

## *Information for Pharmacists*

# **Claims Submission Procedure – 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*.

### **Procedure:**

- Claims for Extemporaneous products will be approved and processed as benefits when:
  - There is no similar commercial drug product marketed in Canada; **AND**
  - The main therapeutic ingredient is:
    - (a) Either listed in Schedule A to the Specified Drug Regulation or approved by the Minister and is commercially available, authorized by Health Canada and assigned a DIN (Drug Identification Number) or is an equivalent raw material concisely identified with a proper scientific name and having a CAS (Chemical Abstracts Service) number showing that the product is approved for use in Canada;
    - OR**
    - (b) Provincial Drug Programs has identified a situation of specific patient need, has preapproved an extemporaneous product (compound) recipe and assigned a Product Identification Number (PIN) to that extemporaneous product.

**NOTE:** No extemporaneous products will be approved when reconstituting a drug with only water.

- When selecting a Compounding PIN(s), a maximum of two (2) PINs may be required as follows:

Description	PIN
Select one (1) of the following PINs in the following order of priority:	
A benefit compound that contains any amount of ketamine	00911415
A non-benefit compound that contains any amount of ketamine	00999336
A benefit compound that contains any amount of one or more drugs listed on the Monitored Drugs Compound List*	00911420
A non-benefit compound that contains any amount of one or more drugs listed on the Monitored Drugs Compound List*	00999339
Non-sterile compound	00911405
Sterile compound**	00911400
Non-benefit compound	00999333
Include a second PIN (if applicable):	
Sterile compound** fee (to be used if the total preparation time exceeds 15 minutes)	00911410

\*monitored drugs included within this PIN are defined in the Monitored Drugs Compound List, as updated and distributed to members from time to time.

\*\*Manitoba will treat extemporaneous products that contain bio-hazardous ingredients in the same manner as “sterile compounds”; all requirements related to sterile compounds apply.

- Please refer to the “PIN Flowsheet” document for further clarify on which PIN(s) to select for a specific compound.
- Each PIN has a capitation of \$30.00 in DPIN. A second Sterile Compound PIN is required as the maximum reimbursement amount can be up to \$60.00. For clarity, one PIN would have a fee amount of \$30.00 and the balance over \$30.00 would be submitted using the second Sterile Compound PIN (00911410). Please refer to example number 3.
- 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 Professional Fee (in this case, either the Preparation Cost OR Usual and Customary (U&C) Professional Fee, as defined below).
- The **Drug Cost** is the combined cost of all ingredients including excipients (therapeutically inactive components of a medicine including diluents, wetting agents, solvents, fillers, preservatives, absorption enhancers, sweeteners, stabilisers, and colouring and flavouring agents). Pricing for drug ingredients is based on the pricing in the Manitoba Drug Benefits Formulary and the Manitoba Interchangeability Formulary.
  - Manitoba covers the cost of the following supplies and equipment when used in the preparation of a compound: required supplies and special packaging such as gelatin capsules, cassettes/bags/syringes for administration devices, IV bags, adapta-caps, and EMP jars.
  - Manitoba does not cover costs for the following: charges for equipment use, lab fees, pH meter fees, etc., as well as the cost of gowns, booties, and similar items.

- The **Professional Fee**, for an extemporaneous product, may not exceed *the greater of*:
  - (a) \$30; or the U&C Professional Fee (amount regularly charged by the pharmacist to persons responsible for paying the professional fee without reimbursement),
  - OR**
  - (b) the Preparation Cost – the amount determined by multiplying the number of minutes spent on the preparation by:
    - (i) \$1 in the case of non-sterile preparation, or
    - (ii) \$2 in the case of a sterile preparation
- The Preparation Cost is calculated using one of the following rates:
  - Non-sterile extemporaneous products include oral, topical, rectal, vaginal, buccal/sublingual, urethral, transdermal delivery routes prepared as blends, solutions or dispersions in solid, liquid or semi-solid dosage forms. For non-sterile Extemporaneous Product prescriptions prepared in a pharmacy, the Preparation Cost can be no more than the cost per minute rate specified in Regulations. For clarity, this means \$1.00 per minute to a maximum of 30 minutes.
  - Sterile extemporaneous products include ophthalmic or otic solutions or suspensions, injections, and irrigation solutions. For extemporaneous products prepared in a pharmacy and requiring sterile preparation, the Preparation Cost can be no more than the cost per minute rate specified in the Regulations. For clarity, this means \$2.00 per minute to a maximum of 30 minutes.
- In calculating the Preparation Cost, the amount of time used to calculate the fee must be based on the actual time used and not simply the maximum time allowed.
- For all extemporaneous products prepared in a pharmacy, the pharmacist must use and retain an extemporaneous product (compounding) recipe. Information specific to each extemporaneous product, including preparation cost calculations, must be kept on file in the pharmacy records with the original prescription, including but not limited to:
  - An itemized list of all extemporaneous product (compound) ingredients and their concentration, dosage form and quantity,
  - The itemized cost of each ingredient and total ingredient costs,
  - The itemized supply and equipment costs and total costs,
  - The detailed calculation of the preparation cost, and
  - The amount of time required to prepare this recipe must be consistently applied within the pharmacy for compounds of a similar nature.
- A pharmacy that prepares an extemporaneous product for dispensing from another pharmacy must maintain records specific to each extemporaneous product in the same manner as for extemporaneous products that are prepared and dispensed from the same pharmacy.
- When extemporaneous product services are provided by a pharmacy other than the dispensing pharmacy, the dispensing pharmacy must bill Manitoba in the manner described above.
- 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 [PDPIInfoAudit@gov.mb.ca](mailto:PDPIInfoAudit@gov.mb.ca).

## Examples of Extemporaneous Product Reimbursement

### Example #1 Non-Sterile Topical Extemporaneous Product (Compound)

Drug Cost Calculation:					
Quantity	Unit	Drug/Supply Name	DIN/PIN	Unit Cost	Total Cost
10	Grams	Analgesic Powder (Benefit)	xxxxxxx7	\$6.00	\$60.00
1	Grams	Hydrocortisone Powder	xxxxxxx8	\$3.00	\$3.00
1	500 Grams	Glaxal Base	xxxxxxx1	\$16.50	\$16.50
<b>Total Drug Cost</b>					<b>\$79.50</b>

Professional Fee Calculation:			
Preparation Cost OR	\$1.00/minute	9 minutes	\$9.00
U&C* Professional Fee	\$15.00		<b>\$15.00</b>

The pharmacy may submit a claim for reimbursement to Manitoba as follows:

Using Non-Sterile Compound PIN 00911405 Drug Cost \$79.50

Professional Fee (**greater of \$9 or \$15**) **\$15.00**

Total Amount Claimed \$94.50

\*U&C refers to Usual & Customary Professional Fee

### Example #2 Sterile Ophthalmic Extemporaneous Product (Compound) Solution – Compounding time under 15 minutes.

Drug Cost Calculation (Sterile Rates Apply):					
Quantity	Unit	Drug/Supply Name	DIN/PIN	Unit Cost	Total Cost
7.5	ml	Antibiotic for Injection	xxxxxxx3	\$1.00	\$7.50
7.5	ml	Artificial Tears	xxxxxxx4	\$0.50	\$3.75
<b>Total Drug Cost</b>					<b>\$11.25</b>

Professional Fee Calculation:			
Preparation Cost OR	\$2.00/minute	10 minutes	<b>\$20.00</b>
U&C Professional Fee	\$15.00		\$15.00

The pharmacy may submit a claim for reimbursement to Manitoba as follows:

Using Sterile Compound PIN 00911400 Drug Cost \$11.25

Professional Fee (**greater of \$20 or \$15**) **\$20.00**

Total Amount Claimed \$31.25

**Example #3 Sterile Irrigation Extemporaneous Product (Compound) Solution – Compounding time over 15 minutes.**

<b>Drug Cost Calculation:</b>					
Quantity	Unit	Drug/Supply Name	DIN/PIN	Unit Cost	Total Cost
5	Grams	Antibiotic Powder	xxxxxxx2	\$5.40	\$16.20
1	500 ml	Sterile Water for Injection	xxxxxxx1	\$16.50	\$16.50
<b>Total Drug Cost</b>					<b>\$32.70</b>

<b>Professional Fee Calculation:</b>			
Preparation Cost OR	\$2.00/minute	25 minutes	<b>\$50.00</b>
U&C Professional Fee	\$15.00		\$15.00

The pharmacy may submit a claim for reimbursement to Manitoba as follows:

Using Sterile Compound PIN 00911400 Drug Cost	\$32.70		
Professional Fee	<b>\$30.00</b>		
Using Sterile Compound Fee PIN 00911410	<b>\$20.00</b>		
Total Amount Claimed	\$82.70		

This should be entered into DPIN in either of the following manners depending on the pharmacy's software:

PIN	Claim Date	Dispense Date	Days' Supply	Quantity	Ingredient Cost*	Professional Fee	Prescription #
00911400	2017 08 18	2017 08 18	10	10	\$32.70	\$30.00	1
00911410	2017 08 18	2017 08 18	10	10	<b>\$0.00</b>	\$20.00	2

\*"Ingredient Cost" is the same as "Drug Cost"

**OR**

PIN	Claim Date	Dispense Date	Days' Supply	Quantity	Ingredient Cost	Professional Fee	Prescription #
00911400	2017 08 18	2017 08 18	10	10	\$32.69	\$30.00	1
00911410	2017 08 18	2017 08 18	10	10	\$0.01	\$20.00	2