



## Union Pacific Railroad Employees Health System Pharmacy Program and UPREHS Prime Medicare Plan

### PRIOR AUTHORIZATION FOR COMPOUNDED DRUGS POLICY AND PROCEDURES

#### Introduction

Compounded products are drugs that are mixed by a pharmacist prior to dispensing to a patient. In the past, these products have included mixing of creams together or crushing tablets and making a suspension for a pediatric patient. In recent years, compounding pharmacies have become a new entity in the medical arena. These pharmacies, which are regulated by the states and not by the FDA, are producing products that are essentially copies of products already available on the market or are making products that are prescribed by a physician with an unavailable dosage or form. Many of these products are for drugs that are not indicated for the intended use. Without FDA oversight, there is no guarantee of these products quality, efficacy, or safety.

UPREHS Pharmacy is concerned about patient safety and the value of these products. A prior authorization policy has been established to better monitor and evaluate the appropriate use of compounded products.

#### Policies

- Effective January 1, 2008, prior authorization will be required for many prescriptions for compounded drugs. A compounded prescription involves a process whereby a compounding pharmacy, pharmacist or physician combines, mixes or alters ingredients to create a customized medication for an individual patient that is not commercially available.
- Effective January 1, 2008 UPREHS will require prior authorization for all prescriptions that must be provided by a compounding pharmacy.

- If you do not get prior authorization, you will be financially responsible for a large portion of the payment for the compounded prescription(s). UPREHS will only make payment at our usual and customary cost for the formulary drug(s) included in the compound.
- Prior authorization will require a written statement from your prescribing physician that documents evidence of failure of commercially available formulary prescription drugs to treat the problem. The physician's statement must establish the medical need for the compounded drug versus other commercially available formulary prescription drugs.
- The pharmacy or compounding pharmacy providing a compounded prescription drug must submit their claim to UPREHS using our official UPREHS Compound Drug Claim (paper) form available on our website or through our Customer Services department.
- There are many commercially available formulary prescription drugs that require a pharmacist to mix before dispensing the medication. This rule does NOT include those types of prescription drugs. Also, many Long Term Care, Intravenous and Parenteral and/or Enteral nutrition therapy drugs require mixing before administration and they do NOT require prior authorization when a covered benefit.
- A physician can obtain the UPREHS Physician Documentation for Prior Authorization for a Compounded Drug Prescription form, or the UPREHS Compound Drug Paper Claim form on our website at [www.uphealth.com](http://www.uphealth.com) or by calling UPREHS Customer Services at 1-800-547-0421, Monday through Friday, 7:30 AM to 3:30 PM, Mountain Time.

## Procedures

- The point person for all compounded prescriptions will be the Pharmacy Benefits Representative. This person will manage the prior authorization process.
- The Pharmacy Benefits Representative will assure that all necessary documentation is submitted and determine if a prior authorization is needed. Those products that require a prior authorization, the Pharmacy Benefit Representative will contact the Pharmacy Director or the Pharmacy Manager for authorization or denial.
- The Pharmacy Benefits Manager will coordinate payment with the pharmacy or the patient and complete the prior authorization process. Upon completion of the prior authorization, the paper work will be sent to the Pharmacy Program Specialist for tracking and reporting.