Calculations for Billing Compounds

LEARNING OBJECTIVES
After completing this chapter, the student will be able to:

1. Explain how third-party programs are billed for pharmacy compounds
2. Demonstrate an understanding that different third-party companies have different procedures for reimbursing pharmacies for compounded prescriptions

Calculations for billing compounds are determined by a contractual agreement by the third party and the pharmacy. The formula that should be used can vary among different third parties. Often, the formula is determined by the cost of the ingredients + a dispensing fee + a fee for the time it took to prepare the compound.

EXAMPLE
How much should an insurance company be billed for the following compound if the compound was prepared in 20 minutes and the dispensing fee is $3.25?

Hydrocortisone 2.5% in Eucerin cream
Dispense 60 g
Sig: Apply sparingly b.i.d. prn

1. Calculate how much hydrocortisone is needed:

\[ 2.5 \text{ g HC/100 g total} \times 60 \text{ g total} = 1.5 \text{ g HC} \]

Some third-party programs have special requirements for entering compounded prescriptions into the computer and unique codes are needed for billing those third-party programs for compounded prescriptions.

KEY TERMS
Third-party programs: companies such as pharmacy benefit managers or insurers that are billed for prescriptions.
2. Calculate the cost of the hydrocortisone (hydrocortisone comes in a 10 g container that costs the pharmacy $31.25).
   \[1.5 \text{ g HC} \times \frac{\$31.25}{10 \text{ g HC}} = \$4.69\]

3. Calculate how much Eucerin cream is needed:
   Total weight = weight of hydrocortisone + weight of Eucerin cream
   Using algebra, you can solve for the weight of the Eucerin cream
   \[\text{Weight of Eucerin cream} = \text{total weight} - \text{weight of hydrocortisone}\]
   \[\text{Weight of Eucerin cream} = 60 \text{ g} - 1.5 \text{ g} = 58.5 \text{ g}\]

4. Calculate the cost of the Eucerin if Eucerin comes from a 454 g jar that costs the pharmacy $15.45:
   \[58.5 \text{ g} \times \frac{\$15.45}{454 \text{ g}} = \$1.99\]

5. The amount to be billed is determined by adding the cost of the ingredients + the dispensing fee + the cost of the time to prepare the compound. You must next determine the cost of time to prepare the prescription:
   \[20 \text{ min} \times \frac{1 \text{ hr}}{60 \text{ min}} \times \$35.00/\text{hr} = \$11.67\]
   So the total amount of the prescription is:
   \[\text{dispensing cost} + \text{cost of HC} + \text{cost of Eucerin} + \text{cost of time} = \text{total cost}\]
   \[\$3.25 + \$4.69 + \$1.99 + \$11.67 = \$21.60\]

How much should an insurance company be billed for the following compound if the compound was prepared in 10 minutes, the dispensing fee was $4.25, and the cost of ingredients was $3.75 using $50/hour to calculate cost of time?

B Flucinolone acetonide 10 mg
   Vegetable oil qs 100 ml

1. Determine the cost of ingredients: $3.75.

2. The amount to be billed = cost of ingredients + dispensing fee + cost of time to prepare
   \[\text{Amount to be billed} = \$3.75 + \$4.25 + (\$50/\text{hr} \times \frac{\text{hr}}{60 \text{ min}} \times 10 \text{ min}) = \$16.33\]
For the following problems use $35.00/hr to calculate the cost of time to prepare the prescription.

1. How much should an insurance company be billed for the following compound if the compound was prepared in 30 minutes and the dispensing fee is $3.25?
   Ibuprofen 10% cream 30 grams
   Cost of ingredients = $12.47

2. How much should an insurance company be billed for the following compound if the compound was prepared in 10 minutes and the dispensing fee is $3.25?
   Clindamycin phosphate 600 mg in Cetaphil lotion
   Dispense 60 ml
   Sig: Apply h.s. ud
   Costs:
   Clindamycin phosphate 600 mg/ampule = $6.19
   Cetaphil lotion 240 ml = $9.49

3. How much should an insurance company be billed for the following compound if the compound was prepared in 20 minutes and the dispensing fee is $3.25?
   Hydrocortisone 2.5% in Eucerin cream
   Dispense 60 g
   Sig: Apply sparingly b.i.d. prn
   Costs:
   Hydrocortisone powder 10 g = $53.80
   Eucerin cream 400 g = $8.27
4. How much should an insurance company be billed for the following compound if the compound was prepared in 20 minutes and the dispensing fee is $3.25?

Tetracycline HCl suspension 125 mg/5 ml compounded from capsules and a mixture of Ora-Plus 50% and Ora-Sweet 50% q.s. 200 ml

Costs:
Tetracycline 250 mg capsules = $0.23/capsule
Ora-Plus 473 ml = $9.47
Ora-Sweet 473 ml = $9.47

5. How much should an insurance company be billed for the following compound if the compound was prepared in 20 minutes and the dispensing fee is $3.25?

Metoprolol tartrate 10 mg/ml oral liquid in a 50:50 mixture of Ora-Sweet:Ora-Plus vehicle q.s. 120 ml

Costs:
Metoprolol tartrate 100 mg = $0.35/tablet
Ora-Plus 473 ml = $9.47
Ora-Sweet 473 ml = $9.47

6. How much should be charged for salicylic acid 1%, menthol 1/4% in triamcinolone 0.1% cream 60 g if the dispensing fee is $4.25, the cost of ingredients is $8.40, and the compound was prepared in 20 minutes?

7. How much should be charged for menthol 1/4% in triamcinolone 0.1% cream 30 g if the dispensing fee is $4.25, the cost of ingredients is $4.40, and the compound was prepared in 20 minutes?
8. How much should be charged for 170 ml diphenhydramine elixir, 50 ml lidocaine viscous, 200 ml nystatin suspension, 52 ml of erythromycin ethyl succinate suspension, and 28 ml of cherry syrup to make 500 ml if the dispensing fee is $4.25, the cost of ingredients is $18.40, and the compound was prepared in 20 minutes?

9. How much should be charged for 100 ml of hydrocortisone 2 mg/ml if the dispensing fee is $4.25, the cost of ingredients is $22.20, and the compound was prepared in 18 minutes?

10. How much should be charged for 70 ml of lansoprazole 3 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $38.14, and the compound was prepared in 15 minutes?

11. How much should be charged for 120 ml of potassium bromide 250 mg/ml if the dispensing fee is $4.25, the cost of ingredients is $6.25, and the compound was prepared in 10 minutes?

12. How much should be charged for 150 ml of clonidine 0.1 mg/5 ml suspension if the dispensing fee is $4.25, the cost of ingredients is $5.30, and the compound was prepared in 20 minutes?
13. How much should be charged for 300 ml of methylphenidate 10 mg/5 ml suspension if the dispensing fee is $4.25, the cost of ingredients is $36.20, and the compound was prepared in 15 minutes?

14. How much should be charged for 50 ml of captopril 1 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $0.85, and the compound was prepared in 20 minutes?

15. How much should be charged for 45 ml of baclofen 10 mg/ml if the dispensing fee is $4.25, the cost of ingredients is $7.25, and the compound was prepared in 20 minutes?

16. How much should be charged for 15 ml of amitriptyline 20 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $8.70, and the compound was prepared in 15 minutes?

17. How much should be charged for 90 ml of hydrochlorothiazide 10 mg/ml if the dispensing fee is $4.25, the cost of ingredients is $4.20, and the compound was prepared in 15 minutes?
18. How much should be charged for 30 g of salicylic acid 40% in petrolatum if the dispensing fee is $4.25, the cost of ingredients is $11.40, and the compound was prepared in 20 minutes?

19. How much should be charged for 150 ml of metformin 100 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $38.10, and the compound was prepared in 20 minutes?

20. How much should be charged for 150 ml of metronidazole 50 mg/5 ml suspension if the dispensing fee is $4.25, the cost of ingredients is $16.20, and the compound was prepared in 20 minutes?

21. How much should be charged for 60 ml of enalapril 1 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $19.10, and the compound was prepared in 20 minutes?

22. How much should be charged for 120 ml of amiodarone 5 mg/ml suspension if the dispensing fee is $4.25, the cost of ingredients is $22.70, and the compound was prepared in 20 minutes?
23. How much should be charged for hydrocortisone 2.4 g in 240 ml Lubriderm lotion if the dispensing fee is $4.25, the cost of ingredients is $21.50, and the compound was prepared in 20 minutes?

24. How much should be charged for 100 ml of celecoxib 100 mg/5 ml if the dispensing fee is $4.25, the cost of ingredients is $21.15, and the compound was prepared in 15 minutes?

25. How much should be charged for 240 ml PAC syrup if the dispensing fee is $4.25, the cost of ingredients is $32.20, and the compound was prepared in 20 minutes?