



Universal Claim Form for a Compounded Medication[®]

Recognized by the International Academy of Compounding Pharmacists

Compounding is simply the mixing of one or more drugs to fill a doctor's prescription. Physicians prescribe compounded medications when they believe that it is the best therapy for the patient.

Compounding of medications by pharmacists is a longstanding and traditional part of pharmacy. The right—if not the obligation—to compound exists under the pharmacy laws of each of the 50 states and is pervasively regulated by the 50 states. States require that pharmacy schools must—as part of their core curriculum—instruct students on the compounding of pharmaceuticals.

Compounding, which benefits innumerable patients, has long played an integral part in the American health care system. Physicians routinely prescribe millions of compounded medications each year.

NDC numbers are identifier numbers for manufactured drug products. Therefore, compounded medications, which are prepared in the pharmacy for an individual patient need and are not manufactured, do not have nor are they required by law to have NDC numbers.

The process of assigning NDC numbers was established for manufactured products. The Food and Drug Administration (FDA) assigns a five-digit number to identify a manufacturer that is registered and listed with the agency. The manufacturer then assigns a four-digit, product identification number and a two-digit, size number to the approved product.

The FDA says: "...drug manufacturers are required to register and list their drug products with the Food and Drug Administration. The manufacturer is then assigned a registration number and a labeler code. The labeler code is the first set of digits in the 11-digit NDC number. The second and third set of digits in the NDC code, the product and package number respectively, are assigned by the manufacturer.

"A compounded drug, i.e., a drug compounded by a pharmacist on order of a licensed practitioner, is not subject to these regulations and does not receive a NDC number. Such compounding of drugs is considered the practice of pharmacy/ medicine."

NDC numbers standardize the reimbursement process for manufactured products because they represent the medication dispensed. If an NDC number for a manufactured medication is assigned to a compounded medication, that NDC number could be considered to be fraudulent. Unfortunately, the lack of an NDC number complicates the reimbursement process for compounded medications. There is not a standardized way to process a claim for a compounded medication. The pharmacist cannot submit it electronically like claims for manufactured products.

However, because the compounded medication is a prescribed medication by a licensed practitioner, the patient can manually submit the claim and receive reimbursement for the compounded prescription.

Reimbursement for any medication is not based on the presence or lack of an NDC number, but on the presence of a prescription by a licensed practitioner.

Compounding

The preparation, mixing, assembling, packaging, or labeling of a drug or device as the result of a practitioner's prescription drug order or initiative based on the practitioner/patient/pharmacist relationship in the course of professional practice or for the purpose of or as in incident to research, teaching or chemical analysis and not for sale or dispensing. Compounding also includes the preparation of drugs or devices in anticipation of prescription drug orders based on routine, regularly observed prescribing patterns.

International Academy of Compounding Pharmacists (IACP) Code of Ethics

Preamble

A compounding pharmacist is a state-licensed pharmacist who provides and promotes prescription compounding services utilizing his/her knowledge and skill in the art and skill of prescription compounding, hereafter referred to as a "compounder." These principles of professional conduct are established to guide compounders in relationships with patients, fellow practitioners, other healthcare professionals and the public:

- Adhere to the American Pharmaceutical Association's "Code of Ethics for Pharmacists."
- Comply with state laws regulating pharmacy compounding.
- Maintain the standards set by the National Association of Boards of Pharmacy (Good Compounding Practices for State-Licensed Pharmacies).
- Foster the triad relationship between the patient, the prescriber and the pharmacist.
- Seek to optimize treatment outcomes by providing clinical services to patients.
- Set personal continuing education goals to expand their prescription compounding knowledge base. Such resources as professional continuing education programs, online literature search services, peer networking, and compounding-specific literature may be used to reach these goals.
- Adhere to professional standards when promoting their compounding services and utilize the triad relationship as a basis for such promotion.
- Associate with organizations having for their objective the betterment of the profession of pharmacy and should contribute time and funds to carry on the work of these organizations.

International Academy of Compounding Pharmacists (IACP)

If you have any questions about this claim form or the organization, please call (281) 933-8400, or visit www.iacprx.org.

