



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

TrustRX Pharmacy

Respondent Name

AIU Insurance Co

MFDR Tracking Number

M4-26-0658-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

November 5, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
April 28, 2025	Meclizine-NDC 70710-1161-01	\$22.31	\$22.31
May 27, 2025	Meclizine-NDC 59746-0121-06	\$26.58	\$26.58
May 27, 2025	Lidocaine – NDC 00603-1880-16	\$389.34	\$389.34
June 24, 2025	Lidocaine – NDC 00603-1880-16	\$389.34	\$389.34
June 25, 2025	Meclizine – NDC 59746-0121-06	\$49.16	\$49.16
July 30, 2025	Meclizine – NDC 59746-0121-06	\$49.16	\$49.16
July 30, 2025	Lidocaine – NDC 00603-1880-16	\$389.34	\$389.34
Total		\$1,315.23	\$1,315.23

Requester's Position

"This denial is improper. The attached Letter of Medial Necessity (LMN) clearly documents that both medications are being prescribed directly for the accepted work-related condition."

Amount In Dispute: \$1,315.23

Respondent's Position

The Austin carrier representative for AIU Insurance is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on November 07, 2025.

Per 28 Texas Administrative Code Section 133.307(d)(1), if DWC does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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. 28 TAC Sections [134.530](#) and [134.540](#) set out the preauthorization requirements for pharmaceutical services.

Adjustment Reasons

1. 197 – Precertification/authorization/notification/pre-treatment absent.
2. P2 – Not a work related injury/illness and thus not the liability of the workers' compensation carrier.
3. C – Payment for this service has been denied because it appears to be unrelated to the claimed work illness & injury.

Issues

1. What is DWC considering in this medical fee dispute?
2. Is the denial for Meclizine supported?
3. Is the denial for Lidocaine supported?
4. What rule is applicable to reimbursement?

5. Has DWC found the requester is due reimbursement?

Findings

1. The requester is seeking reimbursement for the medication Meclizine and Lidocaine for services rendered from April 2025 to July 2025 in the amount of \$1,315.23.
2. 28 TAC Section 134.530(b) states, Preauthorization for claims subject to the division's closed formulary.

(1) 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).

The medication Meclizine is not listed as a "N" drug, compounded or investigational and experimental. The insurance carriers denial is not supported.

3. 28 TAC Section 133.307(d)(2)(H) requires that if the medical fee dispute involves compensability, extent of injury, or liability, the insurance carrier shall attach a copy of any related Plain Language Notice in accordance with Rule §124.2 (relating to carrier reporting and notification requirements).

28 TAC Section 124.2(h) requires notification to the division and claimant of any dispute of disability or extent of injury using plain language notices with language and content prescribed by the division. Such notices "shall provide a full and complete statement describing the carrier's action and its reason(s) for such action. The statement must contain sufficient claim-specific substantive information to enable the employee/legal beneficiary to understand the carrier's position or action taken on the claim."

Review of the submitted information finds no copies, as required by Rule Section 133.307(d)(2)(H), of any PLN-11 or PLN 1 notices issued in accordance with Rule 28 TAC Section 124.2.

The insurance carrier's denial reason is therefore not supported. Furthermore, because the respondent failed to meet the requirements of Rule Section 133.307(d)(2)(H) regarding

notice of issues of extent of injury, the respondent has waived the right to raise such issues during dispute resolution.

Consequently, the division concludes there are no outstanding issues of compensability, extent, or liability for the injury. The disputed services are therefore reviewed pursuant to the applicable rules and guidelines.

4. 28 TAC Section 134.503(c)(1)(A)(B)(C) 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
Meclizine	70710116101	G	0.32/45	22.32	\$22.31	\$22.31
Meclizine	59746012106	G	0.40/45	26.58	\$26.58	\$26.58
Meclizine	59746012106	G	0.40/90	49.16	\$49.16	\$49.16
Lidocaine	00603188016	G	10.27/30	389.34	\$389.34	\$389.34

5. The MAR for date of service April 28, 2025 for the Meclizine is \$22.31.

The MAR for date of service May 27, 2025 for the Meclizine is \$26.58.

The MAR for dates of service May 27, 2025, June 24, 2025 and July 30, 2025 for Lidocaine is

\$389.34 for each.

The MAR for dates of service June 25, 2025 and July 30, 2025 for Meclizine is \$49.16 each.

The total MAR is \$1,315.23. 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 AIU Insurance must remit to TrustRX \$1,315.23 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 19, 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.