Administrative Policy Statement
TRICARE

Policy Name		Policy Number	Date Effective
Medical Benefit Medications		PAD-0013-TRICARE	09/04/2026
Policy Type			
Medical	**ADMINISTRATIVE**	Pharmacy	Reimbursement

Administrative Policy Statements prepared by TRICARE Prime® Demo by CareSource Military & Veterans™ are derived from the TRICARE contract, TRICARE Manuals, and VA/DOD Clinical Practice Guidelines. Policy Statements may additionally be derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, or other medical management industry standards. Medical Necessity is determined based on appropriate medical care (services performed in connection with the diagnosis or treatment of disease or injury, pregnancy, mental disorder, or well-baby care which are in keeping with the generally accepted norms for medical practice in the United States). Medically necessary services also include those services defined in the Beneficiary Handbook, Medical or Pharmacy Policy Statements, Provider Manuals, and/or other policies and procedures.

Administrative Policy Statements prepared by TRICARE Prime® Demo by CareSource Military & Veterans™ do not ensure an authorization or payment of services. If there is a conflict between the Administrative Policy Statement and the TRICARE contract, TRICARE Manuals, and VA/DOD Clinical Practice Guidelines, then the TRICARE contract, TRICARE Manuals, and VA/DOD Clinical Practice Guidelines will be the controlling documents used to make the determination.

Table of Contents

A. Subject 3
B. Background 3
C. Definitions 3
D. Policy 4
E. Conditions of Coverage 5
F. Related Policies/Rules 5
G. Review/Revision History 5
H. References 5

A. Subject

TRICARE Prime® Demo by CareSource Military & Veterans™ uses Pharmacy Policy Statements to determine coverage for medications that are covered under the medical benefit, as determined by the TRICARE Prime® Demo by CareSource Military & Veterans™ Pharmacy and Therapeutics (P&T) Committee. Pharmacy Policy Statements contain criteria designed to ensure that TRICARE Prime® Demo by CareSource Military & Veterans™ members safely receive effective medication.

This policy describes coverage requirements for drugs and biologics administered under the medical benefit, including provider-administered drugs and biologics, injectable and infused therapies, and certain home-administered therapies when covered under the medical benefit. This policy applies to medical claims that include drugs and biologics and establishes general coverage requirements, exclusions, and utilization management standards

B. Background

The intent of TRICARE Prime® Demo by CareSource Military & Veterans™ Policy Statements is to encourage appropriate selection of drug therapy for members according to product labeling, clinical guidelines, and/or clinical studies as well as to encourage use of preferred drugs. The TRICARE Prime® Demo by CareSource Military & Veterans™ Policy Statement is a guideline for determining health care coverage for our members with benefit plans covering prescription drugs.

Note: The Introduction section is for your general knowledge and is not to be construed as policy coverage criteria. The rest of the policy uses specific words and concepts familiar to medical professionals and is intended for providers. A provider can be a person, such as a doctor, nurse, psychologist, or dentist. A provider can also be a place where medical care is given, like a hospital, clinic, or lab. This policy informs providers about when a product or service may be covered.

C. Definitions

- Administrative Review/Approval/Denial: a decision for coverage or non-coverage of a drug which is made regarding the organization and delivery of the drugs according to a member's benefits, policies & procedures, and/or legislature & regulation which do not require clinical expertise or subject knowledge.
- Clinical Judgement: decisions made within the scope and expertise of a pharmacist following the review of subjective and objective medical data for a member. A pharmacist can use Clinical Judgement for the benefit determination for an exceptions request for a Medical Benefit Drug. If the request is outside the scope of a pharmacist's expertise, a benefit determination will be made in collaboration with a medical director.
- Drug: a medication or substance which induces a physiologic effect on the body of a member (i.e., medication, agent, drug therapy, treatment, product, biosimilar drug, etc.).
- Medical Benefit Drug: a drug that is usually administered by a healthcare provider or in a supervised healthcare setting and is billed to TRICARE Prime® Demo by CareSource Military & Veterans™ through the medical benefit and is subject to the appropriate member cost share based on the Schedule of Benefits (SOB) and/or Summary of Benefits and Coverage (SBC).
- Non-Preferred Drug: a drug that has been determined by TRICARE Prime® Demo by CareSource Military & Veterans™ to be less clinically efficacious or cost-effective for an FDA-

approved use than other available drugs by the TRICARE Prime® Demo by CareSource Military & Veterans™ P&T Committee.

- Preferred Drug: the drug of choice for TRICARE Prime® Demo by CareSource Military & Veterans™ for an FDA-approved use as indicated on a Pharmacy Policy Statement available on the TRICARE Prime® Demo by CareSource Military & Veterans™ website and based on clinical efficacy and cost as determined by the TRICARE Prime® Demo by CareSource Military & Veterans™ P&T Committee.
- Specialty Drug: a drug which treats highly complex diseases and/or requires special handling or distribution and is usually high cost. Many of these drugs require prior authorization and may be dispensed at limited locations. Please see TRICARE Prime® Demo by CareSource Military & Veterans™'s Specialty Drug List on the TRICARE Prime® Demo by CareSource Military & Veterans™ website.

D. Policy

I. Applicable Drugs

The following categories of drugs and biologics may be covered under the medical benefit:

a. FDA-approved drugs and biologics
b. Legend drugs
c. Prescription vitamins when used for treatment of a medical condition
d. Prescription prenatal vitamins
e. FDA-approved immunizations and vaccines
f. Insulin and related diabetic supplies
g. Drugs and biologics grandfathered under applicable federal law
h. Injectable and infusion therapies covered under the medical benefit

Self-administered drugs are generally covered under the pharmacy benefit; however, certain injectable or infused therapies administered in the home may be covered under the medical benefit when consistent with applicable TRICARE requirements. Documentation supporting medical benefit coverage may be required.

II. Coverage Criteria

Medical Benefit Drugs may require review and approval by a pharmacist and/or a medical director before being approved for payment. Coverage of a medical benefit drug may be approved when all of the following requirements are met:

a. The drug or biologic is approved by the FDA, or otherwise permitted under applicable federal requirements;
b. The drug or biologic is prescribed by a licensed provider acting within the scope of practice;
c. The drug or biologic is furnished in accordance with applicable state and federal requirements;
d. The drug or biologic is medically necessary;
e. The drug or biologic is not otherwise excluded from coverage.
f. The member's indication, dose, and duration are FDA approved or supported by compendia, literature, or guidelines.

III. Off-Label Use

Off-label use of medical benefit drugs and biologics may be considered when medically necessary and supported by recognized medical literature, nationally accepted standards

of practice, or applicable compendia unless the off-label use is prohibited by the Tricare policy manual.

IV. Orphan Drugs

Medical Benefit Drugs and biologics that have received FDA orphan drug designation and marketing approval may be considered for coverage when considered medically necessary in the treatment of a rare condition or disease as defined in the TRICARE policy manual.

V. For Reauthorization:

a. Documentation has been provided showing the member has had a positive response to therapy; AND
b. Documentation has been provided showing the member is compliant with therapy; AND
c. The requested use and dosage remain consistent with FDA-approved prescribing information in the drug package insert.

E. Conditions of Coverage

HCPCS
CPT

AUTHORIZATION PERIOD: As determined by the approving pharmacist's Clinical Judgement

F. Related Policies/Rules

TRICARE Policy Manual Chapter 8, Section 9.2

G. Review/Revision History

DATES		ACTION
Date Issued	**11/07/2019**	Drafted policy language; updated references to SOB and SBC
Date Revised	**11/17/2021**	Annual review, no changes.
	12/19/2022	Annual review, no changes.
	6/6/2023	Removed "Medical Necessity" and updated related policies and rules to align with new policy titles.
	5/21/24	Annual review, no changes
	5/22/2025	Added reauthorization criteria
	02/17/2026	Annual review, no changes.
	4/7/2026	Added criteria regarding self-administered drugs and site of care.
	10/09/2026	Revised the following sections to align with the newly added TRICARE Policy Manual Chapter 8, Section 9.2: Subject, Definitions, and Coverage Criteria issued 9/4/2026
Date Effective	**09/04/2026**	
Date Archived		

References

1. Department of Defense. Medical Necessity. In: TRICARE Operations Manual. 2021. Available at: https://manuals.health.mil/pages/DisplayManualHtmlFile/2025-12-19/AsOf/TOT5/c12s4.html?highlight=medically%20necessary. Accessed February 17, 2026.
2. 2026 NCQA Standards and Guidelines for the Accreditation of Health Plans.
3. Department of Defense, Defense Health Agency. Medical Claims That Include Drugs and Biologics. In: TRICARE Policy Manual 6010.63-M, April 2021. Other Services, Chapter 8, Section 9.2. Revision C-56, September 4, 2026.

The Administrative Policy Statement detailed above has received due consideration as defined in the Administrative Policy Statement Policy and is approved.