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TO: CareOregon Pharmacy Network
From: Medical Management Department, Pharmacy Unit
Subject: Compound Rx Policy Effective 12/02/08
DATE: Nov. 25, 2008

Please note, this is a correction to the previous notification titled "Compound Rx Policy Effective 9/10/08" that was sent on Aug. 21, 2008. We apologize for any inconvenience this may have caused.

The following policy for Compound Prescriptions will be effective 12/02/2008. This policy applies to CareOregon/OHP members and CareOregon Advantage/Medicare members.

Policy for Compound Prescriptions

1. NCPDP field 406-D6 must be equal to "2".
2. Submit one claim per Compound Rx using NDC 00000-0000-00.
3. Completion of the corresponding Compound Segment, including all other compound ingredients, is required.
4. Prior Authorization is required for all Compound Rx meeting the following:
 - a. Compound contains ingredients which are non-formulary or which alone require Prior Authorization. Please inform the prescriber of the need for prior authorization.
 - b. Total Compound Rx cost exceeds \$75. To obtain Prior Authorization for over-dollar Compound Rx, please call the RxAmerica Pharmacy Network Help Desk at 800-770-8014.

If you have any questions about this policy, please contact CareOregon at 503 416-4100 or 800 224-4840. Also please check our website at <http://www.careoregon.org/provider/pharmacy.html> for additional formulary and policy information. Thank you for your cooperation. Additional instructions follow on Page 2.

Instructions for Compound Prescription Claims Processing

1. Complete the following NCPDP Fields for each active ingredient with the exception of field 407-D7, which is submitted only once.

Field #	Field Name	Value
406-D6	Compound Code	2
407-D7	Product Service ID (NDC number) of Primary Active Ingredient	XXXXX-XXXX-XX
447-EC	Compound Ingredient Components	01, 02, 03, etc.
448-ED	Compound Ingredient Quantity	Metric quantity
449-EE	Compound Ingredient Drug Cost	\$\$\$
451-EG	Compound Dispensing Unit Form Indicator	1 = EA, 2 = ML, 3 = GM
452-EH	Compound Route of Administration	0 through 22 (NCPDP data dictionary)
488-RE	Compound Product ID Qualifier	03 = NDC
489-TE	Compound Product Service ID (Ingredient NDC Number) NDC Number	XXXXX-XXXX-XX
490-UE	Compound Ingredient Basis of Cost	01 through 09 (NCPDP data dictionary)

2. Complete the compound segment as indicated in RxAmerica's Payor Sheets.
3. If you need assistance with compound claim processing, please contact the RxAmerica Help Desk at 1-877-279-0372.