

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT202113    FEBRUARY 25, 2021

## Compounds submitted with unidentifiable ingredients to be rejected; what pharmacies need to do

The Indiana Health Coverage Programs (IHCP) announces effective April 1, 2021, compound submissions with unidentifiable ingredients (“dummy National Drug Codes [NDCs]”) will be rejected with code 771 – *Compound contains unidentifiable ingredient(s); submission clarification code override not allowed*.



Reject code 771 notifies the pharmacy that the claim-processing vendor, OptumRx, does not recognize one or more ingredients submitted on the compound claim. The pharmacy cannot resubmit the claim with a submission clarification code of 08 to override this edit for unidentifiable ingredients. The 08 submission clarification code may still be used to override compound items with valid, but non-reimbursable NDCs. Reimbursement will only be provided by the plan for valid and reimbursable NDCs.

If a reject code 771 value is received, the pharmacy must obtain and use a product with a recognizable NDC for reimbursement, except for water and flavoring agents. For compounds containing water and flavoring agents, the claim submission should exclude these products. The complete list of ingredients, including water and flavoring agents, should still be included on the pharmacy’s compound worksheet.

The following examples are provided to show the process to be followed when the pharmacy submits a claim after receiving a reject code.

### **Example 1: Pharmacy submits the claim with industry-recognized valid product IDs and compound contains distilled water and flavoring**

A claim is submitted with four ingredients:

- Two products are recognized NDCs that are covered and reimbursable.
- One product is distilled water.
- One product is flavoring.

Process:

1. The pharmacy submits only recognized NDCs to the claim-processing system and excludes water and flavoring and receives reimbursement.
2. The pharmacy lists all ingredients and amounts on its compound worksheet.

**Example 2: Pharmacy submits the claim with industry-recognized valid product IDs and compound contains NDC that is not covered or reimbursable**

A claim is submitted with three ingredients:

- Two products are recognized NDCs that are covered and reimbursable.
- One product is recognized NDC that is not covered or reimbursable.

Process:

1. The pharmacy submits all recognized NDCs to the claim-processing system.
2. At the pharmacy's discretion, the pharmacy may enter **08** in the submission clarification field to receive reimbursement for covered NDCs.
3. The pharmacy lists all ingredients and amounts on its compound worksheet.

**Example 3: Pharmacy submits the claim with industry-recognized valid product IDs and compound contains NDC that is not covered or reimbursable and water**

A claim is submitted with three ingredients:

- One product is recognized NDC that is covered and reimbursable.
- One product is recognized NDC that is not covered or reimbursable.
- One product is water.

Process:

1. The pharmacy submits all recognized NDCs to the claim-processing system and removes water from the claim submission.
2. At pharmacy discretion, pharmacy may enter **08** in the submission clarification field to receive reimbursement for covered NDCs.
3. The pharmacy must still list all ingredients and amounts on its compound worksheet.

**Additional information**

Please direct fee-for-service (FFS) questions about the FFS Preferred Drug List (PDL) or this bulletin to the OptumRx Clinical and Technical Help Desk by calling toll-free 1-855-577-6317. Questions regarding pharmacy benefits for members in the Healthy Indiana Plan (HIP), Hoosier Healthwise, and Hoosier Care Connect should be referred to the managed care entity (MCE) with which the member is enrolled.

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