

## RARE OR UNUSUAL PROCEDURES

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### I. ISSUE

How is the allowable amount to be determined for rare or unusual procedures for which there is no prevailing profile?

### II. POLICY

A. Contractors will occasionally be confronted with situations in which a new or rare procedure is performed and for which it is difficult to obtain information on prevailing charges. In such situations the contractor, in order to make the allowable charge determination, shall (1) obtain data, if possible, on the charges made for the unusual or rare procedure in other states similar to the state in which the service was rendered; or (2) consult with its own medical review staff or the local medical society regarding the appropriate charge to be made for this procedure. A relative value scale may be used together with available information about the prevailing charges for more frequently performed services in the state in order to fill gaps in the data available to the contractor.

B. In some instances the procedure may be one that TRICARE has just begun to cover but which has been performed within the particular state for some time. In such a case the contractor should endeavor to base its allowance on data from the appropriate profile data base period.

C. When the contractor cannot obtain sufficient information through its knowledge of medical care charges in other states, it must consult with any medical authority that it would consider helpful, such as the medical personnel on its staff, the local or state medical society, or hospital medical personnel, etc. In assessing the value of the procedure, the medical personnel must take into consideration: (1) its complexity; (2) the surgical skill required; (3) the time needed to perform the procedure; and (4) the prevailing charges in the state for other procedures of comparable complexity. The contractor shall then base its judgment as to the allowable charge for a given service on the best available medical opinion and information on prevailing charges. Such determinations must be documented in the claim file.

D. It is recognized that some rare or unusual procedures cannot be priced by the allowable charge methodology and must be paid as billed. Explanations of the rationale for paying as billed must be documented.

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