

## United States Department of Labor

### Office of Workers' Compensation Programs

#### Division of Federal Employees' Compensation (DFEC)

#### **Compounded Drug Medications**

OWCP's Division of Federal Employees' Compensation (DFEC) is instituting additional efforts to monitor and manage compounded drug medications, including plans for greater scrutiny of the prescription and utilization of compounded drugs. OWCP DFEC acknowledges that compounded drugs may be appropriate for a small number of patients who have special circumstances; however, compounded drugs are not subject to the rigorous safety and efficacy testing required for approval by the Food and Drug Administration. There is also evidence that some compounding pharmacies have engaged in fraudulent practices that have both endangered patients and raised the cost of health care for the public.

Because the Federal Employees' Compensation Act (FECA) program has experienced a sharp increase in the use and cost of compound medications and because of safety and fraud concerns regarding compounded drugs, we are instituting new procedures to comprehensively review compounded prescriptions for FECA beneficiaries. We strongly urge our claimants and their treating physicians to be mindful of safety concerns relating to compound medications and to consider them only after careful consideration of FDA-approved, commercially available drugs.

In October of 2016, DFEC will be implementing a new policy that requires an injured worker's treating physician to complete a Certification/Letter of Medical Necessity prior to authorization of any compounded medication by OWCP DFEC. Please be aware that as part of our new policy to address the safety and cost considerations noted above, authorizations for compounded drug prescriptions will be limited to a maximum of 90 days, with initial fills and refills to be issued in 30-day supplies.

Please continue to consult [our website](#), under "Latest News," for additional updates on our policies, and read carefully any written communications you receive from us. The "Latest News" section on our website will provide additional details prior to implementation. Claimants and their representatives may register to receive periodic email updates regarding this topic, as well as general DFEC program news, on the [Claimant and Representative portal](#). News on billing can be found at the [ACS Web Bill Processing Portal](#), under "Latest Developments."

In addition, we encourage medical providers to sign up for DFEC's email list to receive information about program policies impacting medical authorization. The link can be found on the [Medical Provider portal](#) on the DFEC website.

Finally, we have received anecdotal reports about FECA claimants who have received compound medications that were not prescribed by their authorized treating physician. You should only take medications prescribed to you by your doctor or health care provider. OWCP will continue to work with the Department of Labor's Office of Inspector General (DOL-OIG), which recently executed federal search warrants on several pharmacies engaged in compounding. If you have received such medications or suspect any related illegal activity, contact the [DOL-OIG hotline](#).

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