Saskatchewan **Saskatchewan** **Ministry of Health** **Drug Plan and Extended Benefits Branch**	**Section:** *Claims Policy*	**Reference** DP-PPS-2 **Date of Issue** September 16, 2014 **Revised** May 1, 2026

EXTEMPORANEOUS PREPARATIONS (COMPOUNDS)
POLICY and PROCEDURES

POLICY

- Extemporaneous preparation claims submitted to the Drug Plan and Extended Benefits Branch will be remunerated based on listed exclusion criteria, beneficiary co-payment, and the current Pharmacy Agreement. Extemporaneous preparations (to be referred to as compounds in the remainder of this document) are pharmaceutical products requiring preparation or compounding in a pharmacy according to the orders of the prescriber.

PURPOSE

- To ensure consistent billing by pharmacies and consistent remuneration by the Drug Plan and Extended Benefits Branch to pharmacies that are providing like services when preparing and dispensing compounds to Saskatchewan beneficiaries.

PROCEDURE

The Pharmacy will submit:

- Eligible beneficiaries for adjudication as defined: Saskatchewan residents with an active Health Services Number (HSN) and not covered under Workers Compensation, SGI, Non-Insured Health Benefits, Veterans Affairs, RCMP, and Armed Forces. Claims for those covered under WCB, SGI, NIHB, DVA, RCMP, and Armed Forces will be sent for capture purposes.
- Eligible compound claims to the Drug Plan and Extended Benefits Branch based on a list of exclusion criteria (Table 1).
- Pseudo DIN **00990019** for all benefit compounds for adjudication
- Pseudo DIN **00990029** for all non-benefit compounds for capture on PIP
- Label description (up to 45 characters) of the compound
- Dispensing fee of $11.25 (or current agreement)
- For benefit compounds, a compounding fee of no more than $0.75 (or current agreement) per minute to a maximum of 60 minutes*
    - *Pharmacists should only bill the actual time it takes to prepare a compound, NOT the 60-minute maximum
- Pharmacists may follow a general guideline of not more than 5 minutes per ingredient

NOTE: Supply costs (ie: cassettes, tubing, minibags, syringes, saline, alcohol, gloves) and equipment costs are not to be incorporated in the compound fee. The Drug Plan and Extended Benefits Branch does not pay for these costs. It is chargeable to the client or you may contact the Regional Health Authority (RHA), or Home Care.

The Drug Plan and Extended Benefits Branch will:

- Remunerate the applicable Drug Plan and Extended Benefits Branch share to the pharmacy if the compound meets the listed criteria.
- Remunerate the pharmacy, in exceptional cases, if sufficient clinical evidence is provided in an appeal by the pharmacy and upon review, the compound is determined to be an eligible benefit.
- Recover the cost difference, if upon verification, it is determined there was inappropriate submission for items, such as supply costs, compounding fees, material cost or dispensing fee.

NOTE: When compounding an Exception Drug Status (EDS) drug, EDS must be requested and approved by DPEBB before it is to be submitted as a benefit compound.

NOTE: For compounds containing hydrocortisone, clindamycin or erythromycin, it should not duplicate a commercially available product or a product listed in the Saskatchewan Formulary.

NOTE: If you add a miscellaneous ingredient (see Table 1 #14) that is not a benefit, the compound is not eligible.

Table 1: Exclusion Criteria

Compounds that are NOT benefits under the Drug Plan and Extended Benefits Branch

EXCLUSION CRITERIA	EXAMPLES (This is Not an All-Inclusive List)
Products that are reconstituted or preparations that are simple dilutions of any product.	• Dilutions of topical antibiotics (ie; Bactroban®, Fucidin®, Neosporin®, Metrogel®, Metrocream®) • Nitroglycerin ointment in white petrolatum • Formaldehyde dilutions • Acetic acid solution • Oxsoralen in water • Humalog:diluent • Dakin's solution • Eucerin in water • Hydrous emulsifying ointment in water • Normal saline for irrigation • Savlon
Preparations that duplicate formulary products in any strength or dosage form listed in the Formulary. **Note:** Exceptions may be granted on a case-by-case basis to meet the needs of pediatric clients and clients requiring tube feeding.	• Hydrocortisone 0.5%, 1%, 2.5% in any base
Preparations that duplicate products listed in the CPS or other commercial specialties	• Minoxidil 2% • Gentian Violet • Menthol Ointment
Preparations containing one or more pharmaceutical specialties listed in the CPS and not in the Formulary	• Xylocaine® Viscous • Tantum™
Other compounded forms of products that have been reviewed by the Saskatchewan Formulary Committee and not recommended for coverage	• Minoxidil solution • Prevex® • Prevex B® • Prevex HC® • Pennsaid® • Losec® MUPs solution (note: omeprazole suspension made from tablet/capsule source is a benefit for those patients who meet EDS criteria) • Ropivicaine
Allergy serums	• contact Supplementary Health for Plan clients
Natural or herbal products or homeopathic products **Note:** List is available on Health Canada Drugs & Health Products website.	• Vitamins and minerals • Herbal remedies • Homeopathic medicines • Traditional medicines (ie: Chinese medicines) • Probiotics • Amino acids, essential fatty acids
Compounded preparations containing any hormones	• Progesterone • Progesterone suppositories • Estriol • Estadriol • Estadriol drops • Estrone • Testosterone cream • DHEA • Biestrogen • Triest Cream • Thyroid

Compounded mouthwashes, lozenges, and shampoos.	• Vica or Vica-S mouthwash • Garbage mouthwash • Dental mouthwash • Classic mouthwash • Magic mouthwash • LCD shampoo	• Chlorhexidine mouthwash • Baby shampoo and water • Doxepin rinse • Special Gargle • Coolstat/Koolstat
Topical preparations containing active ingredients listed for oral/injectible use in the Formulary. **Note:** Topical NSAIDS are not benefit compounds.	• Dapsone • **Diclofenac in diffusimax** • **Diclofenac & amitriptyline cream** • Indomethacin cream • Gabapentin in phlojel • Cholestyramine paste	• Nifedipine & Lidocaine ointment • Isordil® ointment • Diltiazem ointment • Amitriptyline cream • Heparin in glaxal base • Sulcrafate for topical preparation
Compounded oral preparations using <u>powders that duplicate active ingredients</u> in listed or delisted products in the Formulary. **Note:** Exceptions may be granted on a case-by-case basis to meet the needs of the pediatric clients and clients requiring tube feeding.	Any compound whose active ingredient is a bulk chemical is excluded from coverage • Thyroid • Hydrochlorthiazide • Spironolactone • Atenolol • Propranolol	
Compounds made up of a drug listed in the Formulary when combined with an <u>over-the-counter product.</u> **Note:** for example, compounds containing only OTC products are <u>not benefits.</u>	Any compound containing combinations of OTC products • Salbutamol with Benylin® • Orciprenaline/Robitussin® • Benadryl®/DME/Guaifenesin/Salbutamol • 1%HC in Benadryl® cream • 1%HC in Polysporin® topical products	• Magnolax and Cascara • Pain cocktail • Pink Lady • Butt Balm
Miscellaneous Ingredients **Note:** Compounds prepared including the following miscellaneous ingredients are not benefits. **Note:** This is a short list of examples and is NOT intended to be an all inclusive list. If an ingredient does not appear on this list, please contact the Pharmacy Help Desk at 1-800-667-7578 or 787-3315 (1).	• Aluminum Chloride • Anthralin • Camphor • Cholesterol • **Coal Tar/LCD** • Formaldehyde • Icthammol • Isarol • Lactic Acid • Lidocaine crystals	• Magnesium Oxide • Magnesium Sulfate • **Menthol** • Methylcobalamin • Nicotinic Acid • Olive Oil • Placebos • Podophylllin • Potassium Iodide • Precipitated sulfur	• Resorcinol • **Salicylic Acid** • Silver Nitrate • Sodium Carbonate • Sodium Citrate • Thymol • Trichloroacetic Acid • Urea • Yellow Mercuric Oxide • Zinc oxide
Powders	• All powders are ineligible except for hydrocortisone, clindamycin, erythromycin • Clobetasol powder in Dermazinc™ Spray is an eligible benefit. • Note: For compounds containing hydrocortisone, clindamycin or erythromycin, it should not duplicate a commercially available product or a product listed in the Saskatchewan Formulary. All other rules also apply regarding acceptable bases.	
Prefilled syringes **Note**: Compounding fees for this auxiliary service are NOT a benefit. The actual drug DIN should be submitted in the claim	• Prefilled syringes of a benefit drug. Examples: ➢ insulin syringes ➢ enoxaparin syringes • heparin syringes	

Cassettes	• All cassettes and associated supply costs (ie: cassettes, tubing, minibags, syringes, saline, alcohol, gloves) are not to be incorporated in the compound fee. • It is chargeable to the client or you may contact the Regional Health Authority (RHA), Home Care.
Inappropriate submission	• Any specialized oral compound dosage form in a time release, extended release, sustained release, controlled release, long acting, gummies, chewables, etc. • Melaleuca • Tear Gel® • empty capsules • flavoring agents when added to a commercially available suspension formulation
Preparations or any other commercial product for erectile dysfunction or fertility	• Triple P • Trimix • Papavarine/Phentolamine/PGE • Viagra® or any other commercial product
Home IV	• Cefazolin IV preloaded syringes • IV medications may be covered under the Home IV program. Please contact your RHA - Home Care for more information.

Frequently Clarified Topics:

Topic	Instructions
Dilutions of compounds	• Antibiotics: Any dilution of an antibiotic topical preparation lowers the concentration of the antibiotic making it ineffective and possibly raising the risk of bacterial resistance therefore, these mixtures are not eligible compounds.
Acceptable Bases	• Glaxal base®, white petrolatum, Dermabase®, Moisturel®, Complex 15®, Lubriderm®, Aquaphor®, Lanolin, Eucerin®, Cetaphil®, Nutriderm®. • **Note: Please contact the Pharmacy Help Desk at 1-800-667-7578 or 787-3315 (1) to confirm other bases**.
Methadone Solution	• Follow Bulletin #337 (from March 31, 2003): • For management of opioid addiction (DIN 00990043) • For palliative pain management (DIN 00990079) • For all other reasons (DIN 00990029)
Salicylic Acid	• **Not a benefit**.
Acetic Acid	• Eligible compound for the purposes of irrigation in bladder installation patients and may be billed using DIN 00990019
Dakin's Solution	• Eligible compound for clients with coverage under the SAIL program only and may be billed using DIN 00990019.
Compounded suppositories	• Will be reviewed on a case by case basis. • **Note: Triple Antinauseant Suppositories compounded with dimenhydrinate, metoclopramide and prochlorperazine are eligible compounds (00990019) for palliative care patients only.**
Bupivacaine for intrathecal pain pump mixtures	• Will be reviewed on a case-by-case basis. The DPEBB will conduct regular audits to ensure that claims are billed appropriately and that the patient has received approval for the compound mixture.

If you require clarification of the eligibility of a compound as a benefit, please do not hesitate to contact the Pharmacy Help Desk at 1-800-667-7578 or 787-3315 (1).