

Pharmacy Notice

Magellan Medicaid Administration (MMA) Louisiana Medicaid Single Managed Care Organization (MCO) Pharmacy Benefits Manager (PBM)

****Compounding Claims Submission ****

April 1, 2024

Compound Claims

MMA is currently covering compound claims. All compounds must be submitted using the NCPDP version D.0 standard multi-ingredient compound functionality. Therefore, all ingredients must be identified, their units must be indicated, and the ingredient cost for each ingredient must be submitted on the claim.

At least one item in the compound must be a covered drug. Any component of a compound requiring PA will necessitate an approval prior to receiving payment. For additional information, refer to the *Payer Specification* document on the Plan Portal.

Important Notes:

- In order for compound claims to adjudicate and reimburse appropriately, providers should enter the following information in the applicable fields of the **Claim Segment** header:
 - A Compound Code (NCPDP Field ID: 406-D6) value of '2 – Compound' should be entered to identify the claim as a multi-ingredient compound.

- A value of '00 – Not Specified' in the Product/Service ID Qualifier (NCPDP Field ID: 436-E1) field.
- A value of '0' in the Product/Service ID (NCPDP Field ID: 407-D7) field.
- The specific NDCs for each ingredient of the compound should be entered in the Compound Product ID (NCPDP Field ID: 489-TE) field.
- A Submission Clarification Code (NCPDP Field ID: 420-DK) value of "8" only allows a claim to continue processing if at least one ingredient is covered. Non-rebateable ingredients will process with the submission clarification code, but only rebateable ingredients are eligible for reimbursement.
- The Compound Type (NCPDP Field # 996-G1) is required to be submitted on all compound claims. If this field is not submitted, the claim will reject.
- Compound claims must contain at least two ingredients, including one active/payable ingredient. Single ingredient claims will deny with *NCPDP EC 7Z – Compound Requires Two or More Ingredients* with supplemental message "*Compounds with container NDC must also include at least one active compounded ingredient.*"
- Compounding' does not include reconstitution of a drug pursuant to a manufacturer's direction(s), nor does it include the sole act of tablet splitting or crushing, capsule opening, or the addition of flavoring agent(s) to enhance palatability.
- The Department will accept up to 25 ingredients. Compound claims with more than 25 ingredients will not be accepted and will deny with *NCPDP 9K – Cmpd IngComponent Cnt Exceeds Num Ing Supported.*
- Pharmacies must transmit the same NDC numbers that are being used to dispense the medication.
- If total cost is not equal to the sum of the ingredients' cost, the claim will deny.

- Multiple instances of an NDC within a compound will not be allowed. These claims will deny with *NCPDP 21 – M/I Product/Service ID* with supplemental message *“Duplicate compound ingredients are not allowed”*.
- Compounds will be limited to a \$250.00 total ingredient cost. Claims submitted that exceed \$250.00 will reject with *NCPDP EC 78 – Cost Exceeds Maximum* with the additional message *“Ingredient cost exceeded. Prior Authorization required.”*
- Duplicate edits are applied regardless of the compound status of the claim.

Reimbursement for Level of Effort is being programmed and a provider notice will be sent out soon.