

Chapter 1

Addendum D

Maximum Allowable Charge For Breastfeeding Supplies

Revision: C-60, June 30, 2021

1.0 APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, **the contractor may use** alternative network reimbursement methodologies when approved by the Defense Health Agency (DHA) and **the contractor** specifically include **them** in the network provider agreement.

2.0 DESCRIPTION

This addendum provides the payment amounts and procedures for reimbursing breastfeeding supplies for which Medicare does not have an established fee schedule rate, in accordance with the procedures established in [32 CFR 199.14\(j\)\(1\)](#). For network providers, the contractor may negotiate rates that **are** less than the rates established under this addendum, in accordance with contractual agreements.

3.0 POLICY

For coverage policy and allowable limits on breast pumps, breast pump supplies, and breastfeeding counseling, see the TRICARE Policy Manual (TPM), [Chapter 8, Section 2.6](#). Effective for service dates on or after July 5, 2018, the maximum allowable charge is limited to the lower of the billed charge, negotiated rate, or the national prevailing charge, as established by this Addendum.

4.0 REIMBURSEMENT

4.1 Effective for service dates on or after July 5, 2018, for breastfeeding supplies that have a specific Health Common Procedure Coding System (HCPCS) code:

4.1.1 The national prevailing charge was calculated by using the 80th percentile of all the billed charges during the 12 month period ending June 30, 2017. In the process of calculating the national prevailing charge, **DHA removed** outliers that were above an upper limit threshold of what the Government established to be "customary and reasonable", in accordance with [32 CFR 199.9](#) definitions of abusive and excessive charges.

4.1.2 The national prevailing charge for these items are in [Figure 1.D-1](#) and TRICARE Overseas Program (TOP) [Figure 1.D-2](#). To account for local currency, exchange rate fluctuation, limits on availability, shipping, and other considerations, for claims that are processed under the TOP the national prevailing charge for the electric breast pump (HCPCS E0603) is \$500 and twice the rate established for the other supplies. The **contractor shall only apply** TOP rates to items purchased

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overseas (all locations outside of the 50 United States and the District of Columbia) and received from an overseas supplier. **The contractor shall apply rates in Figure 1.D-1 to suppliers located in the United States who ship overseas.**

FIGURE 1.D-1 NATIONAL PREVAILING CHARGE FOR BREASTFEEDING SUPPLIES WITH A SPECIFIC HCPCS CODE FOR SERVICE DATES ON OR AFTER JULY 5, 2018

| HCPCS CODE | DESCRIPTION | RATE PER UNIT |
|------------|---|--------------------------------------|
| A4281 | Tubing for breast pump | \$10.00 |
| A4282 | Adapter for breast pump | \$19.09 |
| A4283 | Cap for breast pump bottle | \$2.00 |
| A4284 | Breast shield and splash protector | \$9.99 |
| A4285 | Polycarbonate bottle | \$3.00 |
| A4286 | Locking ring | \$1.50 |
| E0602 | Manual breast pump purchase | Refer to the CMS DMEPOS fee schedule |
| E0603 | Electric breast pump purchase | \$312.50 |
| E0604 | Hospital grade breast pump purchase | \$1,500.00 |
| K1005 | Breast Milk Storage Bags (Effective 01/01/2020) | \$0.20 |

FIGURE 1.D-2 TOP NATIONAL PREVAILING CHARGE FOR BREASTFEEDING SUPPLIES WITH A SPECIFIC HCPCS CODE FOR SERVICE DATES ON OR AFTER JULY 5, 2018

| HCPCS CODE | DESCRIPTION | RATE PER UNIT |
|------------|---|---------------------------|
| A4281 | Tubing for breast pump | \$20.00 |
| A4282 | Adapter for breast pump | \$38.18 |
| A4283 | Cap for breast pump bottle | \$4.00 |
| A4284 | Breast shield and splash protector | \$19.98 |
| A4285 | Polycarbonate bottle | \$6.00 |
| A4286 | Locking ring | \$3.00 |
| E0602 | Manual breast pump purchase | Contact International SOS |
| E0603 | Electric breast pump purchase | \$500.00 |
| E0604 | Hospital grade breast pump purchase | \$3,000.00 |
| K1005 | Breast Milk Storage Bags (Effective 01/01/2020) | \$0.40 |

Note: Hospital grade breast pumps may be provided on a rental or purchase basis. As of 2018, market research **showed** the average rental rate for a hospital pump **was** \$70 (and \$140 under the TOP). Therefore, **the contractor shall evaluate** any charges that are significantly higher from these amounts for the rental of HCPCS code E0604 for excessive and abusive charges. **The contractor shall base coverage on the price most advantageous to the Government in accordance with 32 CFR 199.4(d)(3)(ii)(D).**

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4.1.3 DHA will publish updates to the national prevailing charge annually, and adjust rates by the same update factor used to update the annual CHAMPUS Maximum Allowable Charge (CMAC) file. The contractor shall not wage adjust these rates for localities.

4.1.4 Effective with the 2019 CMAC update and subsequent updates, DHA will include the updated rates for these items in the annual CMAC file that is supplied to the contractors. The annual update usually takes place February 1. However, circumstances may cause the updates to be delayed. DHA will notify the contractor when the annual update is delayed. Effective for service dates on or after July 1, 2021, refer to Section 11 for annual and periodic adjustments to these rates.

4.1.5 DHA will not publish future pricing in this manual, since DHA will provide the most up-to-date rates at <https://health.mil/Military-Health-Topics/Business-Support/Rates-and-Reimbursement/Durable-Medical-Equipment-Prosthetics-Orthotics-and-Supplies>.

4.2 Effective for service dates on or after July 5, 2018, for breastfeeding supplies that do not have a specific HCPCS code:

4.2.1 The Government set the national prevailing charge at the upper limit of what the Government has established as a "customary and reasonable" charge, in accordance with the definitions of abusive and excessive billing practices found in 32 CFR 199.9.

4.2.2 The national prevailing charge for these items are in Figure 1.D-3 and TOP Figure 1.D-4. The TOP rates shall only apply to items that are purchased overseas (all locations outside of the 50 United States and the District of Columbia) and received from an overseas supplier. The contractor shall only apply the rates in Figure 1.D-3 to suppliers located in the United States who ship overseas.

FIGURE 1.D-3 NATIONAL PREVAILING CHARGE FOR BREASTFEEDING SUPPLIES WITHOUT A SPECIFIC HCPCS CODE FOR SERVICE DATES ON OR AFTER JULY 5, 2018

| HCPCS CODE | DESCRIPTION | RATE PER UNIT |
|------------|--|---------------|
| N/A | Valves | \$15.00 |
| N/A | Breast milk storage bags (prior to 01/01/2020) | \$0.20 |
| N/A | Nipple shields | \$7.50 |
| N/A | Supplemental Nursing Systems (SNS) | \$75.00 |

FIGURE 1.D-4 TOP NATIONAL PREVAILING CHARGE FOR BREASTFEEDING SUPPLIES WITHOUT A SPECIFIC HCPCS CODE FOR SERVICE DATES ON OR AFTER JULY 5, 2018

| HCPCS CODE | DESCRIPTION | RATE PER UNIT |
|------------|--|---------------|
| N/A | Valves | \$30.00 |
| N/A | Breast milk storage bags (prior to 01/01/2020) | \$0.40 |
| N/A | Nipple shields | \$15.00 |
| N/A | Supplemental Nursing Systems (SNS) | \$150.00 |

4.2.3 DHA will publish updates to the national prevailing charge annually, and adjust the rates by the same update factor used to update the annual CMAC file. The contractor shall not wage adjust

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these rates for localities. Effective July 1, 2021, DHA will publish updates annually on January 1, and use the same update factor used in Medicare's DMEPOS fee schedule.

4.2.4 DHA will not supply updated rates for these items in the annual CMAC file.

4.2.5 DHA will not publish future pricing in this manual since DHA will provide the most up-to-date rates at <https://health.mil/Military-Health-Topics/Business-Support/Rates-and-Reimbursement/Durable-Medical-Equipment-Prosthetics-Orthotics-and-Supplies>.

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