

## Chapter 1

## Addendum D

# Maximum Allowable Charge For Breastfeeding Supplies

Revision: C-34, March 12, 2019

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### 1.0 APPLICABILITY

This policy is mandatory for reimbursement of services 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 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 would be 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, outliers were removed 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 TOP rates shall only apply to items that are purchased overseas

**TRICARE Reimbursement Manual 6010.61-M, April 1, 2015**

## Chapter 1, Addendum D

## Maximum Allowable Charge For Breastfeeding Supplies

(all locations outside of the 50 United States and the District of Columbia) and received from an overseas supplier. Suppliers located in the United States who ship overseas shall be limited to the rates in [Figure 1.D-1](#).

**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                           |

**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                |

**Note:** Hospital grade breast pumps may be provided on a rental or purchase basis. As of 2018, market research has shown the average rental rate for a hospital pump is \$70 (and \$140 under the TOP). Therefore, any charges that are significantly higher from these amounts for the rental of HCPCS code E0604 shall be evaluated for excessive and abusive charges. Coverage shall be based on the price most advantageous to the government in accordance with [32 CFR 199.4\(d\)\(3\)\(ii\)\(D\)](#).

**4.1.3** Updates to the national prevailing charge will occur annually, and they will be adjusted by the same update factor used to update the annual CHAMPUS Maximum Allowable Charge (CMAC) file. These rates shall not be wage adjusted for localities.

## TRICARE Reimbursement Manual 6010.61-M, April 1, 2015

### Chapter 1, Addendum D

#### Maximum Allowable Charge For Breastfeeding Supplies

**4.1.4** Effective with the 2019 CMAC update and subsequent updates, the updated rates for these items will be in the annual CMAC file that is supplied to the contractors by the DHA. The annual update usually takes place February 1. However, circumstances may cause the updates to be delayed. Contractors will be notified when the annual update is delayed.

**4.1.5** Future pricing will not be published in this manual, since the rates will be updated and made available 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 national prevailing charge was set 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. Suppliers located in the United States who ship overseas shall be limited to rates in [Figure 1.D-3](#).

**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           | \$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           | \$0.40        |
| N/A        | Nipple shields                     | \$15.00       |
| N/A        | Supplemental Nursing Systems (SNS) | \$150.00      |

**4.2.3** Updates to the national prevailing charge will occur annually, and they will be adjusted by the same update factor used to update the annual CMAC file. These rates shall not be wage adjusted for localities.

**4.2.4** Updated rates for these items will not be in the annual CMAC file that is supplied to the contractors.

**TRICARE Reimbursement Manual 6010.61-M, April 1, 2015**

Chapter 1, Addendum D

Maximum Allowable Charge For Breastfeeding Supplies

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**4.2.5** Future pricing will not be published in this manual since the rates will be updated and made available at <https://health.mil/Military-Health-Topics/Business-Support/Rates-and-Reimbursement/Durable-Medical-Equipment-Prosthetics-Orthotics-and-Supplies>.

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