. A balance of \$418.28 remains for the January date of service. A reduction based on contracted rate was taken. For the April 25, 2025 the carrier denied based on lack of prior authorization and medical records. The amount in dispute is \$2,257.87.
2. The insurance carrier reduced the payment of the January 2, 2025 date of service stating,

“Priced per Script Advisor contractual agreement”.

Review of the information submitted does not support a contract exists between the two parties. Additionally, 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.

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

3. 28 TAC Section 134.503(b)(1) states, Preauthorization is only required for:

- (A) 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
- (B) Any prescription drug created through compounding; and
- (C) 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)

Review of the applicable Appendix A found the medication is dispute is not listed as a “N” drug, was not compounded and is not considered investigational or experiment. The insurance carrier's denial for lack of prior authorization is not supported.

28 TAC §134.502(e)(1)(2) states, The insurance carrier, injured employee, or pharmacist may request a statement of medical necessity from the prescribing doctor.

- (1) If an insurance carrier requests a statement of medical necessity, the insurance carrier shall provide the sender of the bill a copy of the request at the time the request is made.
- (2) An insurance carrier shall not request a statement of medical necessity unless in the absence of such a statement the insurance carrier could reasonably support a denial based upon extent of, or relatedness to the compensable injury, or based upon an

adverse determination.

A review of the submitted documentation finds no evidence that the insurance carrier submitted a request for a statement of medical necessity to the prescribing doctor for the drugs in question. Therefore, DWC finds that the insurance carrier did not request a statement of medical necessity in accordance with 28 TAC §134.502.

Documentation is not required to be submitted with the medical bill for pharmaceutical services according to 28 TAC §133.210. When an insurance carrier needs more information to process the bill, 28 TAC §133.210(d) requires a request to the health care provider that must:

- (1) be in writing;
- (2) be specific to the bill;
- (3) specifically describe the information to be included in the response;
- (4) be relevant and necessary for the resolution of the bill;
- (5) be for information that the health care provider has;
- (6) indicate the specific reason that the insurance carrier needs the information; and
- (7) include a copy of the bill that the insurance carrier is requesting the additional documentation for.

The insurance carrier failed to submit evidence that it made an appropriate request for additional documentation with the required specificity. The insurance carrier's denial for this reason is not supported. The services in dispute will be reviewed per applicable fee guidelines.

4. 28 TAC §134.503 (c) (1) (A)(B) states in pertinent part, the insurance carrier shall 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 or the billed amount.

(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;

The calculation of the total allowable amount is as follows:

Drug Name	NDC No.	Generic (G) Brand (B)	Price/Unit	AWP	Billed Amount	Lesser of AWP and Billed Amount
Venlafaxine	7071035209	G	15.88/90	1790.87	1790.87	\$1790.87
Naproxen	68462019005	G	1.19/30	48.72	48.72	\$48.72

5. Review of the information available at the time of this review that per the applicable fee guideline the MAR for each date of service is \$1,839.59. The carrier supports a payment in the amount of \$1,421.31. The balance due to the requester is (\$3,679.18 - \$1,421.31 = \$2,257.87). 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 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 National Surety Corp must remit to Injured Workers' Pharmacy \$2,257.87 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 23, 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.