## **U.S. Department of Labor**

Office of Workers' Compensation Programs Division of Energy Employees Occupational Illness Compensation P.O. Box 8306 London, KY 40742-8306

DATE: November 4, 2024



EEOICPA CIRCULAR NO. 25-02

Subject: DEEOIC Compounded Drug Policy

This circular provides notice that the Division of Energy Employees Occupational Illness Compensation (DEEOIC) requires medical justification to support prescriptions for extemporaneously compounded drugs. Extemporaneous compounding is a practice in which a licensed pharmacist, a licensed physician, or a person under the supervision of a licensed pharmacist combines, mixes, or alters ingredients of a drug to create a medication tailored to the needs of an individual patient.

Title 42 U.S.C. § 7384t states, "The United States shall furnish, to an individual receiving medical benefits under this section for an illness, the services, appliances, and supplies prescribed or recommended by a qualified physician for that illness, which the President considers likely to cure, give relief, or reduce the degree or the period of that illness." The Office of Workers' Compensation Programs (OWCP), Division of Administrative Operations (DAO) conducts an ongoing review of drugs, drug products, medical services and supplies, and durable medical equipment (DME) to determine their efficacy and safety in treating medical conditions.

Extemporaneously compounded drugs are not approved by the U.S. Food and Drug Administration (FDA). In other words, the FDA has neither verified their safety and effectiveness, nor monitored the conditions under which they were prepared. The National Academies of Science, Engineering and Medicine has also concluded that there is limited evidence to support the use of compounded pain creams, inadequate data to support the safety of their ingredients, and that these products are a substantial public health concern. However, compounding may be necessary to meet the unique medical needs of a patient who cannot be treated with an FDA-approved drug. For example, compounding may be necessary when a patient has an allergy to an inactive ingredient in a commercially available drug or requires a dosage or formulation that is not commercially available.

Effective November 4, 2024, DEEOIC will require prior authorization before reimbursing pharmacies, medical providers, or claimants for compounded drugs. Requests for prior authorization must be submitted on Form OWCP-26 and include an opinion from a qualified physician that provides a compelling, well-rationalized justification for the use of a compounded drug to treat an illness accepted under the Energy Employees Occupational Illness Compensation Act (EEOICPA). The treating physician must submit a Form OWCP-26 online via the OWCP pharmacy bill processing portal at <a href="https://owcprx.dol.gov/portal/main.do">https://owcprx.dol.gov/portal/main.do</a>. A completed Form OWCP-26 does not, however, guarantee authorization by DEEOIC.

Upon receipt of a completed Form OWCP-26, a DEEOIC Medical Benefits Examiner (MBE) must review the form to ensure that it includes documentation of a face-to-face evaluation of the claimant by the prescribing physician within six months prior to the date that the physician submitted the request. The form must also include a well-rationalized justification supporting the medical need for the prescribed compounded drug.

The MBE must refer the completed Form OWCP-26 to an OWCP pharmacist or physician for their clinical recommendation prior to making a decision in accordance with Federal (EEOICPA) Procedure Manual, Chapter 29. MBEs must route decisions to approve or reject reimbursement for a compounded drug to the DEEOIC Medical Bill Processing Unit, who will transmit the decision status information to the OWCP pharmacy bill processing contractor.

RACHEL D. POND
Director, Division of Energy Employees
Occupational Illness Compensation

Distribution List No. 1: Claims Examiners, Supervisory Claims Examiners, Technical Assistants, Customer Service Representatives, Fiscal Officers, FAB District Managers, Operations Chiefs, Hearing Representatives, District Office Mail & File Section