

Chapter 1

Section 39

CHAMPUS Maximum Allowable Charge (CMAC) For Banked Donor Milk (BDM)

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Authority: [32 CFR 199.2](#); [32 CFR 199.4\(a\)\(1\)\(i\)](#), [\(d\)\(3\)\(iii\)](#), [\(g\)\(39\)](#), [\(g\)\(57\)](#), [\(g\)\(66\)](#), [32 CFR 199.5\(c\)](#), [32 CFR 199.6\(c\)\(3\)\(iii\)\(L\)](#), [\(c\)\(3\)\(iii\)\(M\)](#); [32 CFR 199.14](#), and National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, Section 714r

Revision: C-45, March 13, 2020

1.0 APPLICABILITY

This policy is mandatory for reimbursement of BDM provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the Defense Health Agency (DHA) and specifically included in the network provider agreement.

2.0 DESCRIPTION

This section provides the payment amounts and procedures for reimbursing BDM. TRICARE has established a per-ounce CMAC rate for Healthcare Common Procedural Coding System (HCPCS) code T2101 (processing, storage and distribution of BDM). For network providers, the contractor may negotiate rates that would be less than the rates established under this section, in accordance with contractual agreements.

3.0 POLICY

Reimbursement for BDM will be effective for service dates on or after January 1, 2019. See TRICARE Policy Manual (TPM), [Chapter 8, Section 7.2](#), for coverage of Medically Necessary Foods.

4.0 REIMBURSEMENT

4.1 Acute care hospitals paid under the Diagnosis Related Group (DRG) methodology and other hospitals may bill for BDM utilizing HCPCS code T2101 along with revenue code 220.

Note: In general, BDM provided in the inpatient setting would be included in the overall charge and DRG reimbursement. However, there may be cases where hospitals that are not subject to DRG bill separately, or that a hospital does not routinely provide BDM but goes to extraordinary lengths to obtain it for a specific patient and would otherwise bill the patient separately for the BDM. In these cases, the billing as noted in this paragraph would apply. Also, reference the definition of abusive billing practices within the TRICARE regulation at [32 CFR 199.9](#). If a hospital routinely provides BDM and

TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

Chapter 1, Section 39

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does not charge other payers separately for it, then it may not charge TRICARE separately. Separate charges may be reviewed by the contractor for abusive and excessive billing practices.

4.2 TRICARE shall also reimburse non-institutional providers, to include Human Milk Banking Association of North America (HMBANA)-accredited milk banks, based on the CMAC for HCPCS code T2101. See [Chapter 5, Section 3](#).

Note: The policy requirement is that only BDM that is processed and distributed by HMBANA-accredited milk banks is eligible for cost-sharing. However, TRICARE authorized providers (e.g., a pediatrician) may purchase BDM from HMBANA-accredited milk banks, and may make the milk available for patients in their practice. In this case, the claim may be submitted by the pediatrician rather than the milk bank. The claim shall include documentation or verification that the BDM that was provided was obtained from a HMBANA-accredited milk bank.

4.3 Effective with the 2019 CMAC update, the national reimbursement rate for HCPCS code T2101 is \$4.50 per ounce (one unit is equivalent to one ounce). This rate shall be adjusted **by locality** and updated annually by the same conversion factors used to update the annual CMAC file, and will be made available at <http://www.health.mil/rates>.

4.4 Pricing will be made available at <http://www.health.mil/rates>.

4.5 Contractors shall establish network agreements with HMBANA accredited milk banks to the extent practical and authorized by contractual agreements. Contractors shall utilize the provisions in the TRICARE Operations Manual (TOM) regarding the reimbursement of beneficiary-submitted claims, in the case that beneficiaries purchase BDM and request reimbursement.

4.6 Reimbursement for HCPCS code T2101 includes the processing, storage, and distribution of BDM. Separate charges for shipping or other services are not separately payable.

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