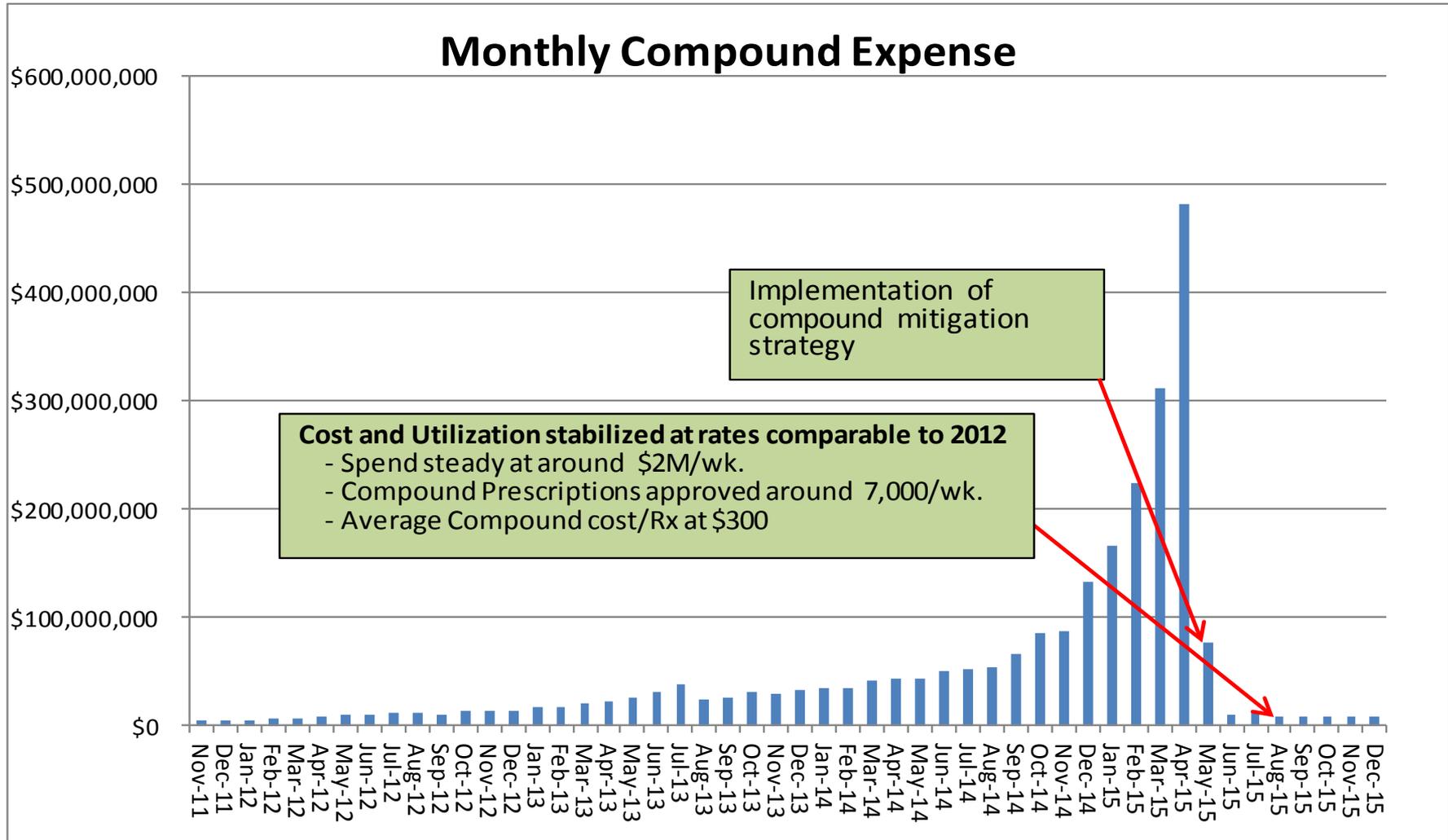


# Compound Spend through 1QFY16



# Compounds Drugs: Screening and Prior Authorization Process

- On May 1, 2015, DHA expanded the TRICARE drug screening process to include ingredients of compound drugs. Any compound claim containing an ingredient not known to be safe, effective, or medically necessary requires prior authorization review before TRICARE will cover the claim.
- On May 11, 2015, after reviewing the initial data, the DHA adopted ESI's commercial ingredient screening list. The list primarily included bulk drug powders and chemicals. Prior authorization review remained an option for any claim that did not pass the initial screen.
- This action curbed the use of unproven compound drugs and controlled costs among TRICARE beneficiaries. TRICARE covered more than 126,000 compound claims for the period between May 11 and August 31, 2015, with fewer than 1,000 prior authorization requests.

# Compounds Drugs: Screening and Prior Authorization Process



- On October 1, 2015, DHA implemented the use of ESI's updated commercial ingredient screening list that added some tablets, capsules, and topical creams.
- On February 3, 2016, DHA added four additional ingredients to the screening list.
- DHA and ESI have established regular, on-going feedback and monitoring of compound drug claims activities to facilitate potential ingredient list changes and process adjustments.
- TRICARE continues to ensure access to compound medications through use of best practice screening and Prior Authorization processes.
- DHA has continued to work with the Department of Justice on ongoing fraud investigations.
- DHA continues to focus on Program Integrity to monitor for new fraud methodologies.