GreenShield™

Compound Drug Policy

Introduction

This guide is designed to support health providers in submitting eligible claims for compounded medications. A compound is a customized medication prepared by a pharmacist by combining two or more ingredients to create a formulation that is not commercially available.

Pharmacy providers are required to review this document to confirm eligibility prior to submitting the claim as compounds are subject to audit, and any ineligible compounds or excess billing may result in recovery.

> *Please note that this policy applies to benefit plans that have implemented the standard Compound Drug Policy and plan-specific variations may apply. If the Compound Drug Policy is waived (i.e., the policy does not apply to the plan), all topical and non-topical compounds are considered eligible.*

Eligibility criteria

A compound medication is eligible for coverage when all of the following requirements are met:

1. It does not duplicate the formulation, specifically the strength and route of administration, of a commercially manufactured product marketed in Canada, nor can the desired dose be obtained using commercially manufactured products; AND
2. The main therapeutic ingredient aligns with any frequency restrictions or requirements on the plan; AND
3. The compound is not listed as ineligible in **"Table 1"** AND
4. The ingredients comply with the following compound submission rules:

For **non-topical compounds**, enter one DIN or NPN of an eligible ingredient based on the plan member's benefit plan.

For **topical compounds**, claims must be submitted using the DIN or NPN associated with the primary active ingredient. The DIN or NPN of the primary active ingredient must be eligible under the plan member's benefit plan.

> *The primary active ingredient is defined as the main drug substance responsible for the intended therapeutic effect of the preparation. In mixtures with varying proportions (e.g., 40%–20%–20%), the DIN or NPN corresponding to the ingredient in the highest concentration must be submitted. Where multiple ingredients are present in equal proportions, the DIN or NPN of the highest-cost ingredient must be used.*
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> *If the primary ingredient does not have a DIN or NPN, pharmacists must submit a PIN associated with the medication category that includes the primary active ingredient.. Refer to* **Table 2** *for GreenShield compound PINs. Additional benefits outlined in* **Table 3** *may apply to non-standard plans.*

For Quebec plan members only, any extemporaneous compounded product is eligible for coverage provided it is an eligible RAMQ benefit.

Eligible cost

The total eligible compound cost is the sum of the drug cost and the dispensing fees.

- The eligible drug cost is the combined cost of all ingredients used within the compound including the inactive components such as diluents, solvents, fillers, preservatives, sweeteners, stabilizers, etc. Costs for units beyond those used in the compound (e.g. remainder of vials or bottles) will not be considered for reimbursement and must not be submitted as compound ingredients.
- The dispensing fees include both the standard dispensing fee and the compound dispensing fee. The compound dispensing fee is capped based on the specific compound code and the maximum allowable preparation time. **The reimbursed amount is set at $1.10 per minute.**
- Details related to the compound cost, mark ups and fee should be included in separate fields. GreenShield requires a breakdown of all the ingredients used in the compound via computer generated pharmacy software to process the claim.

Some plans include a dispensing fee maximum. Whan a dispensing fee cap applies, reimbursement for the compound fee is limited to plan maximum. Any amount above the plan maximum may be payable by the member. In accordance with the National Pricing Policy, pharmacies cannot bill members for the difference between GreenShield's allowed fee and their own dispensing fee, except in Ontario, where this practice is permitted.

The above fee structure does not apply in Quebec.

Table 1: Ineligible Compound Preparations

The Compound Drug Policy protects drug plans and plan members from compound drugs that have not been proven efficacious and safe. Compound drugs that are potentially ineffective, unsafe, or that may lead to abuse or misuse, are not eligible for coverage.

Compounds containing ingredients from the table below are standardly not eligible for coverage, even if prescribed or combined with an eligible ingredient. This list is not exhaustive, and additional exclusions may apply. GreenShield reserves the right to update this list at any time and at its sole discretion.

Ineligible Compound Preparations	
Ingredients	• Ammoniated mercury • Anticonvulsants • Arsenic • Baclofen (topical) • Biobase-G • BPC-157 • Clonidine (topical) • DMAE (dimethylaminoethinol) • DMPS (dimercaptopropanesulphonate) • DMSA (dimercaptosuccinic acid) • DNCB (dinitrochlorobenzene) • DPCP (diphencyprone/ diphencyclopropenone) • Glycolic acid • HRT (hormone replacement therapy) • Hydroquinone • Ketamine (topical) • Kojic acid • Liothyroxine (T3) • Mandelic acid • Mercurochrome • Minoxidil • NSAID (non-steroidal anti-inflammatory drug) • Titanium dioxide • Vitamin K (topical) • Yohimbe
Formats	• Compounds for gummies, lollipops, lozenges or troches • Compounds for slow, sustained, or timed-release products
Reason for use	• Cosmetic use (e.g. hair re-growth compounds, skin rejuvenation, muscle gain)
Other	• Illegal drugs • Unauthorized injectable peptide products (please consult examples here)

Table 2: GreenShield Topical Compound PINs

All **topical** compounds must be submitted with the adequate corresponding listed compound PIN. GreenShield reserves the right to update this list at any time and at its sole discretion.

PIN	Drug category	Primary active ingredient (defined as the main drug substance responsible for the intended therapeutic effect of the preparation)	
993018	Antibiotic Compound	• Amikacin • Clindamycin • Cefazolin • Erythromycin • Gentamycin	• Metronidazole • Neomycin • Tobramycin • Vancomycin
993026	Corticosteroid Compound	• Hydrocortisone • Betamethasone • Clobetasol • Desonide	• Demeclocycline • Dexamethasone • Methylprednisolone • Triamcinolone
993034	Antifungal Compound	• Clotrimazole • Ciclopirox • Fluconazole • Itraconazole	• Ketoconazole • Miconazole • Nystatin
993042	Skin Treatment Compound	• Benzoin tincture • Coal tar • Camphor • Doxepin • Lactic acid (>17%) • Liquor carbonic detergens • Methenamine • Menthol	• Salicylic acid (40% or greater) • Sodium Thiosulfate • Sulfur • Sucralfate • Sulfacetamide • Thiabendazole • Tar distillate • Urea • Verapamil
993050	Pain Treatment Compound (Without Narcotics)	• Amitriptyline • Amantadine • Benzocaine • Bupivacaine	• Cyclobenzaprine • Phenazopyridine • Lidocaine
993069	Narcotic Pain Treatment Compound	• Morphine • Oxycodone	• Methadone • Codeine
993077	Miscellaneous Eligible Compound	• Cantharidin • Diltiazem	• Fluorouracil • Glycopyrrolate • Nifedipine

Table 3: Additional Compound PINs

A rejected PIN indicates the product is not eligible under the plan.

PIN	Drug category	Primary active ingredient (defined as the main drug substance responsible for the intended therapeutic effect of the preparation)
900001	Compounded hormone replacement therapy (HRT)	• Progesterone • Estrogen (e.g. Tri-est, Estradiol, Bi-est) • Dehydroepiandrosterone (DHEA)
900087	Topical Pain Compound	• Anticonvulsants • Aspirin • Baclofen • Celecoxib • Clonidine • Diclofenac • Flurbiprofen • Ibuprofen • Indomethacin • Ketamine • Ketoprofen • Ketorolac • Meloxicam • Naproxen • Piroxicam
966436	Triple P (Triple therapy, Trimix, Trimix regular multidose)	• Prostaglandin powder (alprostadil powder) Please note that the use of alprostadil in any other dosage form other than the powder is not eligible (e.g. Prostin VR, alprostadil injection).
900699	Client Choice Eligible Compound	If the Compound Policy is waived (i.e., the policy does not apply to the plan), all topical and non-topical compounds are considered eligible.
993972	Gender-Affirming Hormone Therapy (GAHT)	Estradiol valerate

Duplicating a Commercially Available Product

Compounding a product that is commercially available is not eligible for coverage.

An exception may apply during a documented drug shortage or backorder when no alternative is available within the same drug class. In these cases, pharmacies may submit claims using **PIN 993980 – Eligible Compound – Drug Shortage**. Reimbursement is available only while the shortage remains in effect. Pharmacies must retain documentation confirming the shortage.

Compound Audits

All compound claims submitted to the insurer, whether electronically or manually, are subject to post adjudication review to confirm compliance with clinical and pricing policy requirements.

GreenShield may conduct pharmacy audits to verify the accuracy and appropriateness of submitted claims. If an audit determines that inaccurate, incomplete, excessive costs, markups and/or fee or inappropriate information or processes led to a claim being approved, GreenShield reserves the right to recover any payments previously made. Additionally, claims for compounded medications identified as exclusions under the Compound Policy will be reversed, and any benefits paid under the member's pharmacy benefit plan will be recovered from the pharmacy.

For compounds purchased from another pharmacy or manufacturer, the dispensing pharmacy is not eligible to claim a compound preparation fee. Reimbursement is limited to the pharmacy's usual and customary dispensing fee and applicable markup. Claims may be subject to audit, and excess costs may be recovered.

Important: A compound claim may be accepted through online adjudication when submitted with an eligible DIN or PIN. However, if the compound contains an ineligible ingredient or base, the entire compound will be deemed ineligible and may be subject to audit and recovery.

How to Process a Compound Claim

Step 1: DIN availability

If a DIN or NPN is available submit the DIN or NPN of the primary ingredient for topical compounds, or any eligible DIN or NPN for non-topical compounds.

If no DIN or NPN is available, enter the corresponding PIN listed in **Table 2 or 3.** Refer to the **Eligibility criteria** for detailed submission requirements.

Step 2: Enter the appropriate compound code

Compound Codes	
External	**Internal**
0 – Topical cream	3 – Internal Use Liquid
1 – Topical Ointment	5 – Internal Powder
2 – External Lotion	6 – Injection or Infusion
4 – External Powder	7 – Ear/Eye Drop
	8 – Suppository
	9 – Compounded other

Step 3: Enter the time required to prepare the compound.

The maximum billable time for the corresponding compound code is indicated below.

Compound Code	Type of Compound	Maximum Allowed Time for Billing Purposes
0	Compounded topical cream	20 Minutes
1	Compounded topical ointment	20 Minutes
2	Compounded external lotion	20 Minutes
3	Compounded internal use liquid	20 Minutes
4	Compounded external powder	20 Minutes
5	Compounded internal powder	30 Minutes
6	Compounded injection or infusion	20 Minutes
7	Compounded eye/ear drop	30 Minutes
8	Compounded suppository	30 Minutes
9	Compounded other	20 Minutes

Submit only the actual time to prepare the compound. As a general guideline, preparation time should not exceed five minutes per ingredient.

GreenShield reimburses $1.10/min when calculating the eligible compounding fee. However, please note that GreenShield may apply a maximum allowable compound fee, which varies by province and is based on the compound code and the number of components.

This fee structure does not apply in Quebec.

Step 4: Record all other pertinent and applicable information

Include:

- Date of preparation
- Complete list of all ingredients and respective quantities used
- Cost charged for each ingredient
- Initials of compounder and/or pharmacist responsible for the preparation and verification of hardcopy
- Written formula used
- If a compound is prepared by another pharmacy, the name of the preparing pharmacy and the preparation details.
- Any additional documentation required by the provincial regulatory authority

Step 5: Submit the claim

Submit the claim through the applicable pharmacy claims process.

Troubleshooting

If a DIN, NPN, or PIN cannot be processed, the member must submit an official pharmacy receipt for reimbursement. GreenShield requires a detailed breakdown of all ingredients used in the compound before the claim can be assessed. Members can submit claims online through GreenShield+ or by mail. All claims must include an official paid pharmacy receipt. Claims submitted by mail must also include a completed claim form.

Need help?

For assistance, our Customer Service Centre is available Monday to Friday from 8:30 a.m.to 8:30 p.m. EST by phone at 1-888-525-7587.

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