

## Letter from the Editor

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### Editorial: Insurance Discrimination! Time for a Class Action xyzxyz?

As we hear more and more about insurance companies declining coverage for more and more drugs and procedures, something has to give. This editorial will be limited to the topic of insurance coverage for compounded medications and the discrimination insurance companies practice with no justification for doing so.

It's very sad when businesses must "negotiate" with an intermediary in order to get money to which they are entitled. The margin on retail sales of prescription drugs is so small that a delay in reimbursement makes it impossible to stay in business based on filling prescriptions for insurance-covered drugs. Not only that, but the patient is often caught in the middle and ends up paying more than what they should or sometimes in not even getting their medications at all.

One reason often given by the insurance is that compounded medications are not FDA-approved. Well, guess what, the following list (previously provided in this Newsletter) contains drugs that have not been FDA-approved, including acetaminophen, amobarbital, amyl nitrate, chloral hydrate, codeine, colchicine, digitoxin, digoxin, ephedrine, ergonovine, ergotamine, hydrocodone, hydromorphone, levothyroxine, morphine sulfate, nitroglycerin, opium tincture, oxycodone, pancreatic enzymes, paregoric, phenazopyridine, phenobarbital, pilocarpine, potassium chloride, potassium iodide, quinine, salsalate, sodium fluoride, and thyroid.

If they pay for these in hospitals but not in the ambulatory care setting, that's discrimination!

Other "unapproved drugs" include **ALL** compounded medications: pediatric preparations, HRT preparations, cancer combinations, intravenous admixtures, pain management medications, high-dose pain medications, medications in short supply, discontinued medications, dye-free, preservative-free, fragrance-free medications, infant medications, small children medications, new therapeutic approaches to difficult to treat diseases, drugs compounded for clinical studies, and many, many others, including any FDA-approved product to which a change has been made so it does not meet the labeling composition any longer. This includes adding flavoring, reconstituting to a different concentration, etc.

Does the insurance company pay for any of the above for hospitals but not for other non-FDA approved drugs? That's discrimination!

Insurance companies tend to always pay for intravenous admixtures, pediatric formulations, and others in hospitals. However, with the trend to moving patients out of hospitals faster to the ambulatory care setting, all of a sudden they don't cover the drugs? That's discrimination!

Do they pay for **ANY** drug used "off-label"? Then they are paying for drugs that are not FDA-approved for that condition. That's discrimination!

The insurance company may say that compounded medications are too dangerous! Then why do they cover compounded medications in hospitals but not in the ambulatory setting? That's discrimination! Let's look at the following.

Deaths attributed to compounding averages less than three per year according to data presented by the FDA. However, the Institute of Medicine report shows 98,000 deaths in hospitals every year due to errors. The FDA withdrew 16 drugs in the past 10 years due to adverse events and deaths. There are a reported 75,000 deaths per year due to FDA-approved drugs. The argument just doesn't hold up that compounding is dangerous. In fact, compounding is safe! That's discrimination!

The insurance company may say that compounding is just a small niche practice in pharmacy, and they don't want to be involved. Well, approximately 70% of pharmacies report they do some compounding (NCPA; 2006), virtually every hospital does compounding, and generally it is estimated that about 25% of pharmacists do some compounding. It should also be mentioned that compounding is about a 12 to 15

billion-dollar-a-year business. Compounding is NOT a "small niche"! That's discrimination!

It's time that the discrimination stop and insurance companies operate ethically and fairly. If they don't, there is no reason to support them any longer, and it is time for some type of class action against them! If not, there may be no "class" left in the future!

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