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Pharmacy Announcement

Attention Pharmacy Providers: CMS Changes Coverage for Compounding Ingredients

Effective Jan. 1, 2011, Nevada Medicaid will no longer cover certain compounding ingredients listed by the Centers for Medicare & Medicaid Services (CMS) as excluded from the Medicaid Drug Rebate Program.

On Aug. 11, 2010, CMS published a memo on their website announcing the removal of Active Pharmaceutical Ingredients (APIs) and Excipients as covered outpatient drugs. APIs are products commonly included in extemporaneously compounded prescriptions as the active drug component (i.e., bulk powdered drugs). The Excipients category includes many compounding bases (i.e., aquaphor). The CMS memo may be accessed at http://www.cms.gov/MedicaidDrugRebateProgram/02_StateReleases.asp and then select Downloads for Calendar Year 2010. The memo is release 155 (rel 155.pdf).

The list of newly excluded APIs and Excipients is extensive and revisions are expected to the list as CMS identifies additional products in the marketplace that meet their criteria. You may access the listing at: http://www.cms.gov/reimbursement/02_Spotlight.asp. Select the zipped file under Downloads named API and Excipient NDCs Identified, which contains two listings, one for APIs and one for Excipients.

If you frequently compound prescriptions for Medicaid recipients, you will want to review the CMS list. You should expect that claims for certain types of compounded prescriptions that have been paid in the past will reject effective Jan. 1, 2011.