

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201110 APRIL 12, 2011



## **IHCP coverage of 17-alpha hydroxyprogesterone (“17P”) injections and Makena®**

*This bulletin provides important information to prescribers and pharmacy providers regarding Indiana Health Coverage Programs (IHCP) coverage and reimbursement policies for compounded 17-alpha hydroxyprogesterone injectable products and the new brand-name drug product, Makena.*

IHCP banner [BR201017](#), dated April 27, 2010, advised providers of coverage and billing policies for compounded 17P injections. 17P injections are critically important in the prevention of preterm delivery in certain patients.

The IHCP maximum reimbursement for 17P has historically been approximately \$13 per injection, or approximately \$260 per 20-week course of therapy. Recently, the drug Makena (hydroxyprogesterone caproate injection, Ther-Rx Corporation) was introduced into the marketplace. The manufacturer of Makena has reported the price per injection as approximately \$700, which would represent a cost to the IHCP of approximately \$14,000 per 20-week course of therapy, or a 53-fold increase in cost. Economic concerns clearly dictate all reasonable means be undertaken to conserve funds in the tax-funded Indiana Health Coverage Programs.

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As a result of a thorough review of policy regarding coverage options for these products, the following determinations have been made:

Compounded 17P injections remain covered by the IHCP. Prior authorization (PA) requirements and billing instructions remain the same as communicated in [BR201017](#) through May 31, 2011.

### **Effective April 12, 2011**

- Makena is a noncovered therapy when billed on a medical claim (UB-04) or professional claim (CMS-1500) billing form.

### **Effective June 1, 2011**

- Compounded 17P claims will be administered as a fee-for-service pharmacy benefit and will NOT be covered by managed care entities (MCEs). Compounded 17P injections remain covered by the IHCP, and PA requirements are the same as noted in [BR201017](#), with the exception that as of June 1, 2011, all PA requests must be directed to Affiliated Computer Services (ACS) via fax at 1-866-780-2198. The 17P Prior Authorization Request Form that accompanies this bulletin must be used for all requests as of June 1, 2011.
- All claims for compounded 17P will require PA. The process for obtaining prior authorized compounded 17P injections is specified on the 17P Prior Authorization Request Form (copy attached). Possible pharmacy sources are identified on the PA form itself. This is done solely for the convenience of prescribers who may be unaware of any compounding pharmacy source. *We stress that the requesting prescriber, in consultation with his or her patient, is free to obtain compounded 17P injections from any compounding pharmacy that is enrolled as an IHCP provider and willing to accept IHCP reimbursement as payment in full.* Copies of the 17P PA Request Form may be downloaded from the [Forms page](#) at [www.indianamedicaid.com](http://www.indianamedicaid.com) > Forms.
- All claims for compounded 17P should be billed through the IHCP fee-for-service pharmacy benefit process. Claims for 17P injections will no longer be reimbursed via the medical claims submission process. Pharmacy providers will bill claims for compounded 17P injections in the same manner as they currently bill other pharmacy claims for compounded medications. If you have questions, please refer to [Chapter 9](#), Section 4, of the *IHCP Provider Manual* for pharmacy billing instructions, or contact HP Customer Assistance at (317) 655-3240 in the Indianapolis area or toll-free at 1-800-577-1278. Claims for 17P administration costs are **not** covered as an IHCP fee-for-service pharmacy benefit.
- **Prior authorization is required for Makena.** Fiscal considerations associated with the exponentially higher cost of Makena, compared to compounded 17P injections, dictate that the IHCP reimburse for Makena **only when the requesting prescriber can document compelling and decisive medical and clinical factors necessitating Makena.** We hope providers understand and concur that appropriate stewardship of the tax-funded IHCP benefit warrants this type of approach to coverage policy for these important products.
- The maximum amount for reimbursement for 17P injections is \$55/5mL multidose vial. This maximum reimbursement includes any dispensing fees and medication shipping costs.

### **QUESTIONS?**

If you have questions about this bulletin, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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