



Update: Are You a Provider Billing for Compound Drugs?

Drug compounding is the process of mixing, combining, or alternating ingredients to create a customized medication. This is considered experimental, investigational and unproven in most cases according to the BlueCross and BlueShield of Texas Medical Policy on Compounded Drugs.

The properties of certain drugs may be altered and combined by a compounding pharmacy to create a customized medication for the use in a pain pump or for progesterone therapy as a technique to reduce preterm delivery in high-risk pregnancies. Please review the following BlueCross and BlueShield of Texas (BCBSTX) Medical Policies related to Progesterone Therapy (RX501.062) and Implantable Infusion Pumps (SUR707.008) by going to <http://www.bcbstx.com/provider> and clicking on the Medical Policy link.

Compound drugs should be filed under the appropriate "Not Otherwise Classified" procedure code with the Modifier KD.

Effective August 15, 2009, in an effort to more effectively and consistently price those drugs approved under these medical policies for Progesterone Therapy and Implantable Infusion Pumps, BCBSTX is adopting the same methodology as the Centers for Medicare and Medicaid Services (CMS).

Please visit our General Reimbursement area on our provider website at <http://www.bcbstx.com/provider> and click on the General Reimbursements button located at the top of the screen.

You will be directed to enter the password and agree to our Policies Disclaimer notice. Click on Compound Drug Schedules located under Reimbursement Schedules & Related Information section.

If you have any questions, please contact Provider Customer Service at (800) 451-0287 to speak with a Customer Advocate.