



OFFICE OF THE UNDER SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

The Honorable Mike D. Rogers
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

AUG 20 2024

Dear Mr. Chairman:

The Department's response to House Report 118-125, page 211, accompanying H.R. 2670, the National Defense Authorization Act for Fiscal Year 2024, "Report on TRICARE Coverage of Human Donor Milk," is enclosed

The report provides responses to questions from Congress on accounting for all outstanding reimbursements to nonprofit milk banks; a total amount of reimbursements for banked donor milk that have not been paid out; and a plan for making timely preauthorizations and subsequent reimbursements in the future. Based on a review of claims data, Defense Health Agency (DHA) verified payments for banked donor milk to providers were issued on average in less than 3.5 days, with all payments being issued within 7 days of the claims processing date. DHA confirmed there are no outstanding reimbursements to nonprofit milk banks and that preauthorization is not a requirement.

Thank you for your continued strong support for our Service members and their families.

Sincerely,



Ashish S. Vazirani

Performing the Duties of the Under Secretary of
Defense for Personnel and Readiness

Enclosure:
As stated



Report to the Committee on Armed Services of the House of Representatives



Report on TRICARE Coverage of Human Donor Milk

August 2024

The estimated cost of this report or study for the Department of Defense (DoD) is approximately \$ 3,400.00. This includes \$100.00 in expenses and \$ 3,300.00 in DoD labor.
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INTRODUCTION

This report is in response to House Report 118–125, page 211, accompanying H.R. 2670, the National Defense Authorization Act for Fiscal Year 2024, which requests that the Secretary of Defense provide a report to the Committee on Armed Services of the House of Representatives on TRICARE coverage of human donor milk, also referred to as banked donor milk (BDM), that, includes:

- (1) an accounting of all outstanding reimbursements to nonprofit milk banks;
- (2) a total amount of reimbursements for BDM that have not been paid out; and
- (3) a plan for making timely pre-authorizations and subsequent reimbursements in the future.

BACKGROUND

BDM is a TRICARE covered benefit when specific criteria exist. Up to 35 ounces per day, per infant, is payable. In accordance with the TRICARE Policy Manual, to be eligible for BDM an infant must have one or more of the following conditions:

- Born at a very low birthweight (1,500g).
- Gastrointestinal anomaly, metabolic/digestive disorder, or recovery from intestinal surgery when digestive needs require additional support.
- Diagnosed with Failure-to-Thrive (not appropriately gaining weight/growing).
- Formula intolerance, with documented feeding difficulty or weight loss.
- Infant hypoglycemia (low blood sugar).
- Congenital Heart Disease.
- Pre-or Post-organ transplant.
- Other serious health conditions when the use of BDM is medically necessary and supports the treatment and recovery of the infant.

In addition, BDM may be covered when a mother's milk is contraindicated, unavailable due to medical or psychological condition, or mother's milk is available but is insufficient in quantity or quality to meet the infant's dietary needs. If the birth mother is unavailable due to the physical absence of the birth mother in extraordinary circumstances (i.e., adoption, maternal death, deployment of active duty Service member mother), the own mother's milk is considered to be unavailable for the purposes of this paragraph.

There are specific BDM claims requirements that must be met for each 30-day period. In accordance with the TRICARE Policy Manual, the initial prescription must describe the quantity and frequency of the required BDM, and is only valid for 30 days. Subsequently, prescriptions must be renewed every 30 days. The contractors may also require medical documentation demonstrating active medical management, as well as documentation of medical necessity to validate the initial as well as ongoing prescriptions for BDM as the circumstances of the mother and infant can and do change. If there is not an approved authorization on file the claim will route for a medical necessity review, which may require a request for additional information from the provider or beneficiary. The national rate for BDM is \$4.50 per ounce, adjusted by

locality, and updated annually. The reimbursement rate is based on the recipient’s location and information is available at <http://www.health.mil/rates>.

(1) AN ACCOUNTING OF ALL OUTSTANDING REIMBURSEMENTS TO NONPROFIT MILK BANKS

BDM must be procured through a Human Milk Banking Association of North America (HMBANA) accredited milk bank and delivered through a TRICARE authorized provider (e.g., pediatrician, inpatient hospital, or HMBANA-accredited milk bank). HMBANA is a not-for-profit organization that accredits nonprofit milk banks in the United States and Canada.

The Defense Health Agency (DHA) researched TRICARE BDM claims for the TRICARE East and West Regions for dates of service August 1, 2022 through April 30, 2023, and Table 1 displays the findings.

Table 1. TRICARE Non-Profit BDM Claims Processed

August 1, 2022 – April 30, 2023 Summary								
Managed Care Support Contract (MCSC)	Unique Beneficiaries ¹	Total Claims	Claims Paid	Claims Denied ²	Outstanding Reimbursements ³	Avg Claims Processing Days ⁴	Avg Days to Payment after Processing ⁵	Total TRICARE Payment
East Region - Humana Military	18	70	35	35	0	26	3.5	\$62,767.65
West Region - Health Net Federal Services (HNFS)	8	18	15	3	0	14	3.2	\$19,952.24

¹ Data represent multiple claims for 18 unique beneficiaries due to the TRICARE policy requirement for a new prescription each 30-day period.

² BDM claims are denied when services are not covered and/or when they do not meet the medical necessity review. BDM claims are also denied when claims are submitted without the required documentation for each 30-day period, beneficiaries are outside the age range for the benefit, or claims exceed the allowed daily quantity.

³ Outstanding reimbursements are claims that have been approved for payment; however, no final payments have been posted. For this reported time period, there are zero outstanding reimbursements.

⁴ Average claims processing days includes the time from receipt of the claim through the claims processed date.

⁵ Payments for MCSCs were issued on average to providers and beneficiaries in 3.5 days or less; all payments were issued within seven days of the claims processing date.

Ninety-eight percent of TRICARE claims for BDM were processed within the TRICARE contract requirement of 90 days. Two percent of claims did not meet the 90-day requirement due to pending receipt of all required information from the provider.

DHA did not identify inconsistencies in reimbursement for medically necessary BDM.

(2) TOTAL AMOUNT OF REIMBURSEMENTS FOR BDM THAT HAVE NOT BEEN PAID OUT

Per Table 1 above, there are zero reimbursements for BDM that have not been paid out in accordance with TRICARE Policy. However, some BDM claims were denied for reasons such as Services Not Covered or Services Not Authorized. Table 2 depicts the number of BDM claims denied and the reason for denial.

Table 2. TRICARE Non-Profit BDM Claims Denied and Reasons

Non-Profit BDM Claims Denial Reasons Summary		
Denial Reason	HNFS Total Number Claims	Humana Government Business (HGB) Total Number of Claims
Services Not Covered	3	18
Requested Information Not Received	0	3
Services Not Authorized	0	10
Beneficiary Not Covered	0	4

(3) PLAN FOR MAKING TIMELY PRE-AUTHORIZATIONS AND SUBSEQUENT REIMBURSEMENTS IN THE FUTURE

Preauthorizations are not required for BDM; however, if a provider or beneficiary requests a preauthorization, the contractor will provide one. For preauthorizations and authorizations, the contractor is required to issue determinations on 90 percent of all requests within 2 business days and 100 percent of all requests within 5 business days following the receipt of the request and all required information. Both TRICARE contractors continue to meet the requirement for preauthorizations and authorizations 99 percent or more of the time, and their performance metrics are routinely monitored by the Government.

CONCLUSION

The Department is pleased to provide medically necessary BDM as a TRICARE covered benefit when specific criteria exist. Beneficiaries are not required to obtain prior authorization for BDM; however, providers and beneficiaries may request voluntary preauthorization to confirm covered benefit status and/or validate medical necessity. Although a number of BDM claims were denied, DHA verified 98 percent of BDM claims were processed within contractually established timeframes. Payments to providers/beneficiaries were issued on average within 3.5 days of the claims processing date; resulting in an approximately 19 days (HNFS)/31days (HGB) from claims filed to claims payment. DHA’s findings did not identify any outstanding authorized reimbursements to nonprofit milk banks or beneficiaries for the period reviewed. In addition, findings did not identify inconsistent or non-existent reimbursement for BDM. DHA will continue to encourage providers to submit claims electronically with all required information to expedite claims processing and payment. Should any provider require assistance or have any questions, they are encouraged to contact their regional managed care support contractor. In the West Region, providers may contact Health Net Federal Services at 1-844-866-WEST (9378) and in the East Region Humana Military at 1-800-444-5445.