Pharmacy Policy

Prescription Compounds

Policy Number: 9.054
Version Number: 2.0
Version Effective Date: 1/1/2022

Product Applicability ☐ **All Plan[+] Products**

Well Sense Health Plan
☐ New Hampshire Medicaid

Boston Medical Center HealthNet Plan
☐ MassHealth - MCO
☐ MassHealth - ACO
☒ Qualified Health Plans/ConnectorCare/Employer Choice Direct
☐ Senior Care Options

Note: Disclaimer and audit information is located at the end of this document.

Summary

The Plan provides coverage of certain prescription compounds when prescribed for Medically Necessary indications. The Plan may authorize coverage of other prescription compounds when appropriate criteria are met.

Description of Item or Service

Prescription compounds are drugs prepared using a combination of active and non-active ingredients, to create formulations that provide unique routes of delivery for certain patient-specific conditions and administration requirements. Compounds are necessary when commercially available formulations are not available and do not meet the needs of individual patients. Compounds should not be manufactured in large scale, but should be made specifically for each patient. All ingredients used for each compound should be

[+] *Plan* refers to Boston Medical Center Health Plan, Inc. and its affiliates and subsidiaries offering health coverage plans to enrolled members. The Plan operates in Massachusetts under the trade name Boston Medical Center HealthNet Plan and in other states under the trade name Well Sense Health Plan.

medically necessary to fulfill the needs of the prescription. Ingredients used to enhance the compound, such as flavoring, but are not clinically essential to the compound will not be covered by the Plan.

Policy

The Plan may provide coverage for prescription compounds for members meeting the following criteria.

1. Request is for a compound; **AND**
2. There is a rejected point of service claim for the specific compounded medication; **AND**
3. One of the following:
    A. All ingredients within the compound are covered by the plan and are not excluded; **OR**
    B. All ingredients are not covered by the plan but the pharmacy is willing to process the claim with Submission Clarification Code -8

Prior Authorization – (Duration of Approval: six months)

A prior authorization request will be required for all prescription compounds that do not meet the criteria above. These requests will be approved when the following criteria are met.

Limitations

The Plan will *not* approve coverage of prescription compounds in the following instances:

- Compound contains only over-the-counter ingredients
- Compound contains only non-active ingredients
- Compounds containing non-covered bulk chemical products
- Compounds containing Plan excluded products
- For the treatment of plan excluded indications
- When the above criteria are not met

Clinical Background Information and References

N/A

Original Approval Date	Original Effective Date	Policy Owner	Approved by
8/12/2021	1/1/2022	Pharmacy Services	Pharmacy & Therapeutics (P&T) Committee

Policy Revisions History			
Review Date	**Summary of Revisions**	**Revision Effective Date**	**Approved by**
8/12/2021	P&T Review: New policy created	1/1/2022	P&T Committee

Next Review Date

8/2022

Reference to Applicable Laws and Regulations, If Any

Disclaimer Information

Medical Policies are the Plan's guidelines for determining the medical necessity of certain services or supplies for purposes of determining coverage. These Policies may also describe when a service or supply is considered experimental or investigational, or cosmetic. In making coverage decisions, the Plan uses these guidelines and other Plan Policies, as well as the Member's benefit document, and when appropriate, coordinates with the Member's health care Providers to consider the individual Member's health care needs.

Plan Policies are developed in accordance with applicable state and federal laws and regulations, and accrediting organization standards (including NCQA). Medical Policies are also developed, as appropriate, with consideration of the medical necessity definitions in various Plan products, review of current literature, consultation with practicing Providers in the Plan's service area who are medical experts in the particular field, and adherence to FDA and other government agency policies. Applicable state or federal mandates, as well as the Member's benefit document, take precedence over these guidelines. Policies are reviewed and updated on an annual basis, or more frequently as needed. Treating providers are solely responsible for the medical advice and treatment of Members.

The use of this Policy is neither a guarantee of payment nor a final prediction of how a specific claim(s) will be adjudicated. Reimbursement is based on many factors, including member eligibility and benefits on the date of service; medical necessity; utilization management guidelines (when applicable); coordination of benefits; adherence with applicable Plan policies and procedures; clinical coding criteria; claim editing logic; and the applicable Plan – Provider agreement.