TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

TrustRX Pharmacy

Respondent Name

American Zurich Insurance Company

MFDR Tracking Number

M4-26-1791-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

February 23, 2026

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
July 24, 2025	Cyclobenzaprine – NDC 16571078301	$87.32	$87.32
July 24, 2025	APAP/Codeine #3 – NDC 00406048401	$189.17	$189.17
	Total	$276.49	$276.49

Requester's Position

"Trustrx submitted a timely bill for DOS 07/24/2025. Zurich issued partial payment that does not align with the Texas Workers' Compensation Pharmacy Fee Schedule.

"Trustrx then submitted a **timely reconsideration** to Optum (Zurich TPA) disputing the underpayment and providing a fee schedule breakdown demonstrating the correct reimbursement amount.

"Instead of addressing the underpayment, the carrier issued a denial citing 'timely filing.'

"This denial is improper for the following reasons:

1. The original bill was timely submitted.
2. The reconsideration was timely submitted.
3. A carrier cannot retroactively assert timely filing after issuing partial payment.
4. The denial fails to address the pricing issue."

Amount In Dispute: $276.49

Respondent's Position

"The provider has a contract with the carrier's pharmacy benefit manager (PBM) Optum. Accordingly, there is a contracted rate. The provider was paid at the contracted rate. 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.
3. Labor Code Section 408.0281 sets out the requirements for reimbursement of pharmacy services.

Adjustment Reasons

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

1. HEOL – Processed online through the Pharmacy Benefit Manager.
2. B13(60) – Previously paid. Payment for this claim/service may have been provided in a previous payment.
3. P12(ZR) – Workers' compensation jurisdictional fee schedule adjustment.
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. ZR(P12) – The provider or a different provider ha billed for the exact service on a previous bill where no allowance was originally recommended.

Issues

1. What is DWC considering in this medical fee dispute?

2. Is the insurance carrier's reduction based on contracted rate supported?

3. Is the requester entitled to additional reimbursement?

Findings

1. The requester is seeking additional reimbursement for drugs dispensed July 24, 2025. The insurance carrier reduced payment based on a PPO contract. DWC will review this dispute in accordance with applicable rules per 28 TAC Section 133.307.

2. The insurance carrier reduced payment stating, "Processed online through the Pharmacy Benefit Manager," arguing that "the provider was paid at the contracted rate." Per 28 TAC Section 134.503,

   (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: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount;

   (B) Brand-name drugs: ((AWP per unit) x (number of units) x 1.09) + $4.00 dispensing fee per prescription = reimbursement amount;

   (C) When compounding, a single compounding fee of $15 per prescription must 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 (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.

   Labor Code Section 408.0281 states, in relevant part,

   (b) Notwithstanding any provision of Chapter 1305, Insurance Code, or Section 504.053 of this code, prescription medication or services, as defined by Section 401.011(19)(E):

(1) may be reimbursed in accordance with the fee guidelines adopted by the commissioner or at a contract rate in accordance with this section; and

(2) may not be delivered through:

(A) a workers' compensation health care network under Chapter 1305, Insurance Code; or

(B) a contract described by Section 504.053(b)(2).

(c) Notwithstanding any other provision of this title, including Section 408.028(f), or any provision of Chapter 1305, Insurance Code, an insurance carrier may pay a health care provider fees for pharmaceutical services that are inconsistent with the fee guidelines adopted by the commissioner only if the carrier has a contract with the health care provider and that contract includes a specific fee schedule. An insurance carrier or the carrier's authorized agent may use an informal or voluntary network to obtain a contractual agreement that provides for fees different from the fees authorized under the fee guidelines adopted by the commissioner for pharmaceutical services. If a carrier or the carrier's authorized agent chooses to use an informal or voluntary network to obtain a contractual fee arrangement, there must be a contractual arrangement between:

(1) the carrier or authorized agent and the informal or voluntary network that authorizes the network to contract with health care providers for pharmaceutical services on the carrier's behalf; and

(2) the informal or voluntary network and the health care provider that includes a specific fee schedule and complies with the notice requirements of this section.

The insurance carrier failed to provide any evidence of a contract that would allow the insurance carrier to pay at a level inconsistent with the fee guidelines adopted by the commissioner. Therefore, this denial reason is not supported.

3. Because the insurance carrier failed to support its reduction of payment, DWC will review the services in question in accordance with the fee guidelines.

Date of Service	Drug	NDC	Generic /Brand	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and	Paid Amt	Amount Due
7/24/2025	Cyclobenzaprine	16571078301	G	$1.64050	42	$90.13	$90.12	$90.12	$2.80	$87.32
7/24/2025	APAP/Codeine #3	00406048401	G	$1.42670	120	$218.01	$218.00	$218.00	$28.83	$189.17
							Total	**$308.12**	**$31.63**	**$276.49**

The total allowable reimbursement amount is $308.12. The parties agree that the total amount paid by the insurance carrier is $31.63. An additional reimbursement of $276.49 is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence the 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 American Zurich Insurance Company must remit to TrustRX $276.49 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	May 22, 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 electronico CompConnection@tdi.texas.gov.