

# COMPOUNDED DRUGS: CHANGES TO ADDRESS ISSUES

For Health Care Professionals  
October 2014

## Issues and concerns about compounded drugs

There are a number of issues and concerns surrounding compounded drugs relating to their safety, effectiveness, quality control, cost, and the pricing and dispensing practices of some pharmacies. While compounded medications can be valuable to some people, for most they are not better than commercially available products. Here's why:

- **No validation of safety or effectiveness.** The U.S. Food and Drug Administration (FDA) does not regulate these drugs, and therefore does not verify their safety or effectiveness.
- **Lack of quality control.** Compounded drugs often lack FDA oversight of business practices and quality. Most facilities are not monitored to make sure they meet federal quality standards.
- **Higher cost.** The price for compounded drugs is usually much higher than for commercially available prescription medications. Their price is dictated by the pharmacy, and can vary widely by pharmacy, with some costing thousands of dollars.
- **Suspected improper dispensing and billing practices.** A small but growing number of compounding pharmacies in certain regions of the U.S. are suspected of engaging in improper dispensing and billing practices.

## Changes we are making

We are making the changes below to address potential safety, quality, and cost issues associated with compounded drugs:

**1. Lowering the dollar amount needed for prior authorization of compound prescriptions from \$500 to \$200, effective November 2014.** The dollar amount was initially lowered to \$400 in October as an interim step. Prescriptions submitted over the price threshold will be reviewed for cost and medical necessity.

- Affected customers have received a letter explaining the need for approval and urging them to speak with their health care professional to find an FDA-approved alternative.
- Health care professionals are being asked to consider an FDA-approved prescription medication that may work for their Cigna patient before prescribing a compounded drug.

**2. Auditing certain compounding pharmacies** with which there are concerns about dispensing and billing practices, possibly resulting in some being removed from our network.

If you have any questions about this information, please call Cigna Customer Service at 1.800.88Cigna (1.800.882.4462).



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