



Alliance for
Pharmacy
Compounding



NEWS RELEASE

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Tricare steps back from compounding recoupment

ALEXANDRIA, VA (October 16, 2020) – An egregious Tricare/Express Scripts (ESI) recoupment faced by hundreds of compounding pharmacies across the country is ending, thanks to the work of two industry trade associations, the Alliance for Pharmacy Compounding and the National Community Pharmacists Association.

It began back in June, when about 400 compounding pharmacies across the U.S. received a recoupment notice from ESI claiming that Tricare prescriptions from 2015 were fraudulent because there was no physician/patient relationship indicated. The amounts to be recouped ranged from less than \$100 for one pharmacy to more than \$200,000 for another.

“This wasn’t the usual desk audit,” said NCPA Vice President Policy & Government Affairs Operations Ronna Hauser, PharmD. “It was an allegation of fraud against the compounders.”

“ESI was basically saying that the only way the pharmacies could exonerate themselves was by producing documentation that the prescribing physician actually had seen the patient,” added APC CEO Scott Brunner, CAE. “That’s documentation that no state in the nation requires pharmacists to maintain.”

In addition, Hauser and Brunner noted that ESI’s communication to pharmacies about the recoupment was incorrectly dated and riddled with errors about the claims they were seeking to recoup.

The associations took their concerns directly to leaders at the Defense Health Agency, which oversees the Tricare program. Over the course of several discussions, the associations demonstrated to the agency that the basis for the recoupment was invalid and that compounding pharmacies do not have access to documentation of a physician/patient relationship related to the prescriptions under scrutiny.

In response to concerns raised by the associations Tricare has instructed Express Scripts to stop the recoupments it started in June. Pharmacies that have already suffered clawbacks will be allowed to appeal, and the standard for documentation of those appeals will now be reasonable.

The most important news is that ESI and Tricare are no longer considering this issue to be one of fraud, waste, and abuse. Instead, for those already recouped, it's more like a typical audit.

Attorneys Hunter Jamerson of Macaulay & Jamerson, Richmond, Va., and Jeff Baird and Brad Howard of Brown & Fortunato, Amarillo, Tex., as well as PAAS National, were instrumental in assisting APC and NCPA in challenging the recoupment.

“Some of these compounding pharmacies will even be receiving an apology from Express Scripts,” said APC’s Brunner. “It’s a good day for those pharmacies, and a testament to the good that associations can do for their members.”

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*Founded in 1898, the National Community Pharmacists Association **is the voice for the community pharmacist**, representing over 21,000 pharmacies that employ approximately 250,000 individuals nationwide. Community pharmacies are **rooted in the communities where they are located** and are among **America's most accessible health care providers**. To learn more, visit www.ncpa.org.*

*APC is the voice for pharmacy compounding, representing compounding pharmacists, technicians, educators, students, researchers and suppliers. Compounding exists for patients and animals who are not served by traditional pharmaceutical manufacturers. Every day, APC members play a critical, life-sustaining role in patients' lives, creating essential medications unavailable elsewhere for a range of issues, including autism, oncology, dermatology, ophthalmology, pediatrics, women's health, and others. **Learn more at www.a4pc.org**.*