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| Subject: | Pasteurized Human Donor Milk Coverage | | |
| Policy Number: | PO-RE-122v2 | | |
| Effective Date: | 01/01/2025 | Last Approval Date: | 12/3/2025 |

I. Policy Description

Healthfirst provides coverage for Pasteurized Human Donor Milk (PDHM) under certain programs/lines of business. This policy describes Healthfirst's reimbursement guidelines for PDHM as it relates to both inpatient and outpatient settings.

The information below applies to the following lines of business:

- Essential Plan (EP)
- Medicaid Managed Care (MMC)
- Qualified Health Plan (QHP)
- Health and Recovery Plan (HARP)

New York's Medicaid program provides reimbursement for PDHM, ensuring that medically fragile infants, particularly those at high risk for complications, have access to this essential nutrition. This policy aims to facilitate the safe and regulated use of PDHM in healthcare settings, supporting the health and well-being of vulnerable infants.

QHP and EP issuers are required to provide coverage for PDHM under NY Insurance Law §§3216, 3221, and 4303.

Reimbursement Guidelines

This policy applies to the reimbursement of PDHM for medically necessary inpatient and outpatient use for infants who meet specific criteria:

1. Medicaid Managed Care and (MMC) and Health and Recovery Plans (HARP):
 - a. PDHM is covered for **inpatient use only** for infants enrolled in Medicaid Managed Care and Health and Recovery Plan (HARP)
2. Essential Plan (EP) and Qualified Health Plan (QHP):
 - a. PDHM is covered for both inpatient and outpatient use for infants enrolled in the Essential Plan (EP) and Qualified Health Plan (QHP).
3. Eligibility Criteria:

- a. Infants must have a documented birth weight of less than 1500 grams; or
 - b. Infants must have a congenital or acquired condition that places them at high risk for necrotizing enterocolitis (NEC) and/or infection.
4. **Conditions for Coverage:**
PDHM is covered for infants who meet the above eligibility criteria and have one or more of the following conditions:
 - a. Medically or physically unable to receive maternal breast milk or participate in breastfeeding.
 - b. Unable to participate in breastfeeding despite optimal lactation support.
 - c. Born to mothers whose breast milk is unsuitable for consumption due to certain substances or diseases.
 - d. Mothers who are medically or physically unable to produce sufficient maternal breast milk.
5. A written medical order from a licensed medical practitioner is required for both inpatient and outpatient use of PDHM, including fortifiers as medically indicated.
6. PDHM can only be distributed by tissue banks licensed by the NYS Department of Health. Hospitals and Healthcare Providers must obtain a tissue bank license that permits the distribution of human milk.
 - a. Information on how to obtain such license is available at ([NYS Department of Health Tissue Resources](#)).
7. **Billing Requirements:**
 - a. Hospitals licensed to provide PDHM must bill using HCPCS code T2101: Human breast milk processing, storage and distribution only.
 - b. Billing should be for the amount dispensed, rounding up to the nearest mL (1 mL = 1 unit).
8. Authorization is required prior to dispensing PDHM.
9. A cost share will be applied for this service in accordance with the member's specific health plan provision.

Exclusions and Limitations

- PDHM is subject to New York State tissue banking regulations. Only hospitals and Healthcare providers with an appropriate tissue bank license can distribute PDHM.
- Coverage is limited to medically necessary uses as outlined above.

Adjudication and Appeal Process

1. Reimbursement for Pasteurized Human Donor Milk will be determined based on the provider's scope of services and the reimbursement rates outlined in the provider's contract with Healthfirst.
2. Claims submitted by providers that do not adhere to this policy will be denied or rejected. It is the responsibility of the provider to ensure claims are coded accurately.
3. If the line of business (LOB) is not mentioned in this policy, the services are not covered and not eligible for reimbursement.
4. This policy is a provider resource for understanding Healthfirst's reimbursement guidelines. It does not guarantee coverage or payment. Final reimbursement decisions depend on benefit coverage, state/federal mandates, medical necessity, and provider contract.
5. Claims submissions will be subject to timely filing requirements, as set forth in the provider contract with Healthfirst and in the Healthfirst Provider Manual. *Refer to: Healthfirst Provider Manual Subsection 17.6, "Claims Inquiries, Corrected Claims, Claim Reconsideration, and Appeal Process" in this section.*

| Code | Description | Comment |
|-------|--|---------|
| T2101 | Human breast milk processing, storage and distribution | |
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II. Definitions

| Term | Meaning |
|-------------------------------------|---|
| Pasteurized Human Donor Milk (PDHM) | Banked donor human milk that is screened, pooled, and pasteurized |
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III. Related Policies

| Policy Number | Policy Description |
|---------------|--------------------|
| N/A | N/A |
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Procedure codes appearing in Reimbursement Policy documents are included only as a general reference tool for each policy. They may not be all-inclusive.

IV. Reference Materials

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| NY Insurance Law §§ 3216 , 3221 & 4303 |
| NYS Department of Health Tissue Resources |
| NYS Medicaid Coverage of Pasteurized Donor Human Milk |

V. Revision History

| Revision Date | Summary of Changes |
|------------------|--|
| 12/3/2025 | Added the adjudication and appeals section |

Disclaimer

Healthfirst's claim edits follow national industry standards aligned with CMS standards that include, but are not limited to, the National Correct Coding Initiative (NCCI), the National and Local Coverage Determination (NCD/LCD) policies, appropriate modifier usage, global surgery and multiple procedure reduction rules, medically unlikely edits, duplicates, etc. In addition, Healthfirst's coding edits incorporate industry-accepted AMA and CMS CPT, HCPCS and ICD-10 coding principles, National Uniform Billing Editor's revenue coding guidelines, CPT Assistant guidelines, New York State-specific coding, billing, and payment policies, as well as national physician specialty academy guidelines (coding and clinical). Failure to follow proper coding, billing, and/or reimbursement policy guidelines could result in the denial and/or recoupment of the claim payment.

This policy is intended to serve as a resource for providers to use in understanding reimbursement guidelines for professional and institutional claims. This information is accurate and current as of the date of publication. It provides information from industry sources about proper coding practice. However, this document does not represent or guarantee that Healthfirst will cover and/or pay for services outlined. Reimbursement decisions are based on the terms of the applicable evidence of



coverage, state and federal requirements or mandates, and the provider's participation agreement. This includes the determination of any amounts that Healthfirst or the member owes the provider.