

## ***Information for Pharmacists***

# **Claims Submission Procedure – Outsourced Extemporaneous Products (Compounding)**

***Effective August 18, 2017***

**Please include this Procedure in your Drug Programs Information Network (DPIN) Manual under Section 4: Claims Submission.**

The following DPIN claims submission procedure should be used when calculating the final price of an extemporaneous product (compound) that is either a benefit or non-benefit under *The Prescription Drugs Cost Assistance Act* and when the product is compounded by or procured from an Outsource Compounder (a pharmacy with or without an Establishment License).

### **Procedure:**

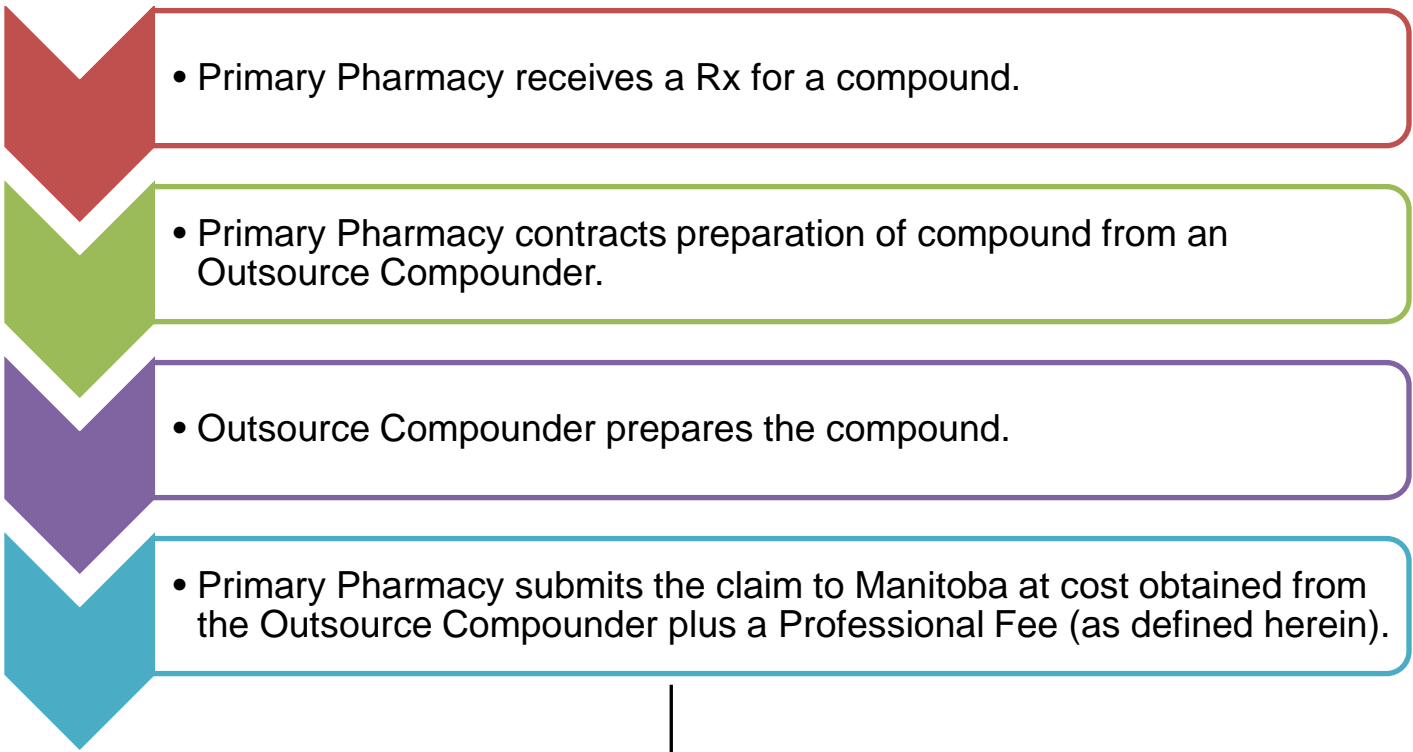
- All conditions and procedures delineated within the Claims Submission Procedure – Extemporaneous Products (Compounding) found at <https://www.gov.mb.ca/health/pharmacare/healthprofessionals.html> apply except where explicitly stated within this Claim Submission Procedure.
- The following definitions apply to this Procedure:
  - Primary Pharmacy: The pharmacy who has **contracted** the services of an Outsource Compounder.
  - Outsource Compounder: The pharmacy who provides the compounding service
  - Third Party Extemporaneous Product: Any compound prepared by the Outsource Compounder.
- The Pharmacy Claims Submission Manual (also known as the DPIN Manual) requires that when submitting a claim for an extemporaneous product to Manitoba, the pharmacy must enter the 1) Drug Cost and 2) the Preparation Cost or Professional Fee.
- The **Drug Cost** is the acquisition cost from the Outsource Compounder, wherein pricing for drug ingredients is based on the pricing in the Manitoba Drug Benefits Formulary and the Manitoba Interchangeability Formulary.
- The Outsource Compounder shall not offer any rebates, rewards or incentives to the Primary Pharmacy directly or indirectly, including but not limited to, rebates, coupons, points, discounts, credit or goods and services unless the rewards or incentives including discounts and rebates are credited to the benefit of Manitoba and deducted by the Primary Pharmacy from the Claim submitted.
- For an Outsourced Extemporaneous Product, Manitoba (Pharmacare, the Palliative Care Drug Access Programs, and the Home Cancer Drug Program) will reimburse the Primary Pharmacy a professional fee less than or equal to \$30 beginning August 18, 2017; or the amount regularly charged by the pharmacist to persons responsible for paying the professional fee without reimbursement. For clarity, the professional fee equals the usual and customary fee as defined in Schedule B.
- The Primary Pharmacy is solely responsible for submitting the claim to Manitoba, this includes the Professional Fee.

- When the Primary Pharmacy uses a third party for compounding (i.e. contracts and dispenses an Outsourced Extemporaneous Product, the Primary Pharmacy must ensure that:
  - The Outsource Compounder has its production facilities located within Canada;
  - The Outsource Compounder is licensed to provide the contracted service, and meets any appropriate provincial licensure requirements;
  - The Outsource Pharmacy retains the Outsourced Extemporaneous Product Compounding formulation and will produce a copy of the Outsourced Extemporaneous Product Compounding formulation to Manitoba at the request of Manitoba. Information specific to each Outsourced Extemporaneous Product will include, but is not limited to:
    - An itemized list of all compound ingredients and their concentration, dosage form and quantity,
    - The itemized list of all supplies and equipment
  - The Primary Pharmacy must be able to produce a copy of the contract at the request of Manitoba.
- Manitoba has the authority to audit and recover funds for extemporaneous product claims submitted that are inconsistent with these reimbursement procedures and/or any other Manitoba policy.

If your questions are not answered by reviewing the Claims Submission Procedures and FAQs posted at:  
<https://www.gov.mb.ca/health/pharmacare/healthprofessionals.html>

Please send an e-mail to [PDPInfoAudit@gov.mb.ca](mailto:PDPInfoAudit@gov.mb.ca).

**Example Depicting Process for Outsourced Extemporaneous Products (Compounding):**



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<b>Claim Submission Calculation:</b>				
<b>Quantity</b>	<b>Unit</b>	<b>Drug/Supply Name</b>	<b>PIN</b>	<b>Total Cost</b>
100	Grams	Compound Obtained from Outsource Compounder	xxxxxxx7	\$75.00
		Professional Fee		\$10.00
<b>Total Claim Submitted</b>				<b>\$85.00</b>