

**Government Business Division
Policies and Procedures**

Section (Primary Department) Pharmacy Dept		SUBJECT (Document Title) Louisiana Compound Restriction	
Effective Date 05/01/2020	Date of Last Review	Date of Last Revision	Dept. Approval Date 03/13/2020
Department Approval/Signature :			

Policy applies to health plans operating in the following State(s). Applicable products noted below.

Products	<input type="checkbox"/> Arkansas	<input type="checkbox"/> Indiana	<input type="checkbox"/> Nevada	<input type="checkbox"/> Tennessee
<input checked="" type="checkbox"/> Medicaid	<input type="checkbox"/> California	<input type="checkbox"/> Iowa	<input type="checkbox"/> New Jersey	<input type="checkbox"/> Texas
<input type="checkbox"/> Medicare/SNP	<input type="checkbox"/> Colorado	<input type="checkbox"/> Kentucky	<input type="checkbox"/> New York – Empire	<input type="checkbox"/> Virginia
<input type="checkbox"/> MMP/Duals	<input type="checkbox"/> District of Columbia	<input checked="" type="checkbox"/> Louisiana	<input type="checkbox"/> New York (WNY)	<input type="checkbox"/> Washington
	<input type="checkbox"/> Florida	<input type="checkbox"/> Maryland	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Wisconsin
	<input type="checkbox"/> Georgia	<input type="checkbox"/> Minnesota	<input type="checkbox"/> South Carolina	<input type="checkbox"/> West Virginia

POLICY:

Louisiana implemented a State PDL on 05/01/2019. This required that all MCO’s fully align with Fee-For-Service drug-utilization review and point-of-sale edits and other covered benefits. Fee-for-service (FFS) currently does not cover compounds. To better align with FFS, ensure appropriate use, and combat compound fraud, waste, and abuse (i.e. foot baths), Healthy Blue will update our compound coverage policy.

DEFINITIONS:

Fraud – As relates to Medicaid Program Integrity, an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him or some other person. It includes any act that constitutes fraud under applicable federal or state law. Fraud may include deliberate misrepresentation of need or eligibility; providing false information concerning costs or conditions to obtain reimbursement or certification; or claiming payment for services which were never delivered or received.

Preferred Drug List (PDL) – a list maintained by the MCO indicating which drugs providers are permitted to prescribe without seeking prior authorization.

Prior Authorization – The process of determining medical necessity for specific services before they are rendered.

PROCEDURE:

Compounds process at point of service when:

- Member is age 5 & under AND
- Total reimbursement to pharmacy is less than \$200 for the compound AND
- The active ingredient NDC is available without PA on the LDH PDL

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All compound requests exceeding the above parameters will require prior authorization (PA). The PA team will review these requests for medical necessity. Prior authorization for the prescribed compound prescriptions will be granted when the following approval criteria has been met:

- Prescriber must provide clinical rationale or medical justification for use, including, but not limited to:
 - Recipient medical records indicating previous trial and failure of commercially available therapeutic alternatives
 - Recipient medical records indicating commercially available products are unsuitable for use
 - No reasonable therapeutic alternative
 - Supporting literature
- Active ingredient is a payable NDC on the PDL
- Active ingredient is FDA approved for indication
- Active ingredient is CMS rebatable

REFERENCES:

1. Louisiana Medicaid Statement of Work effective date 01/01/2020 - section 6.3.2.3

RESPONSIBLE DEPARTMENTS:

Primary Department:

Pharmacy Department

Secondary Department(s):

IngenioRx- Prior Authorization department

EXCEPTIONS:

There are currently no exceptions to this policy

REVISION HISTORY:

Review Date	Changes
03/13/2020	• New Policy and Procedure