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SUBJECT/TITLE FPP-04 Compound Medication Coverage	ORIGINAL DATE REVISIONS	23-08-2021 28-02-2025 16-06-2026

PURPOSE

To provide clarity to the Type A Continuing Care Home (CCH) healthcare teams with respect to coverage of compounded medications by the Calgary Zone Type A CCH Formulary.

DEFINITION

For the purposes of this document, a compounded medication is defined as the preparation and mixing of two or more ingredients of which at least one is a medication for the purposes of dispensing a medication but does not include reconstituting a medication with only water (Government Organization Act, R.S.A. 2000, c. G-10, Sch. 7.1, 1[b]).

GUIDING PRINCIPLES

- Compounding is reserved for situations when all commercially available alternatives have been tried unsuccessfully or when there are no commercially available alternatives. This includes consideration of a different commercial drug, strength, or formulation with similar therapeutic effect.
- The combination (e.g. mixture) of commercially available topical products should be cost neutral or cost saving as compared to the use of individual components.
- Compound stability and usage should be considered when selecting quantity of compound to dispense.
- The Calgary Type A CCH Formulary Policies and Procedures are applicable to compounded medications, including automatic substitution, the use of the least-cost alternative (LCA), and the use of generic substitution.
- The most cost-effective excipients and bases should be considered.
- Topical compounds for cosmetic purposes will not be eligible for coverage via program funding.
- Topical compounded pain preparations containing ingredients where the available scientific evidence demonstrating clinical efficacy and safety is limited³, will not be eligible for coverage via program funding.

PROCESS

1. When a compounded medication is prescribed, the pharmacist or prescriber shall determine if there is:
 - a) An appropriate Formulary automatic substitution **OR**
 - b) An appropriate Formulary alternative(s)
2. Combinations (e.g. 1:1 mixtures) of commercially available products will be considered approved for formulary coverage (no submission required) if the following criteria are met:
 - All active ingredients are listed as a benefit on the Calgary Type A CCH Formulary and have a Health Canada indication for topical use;
 - Strengths of the active ingredients coincide with the appropriate strength on the Formulary; **and**



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- The compound mixture is cost neutral or cost saving as compared to the use of individual products.
3. All other compounds are considered **non-formulary** and require a form submission for consideration of funding approval.
- Examples of compounds that require a submission include:
- A change in the dosage form or strength of a formulary drug
 - e.g. omeprazole suspension
 - A compound contains an active ingredient that is not listed on the Formulary
 - A compound contains an ingredient that is listed on the Formulary, but not for the desired route of administration
 - A compounded version is intended to replace a commercially available medication due to a supply issue
 - The resident has a contraindication or intolerance to the commercially available alternative
 - The commercial product has demonstrated a lack of efficacy for the resident.
 - There is no commercially available alternative (includes consideration of different drug, dose, or formulation with expected similar therapeutic effect)
 - No alternative funding is available
4. Written request for coverage is required and shall include the information as outlined in the **FPP-Compound Medication Funding Request** form. As part of compound coverage verification, pharmacy providers are asked to provide a description of the compound's active ingredients and base, and the final price. See Appendix 1 for sample form.
- Completed requests shall be securely emailed or faxed to the ISFL Calgary Type A CCH pharmacist at cc.drugmanagement@ahs.ca OR (403)-943-0232 (fax).
 - Requests are reviewed on a case-by-case basis. Members of the Pharmacy and Therapeutics Committee may be consulted when evaluating requests.
 - An appeal process may be pursued as outlined in the Non-Formulary Drug Use Process.
 - Formulae and recipes should be made available to the next care provider to facilitate continuity of care if the resident were to be transferred from the pharmacy.

REFERENCES

1. BC Pharmacare. Reimbursement and Pricing Policies. Compounded Prescriptions. [5.13 Compounded Prescriptions - Province of British Columbia \(gov.bc.ca\)](#) Accessed Jan 5, 2023.
2. National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Health Sciences Policy; Committee on the Assessment of the Available Scientific Data Regarding the Safety and Effectiveness of Ingredients Used in Compounded Topical Pain Creams,

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3. Calgary Zone LTC Formulary Policies & Procedures: Compounded Medication Coverage (FPP-10). v. Aug 23, 2012