



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

TrustRX Pharmacy

Respondent Name

Valley Forge Insurance Co

MFDR Tracking Number

M4-26-1013-01

Carrier's Austin Representative

Box Number 57

DWC Date Received

December 6, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 30, 2025	Nuedexta-NDC 59148-0053-16	\$2,124.26	\$2,124.26

Requester's Position

"This medication was originally filled on 04/04/2025 and was paid in full by the carrier with no prior authorization required. Nuedexta has also been filled after the date in dispute and paid in full, again without any prior authorization requested by the carrier or Optum. The 04/30/2025 fill is a continuation/refill of this ongoing approved therapy prescribed by the authorized treating physician."

Amount in Dispute: \$2,124.26

Respondent's Position

"Carrier's explanation of reviews provide denial reason 197 "payment denied/reduced for absence of precertification/authorization" and 5026 "scriptadvisor has denied the line for utilization. The PLN 11 attached supports the compensability /entitlement denial. .

Response submitted by: Law Office of Brain J. Judis

Findings and Decision

Authority

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

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.501](#) effective April 22, 2018, 43 TexReg 2275 defines pharmaceutical terms as used prior to November 28, 2024.
3. [28 TAC §134.530](#) sets out requirements of prior authorization of pharmacy services.
4. [28 TAC §134.503](#) sets out the fee guidelines for pharmacy services.

Denial Reasons

The insurance carrier reduced or denied the disputed service(s) with the following claim adjustment codes.

- 197 – Payment denied/reduced for absence of precertification/authorization
- 5026 – Scriptadvisor has denied the line for utilization.
- 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.
- 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 appeals to be warranted.
- 2005 – No additional reimbursement allowed after review of appeal/reconsideration.

Issues

1. Did the submitted explanation of benefits have a denial based on extent/compensability?
2. Is the respondent's denial supported?
3. What rule is applicable to reimbursement?

Findings

1. The requestor is seeking reimbursement of the medication Nuedexta. The respondent states, "Carrier prays that TDI DWC dismiss medical dispute... ..in accordance with 28 TAC § 133.305(b) providing, "If a dispute regarding compensability extent of injury, liability, or medical necessity exists for the same service for which there is a medical fee dispute, the disputes regarding compensability, extent of injury, liability or medical necessity shall be resolved prior to the submission of a medical fee dispute for the same services..."

Review of the submitted explanation of benefits found the denials shown above in denial reasons. None of these are related to compensability/extent.

DWC §133.307(d)(2)(F) states in pertinent part, "The responses shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review.

If the response includes unresolved issues of compensability, extent of injury, liability, or medical necessity, the request for MFDR will be dismissed in accordance with subsection (f)(3)(B) or (C) of this section."

A review of the submitted EOB does not support the denial based upon compensability. As a result, due to the insufficient documentation the DWC will proceed with the audit of the disputed charges.

A review of the submitted information finds insufficient documentation to support an EOB was presented to the health care provider giving notice of the extent of injury defense or denial reason prior to the filing of the MFDR.

Rule §133.307(d)(2)(F) requires that: The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review.

Pursuant to Rule §133.307(d)(2)(F), the insurance carrier's failure to give notice to the health care provider of specific codes or explanations for reduction or denial of payment as required by Rule §133.240, the DWC finds the respondent has raised new denial reasons or defenses.

Consequently, the division concludes that the insurance carrier has waived the right to raise a new denial reason or defense during dispute resolution. Any such new defenses or denial reasons will not be considered in this review.

2. The insurance carrier denied the medication Nuedexta for date of service April 30, 2025 based on lack of precertification/authorization. DWC Rule 28 TAC §134.500(3) defines the closed formulary as "... All available Food and Drug Administration (FDA) approved prescription and nonprescription drugs prescribed and dispensed for outpatient use, but excludes:

(A) drugs identified with a status of 'N' in the current edition of the Official Disability Guidelines Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers'

- Compensation Drug Formulary, and any updates;
- (B) any prescription drug created through compounding prescribed before July 1, 2018 that contains a drug 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;
- (C) any prescription drug created through compounding prescribed and dispensed on or after July 1, 2018; and
- (D) any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a)." [emphasis added]

DWC finds that Nuedexta Cap is a prescription drug approved by the FDA and does not meet any of the criteria for exclusion, therefore, it is subject to the DWC closed formulary as defined.

Additionally, there is no exclusion for FDA approved drugs that are not found on the ODG/Appendix A, and the appendix is not an exhaustive list of all FDA approved drugs.

A drug's absence from the ODG/Appendix A does not create a requirement to obtain preauthorization. DWC finds that the insurance carrier's denial of payment based on preauthorization is not supported. The service in dispute will be reviewed per the applicable fee guidelines.

3. DWC Rule 28 TAC §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
Nuedexta	59148005316	B	32.419/60	\$2,124.26	\$2,124.26	\$2,124.26

The DWC finds that the requester is entitled to reimbursement in the amount of \$2,124.26. 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 additional reimbursement 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 Valley Forge Insurance Company must remit to TrustRX Pharmacy \$2,124.26 plus applicable accrued interest within 30 days of receiving this order in accordance with [28 TAC §134.130](#).

Authorized Signature

		January 7, 2026
Signature	Medical Fee Dispute Resolution Officer	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 3 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 3 o correo electronico CompConnection@tdi.texas.gov.