



Division of Medical Assistance Programs

# Information Memorandum Transmittal

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DMAP Policy and Planning Section

**Number:** DMAP-IM-11-032

**Authorized Signature**

**Issue Date:** 03/25/2011

**Topic:** Medical Benefits

**Subject:** **Provider Announcement:** Coverage for certain compounding ingredients ends

**Applies to:**

- All DHS employees
- Area Agencies on Aging
- Children, Adults and Families
- County DD Program Managers
- County Mental Health Directors
- Seniors and People with Disabilities
- Other (please specify): DHS and OHA staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists

**Message:**

DMAP will post the following announcement on the [OHP Provider Announcements](#) page and distribute via eSubscribe.

It explains that starting April 1, 2011, regardless of the date of service, DMAP will deny claims for certain compounding ingredients including bulk powders, active pharmaceutical ingredients (APIs) and excipients because they no longer meet the definition of covered outpatient drugs.

*If you have any questions about this information, contact:*

<b>Contact(s):</b>	DMAP Pharmacy Program
<b>E-mail:</b>	Dmap.rxquestions@state.or.us

# Attention Pharmacy Providers

## Coverage for certain compounding ingredients ends

Beginning April 1, 2011, regardless of the date of service, the Division of Medical Assistance Programs (DMAP) will deny claims for certain compounding ingredients including bulk powders, active pharmaceutical ingredients (APIs) and excipients. We are making this change because the Centers for Medicare and Medicaid Services has determined that certain compounding ingredients no longer meet the definition of covered outpatient drugs (for more information, go to [www.cms.gov/Reimbursement/02\\_Spotlight.asp](http://www.cms.gov/Reimbursement/02_Spotlight.asp)).

Examples of products that will no longer be covered, include:

- Sorbitol
- Ora Plus
- Bulk powders

### Reminders

You have a right to appeal any denial or limitation of payment. For more information about appeals, see Oregon Administrative Rule 410-120-1560, found in the DMAP General Rules rulebook at [www.dhs.state.or.us/policy/healthplan/guides/genrules/main.html](http://www.dhs.state.or.us/policy/healthplan/guides/genrules/main.html).

The DMAP Pharmacy rulebook and other helpful pharmacy program information is located at [www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html](http://www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html).

### Stay informed

Sign up for eSubscribe to receive free e-mail updates on important OHP changes affecting you. Go to [www.oregon.gov/DHS/healthplan/notices\\_providers/main.shtml](http://www.oregon.gov/DHS/healthplan/notices_providers/main.shtml) and choose which alerts you want to receive (next to the green envelope icon). It's fast, secure and easy.

Go to the Epocrates at <https://online.epocrates.com/noFrame/> for information about drugs covered by DMAP and some managed care plans.

### Questions?

- About billing OHP medical plans: Contact the plan.
- About billing Medicare D: 1-877-585-0007, or [www.oregon.gov/DHS/mma/](http://www.oregon.gov/DHS/mma/)
- About technical billing or Prior Authorization: Oregon Pharmacy Call Center 1-888-202-2126.
- About this announcement or the Provider Web Portal: Provider Services Unit 1-800-336-6016, available Monday through Thursday from 8:30 a.m. to 4:30 p.m. and 10 a.m. to 4:30 p.m. on Friday.

### Thank you for your support

We appreciate your continued support of the Oregon Health Plan and the services you provide our clients.

### What are APIs and excipients?

- APIs are bulk drug substances. The FDA defines APIs as substances that when used in the manufacturing, processing, or packaging of a drug, become active ingredients of the drug product. *21 CFR § 207.3(a)(4)*
- Excipients (pharmaceutical additives) are inactive ingredients used to make a medication. They include dyes, flavors, binders, emollients, fillers, lubricants and preservatives (e.g., cornstarch, lactose, and sucrose).

