Wyoming
Department
of Health

Division of Healthcare Financing

Medicaid Pharmacy News

Dear Providers: March 15, 2022

COMPOUNDS AND COMPOUND BILLING ALERT

Wyoming Medicaid has identified several issues with compound claims. In order to ensure the integrity of these claims, Medicaid is requesting pharmacies closely review this newsletter and ensure they are submitting compound claims correctly. The Change Healthcare Helpdesk (877-209-1264) is available to work with pharmacies needing extra help with billing compound claims. Claims that are billed incorrectly will be subject to recovery and further audit proceedings.

We are providing the following information to assist you in entering and billing compounds correctly.

Pages 1 and 2 include important tips on compound entering/billing.

Page 3 includes an example of a correctly billed compound along with many examples of incorrectly billed compound claims. If you believe that your pharmacy is billing compounds incorrectly or need additional assistance, please contact the CHC Helpdesk or your software vendor, in order to avoid possible recovery.

IMPORTANT TIPS:

- All compound claims for Wyoming Medicaid clients MUST be submitted using the NCPDP version D.0 standard MULTI-INGREDIENT COMPOUND functionality. Therefore, ALL ingredients MUST be entered with the correct quantity and cost for each ingredient included.
- All prescriptions that are compounded MUST be submitted as a COMPOUND claim.
- To ensure the accuracy of the Medicaid client's profile, all prescriptions, including compounds, must be submitted to Wyoming Medicaid for adjudication. A pharmacy's lack of understanding of compound claim billing must not result in client(s) being required to pay for their compounded prescriptions or payment being waived without claim submission. It is important that each pharmacy staff member who bills Wyoming Medicaid become fully educated on the proper billing of compound claims.
- If you are having difficulty billing a compound and you are receiving reject codes (ie. 20-M/I Compound Segment) that suggest the 11 zero NDC# is not being populated, please contact your software vendor to verify your system is set up to bill MULTI-INGREDIENT COMPOUNDS.
- For NCPDP fields that relate to compound claims, please refer to the Wyoming Department of Health PayerSheet available at www.wymedicaid.org.
- A pharmacy can submit a compound claim with a submission clarification code of 8, and only the covered ingredients will pay.

- Wyoming Medicaid has seen many claims submitted where the pharmacy staff selects a recipe that is already entered in the POS system. The ingredients in the initial recipe and the prescription being dispensed are the same, but the quantities in the initial recipe differ from the quantities being dispensed. This may result in claims which convert the individual ingredient quantities into a percentage of the quantity from the initial recipe. Thus, the quantities of tablets, etc are being billed, for example, as 10.134 tablets. (See p.2- #3 for another example) Therefore, we recommend that each time a compound is dispensed, a new recipe be entered if the quantities differ at all. This will help ensure that claims are not being billed for quantities different than what is dispensed.
- When calculating the Total Quantity (Field 442-E7) of the entire compound, enter the sum of the individual ingredients that significantly contribute to the end volume or weight of the completed prescription. However, do not include the quantity of tablets, capsules, etc. (ie. 6 capsules of Tamiflu in 30ml of Cherry Syrup would have a total quantity of 30ml not 36ml).

RX example: #22 Omeprazole 20mg Capsules compounded with 100ml of Sod Bicarb Inj 8.4% and 50ml of Cherry Syrup.

This is the <u>CORRECT</u> way to submit the compound RX above:

CORRECT:

RX#	LINE #	NDC	Product Description	Ingred Qty	Total Qty	Day Supply
234567	0	00000000000	Compound Prescription		150ml	15
	1	60505006501	Omeprazole cap 20mg	22		
	2	00409662502	Sod Bicarb Inj 8.4%	100		
	3	00395266216	Cherry Syrup	50		

Below are examples of INCORRECT ways to submit the compound RX above:
(Claims billed like any of these examples are subject to full recovery.)

1). Billing only the most expensive covered ingredient (NOT AS A COMPOUND) with the final quantity of the entire compound.   INCORRECT:

RX#	LINE #	NDC	Product Description	Ingred Qty	Total Qty	Day Supply
345671	1	60505006501	Omeprazole cap 20mg		150ml	15

2). Billing each ingredient in the compound as separate prescriptions.   INCORRECT:

RX#	LINE #	NDC	Product Description	Ingred Qty	Total Qty	Day Supply
345671	1	60505006501	Omeprazole cap 20mg		22	15
345672	1	00409662502	Sod Bicarb Inj 8.4%		100	15
345673	1	00395266216	Cherry Syrup		50	15

3). Billing the individual item quantity as an amount that is different than the quantity dispensed to the client.   INCORRECT:

RX#	LINE #	NDC	Product Description	Ingred Qty	Total Qty	Day Supply
345671	0	00000000000	Compound Prescription		150 ml	15
	1	60505006501	Omeprazole cap 20mg	24.567		
	2	00409662502	Sod Bicarb Inj 8.4%	112.135		
	3	00395266216	Cherry Syrup	13.298		

4). Billing the total quantity of the compound as an amount that is different than the total sum of the individual ingredients.   INCORRECT:

RX#	LINE #	NDC	Product Description	Ingred Qty	Total Qty	Day Supply
345671	0	00000000000	Compound Prescription		1	1
	1	60505006501	Omeprazole cap 20mg	22		
	2	00409662502	Sod Bicarb Inj 8.4%	100		
	3	00395266216	Cherry Syrup	50		