



DEFENSE HEALTH AGENCY
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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE NAVY (MANPOWER AND
RESERVE AFFAIRS)
ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER
AND RESERVE AFFAIRS)

SUBJECT: Information Memorandum: Interim Defense Health Agency Procedures for
Reviewing Requests for Waivers to Allow Supplemental Health Care Program
Coverage of Sex Reassignment Surgical Procedures

The purpose of this memorandum is to share with you the procedures the Defense Health Agency (DHA) will follow to consider requests for a Supplemental Health Care Program (SHCP) waiver to allow coverage of sex reassignment surgical procedures.

Background

The 2016 Department of Defense (DoD) transgender service policy change included medical guidance that unless and until adequate surgical capabilities are established in military medical treatment facilities, requests for transgender surgery would be considered for DoD payment to non-DoD facilities under the SHCP and would require a waiver from the DHA Director.¹ That guidance noted that there are applicable statutory limitations. The statutory limitations include that DoD may not pay for surgery in non-DoD facilities for "sex gender changes," but this is subject to "such exceptions as the Secretary of Defense considers necessary," as long as they do not involve "elective private treatment."²

The Presidential Memorandum of August 25, 2017, "Military Service by Transgender Individuals," included direction that, effective March 23, 2018, the Military Health System halt all use of appropriations to fund sex-reassignment surgical procedures for military personnel, except to the extent necessary to protect the health of an individual who has already begun a course of treatment to reassign his or her sex. The Secretary of Defense Memorandum of September 14, 2017, "Military Service by Transgender Individuals – Interim Guidance," included direction that Service members who receive a gender dysphoria diagnosis from a military medical provider will be provided treatment for the diagnosed medical condition. The effect of this is to continue the July 2016 medical guidance until the Secretary promulgates final policy implementing the direction from the Commander In Chief of the Armed Forces.

¹ Assistant Secretary of Defense (Health Affairs) Memorandum, "Guidance for Treatment of Gender Dysphoria for Active and Reserve Component Service Members," July 29, 2016.

² 10 U.S.C. 1074(c)(2)(A), 1079(a)(11), 1074(c)(1).

This memorandum addresses procedures for considering requests for waivers under the SHCP for sex reassignment surgical procedures.³ This memorandum does not apply to non-surgical care, nor to surgical care provided in military medical treatment facilities; those matters remain under the procedures of the Military Department concerned, consistent with the July 2016 guidance from the Assistant Secretary of Defense for Health Affairs, which remains in effect.

In evaluating potential coverage of otherwise non-covered services, the TRICARE regulation calls for review under the established hierarchy of reliable evidence,⁴ which considers peer-reviewed publications of well controlled studies of clinically meaningful endpoints and published formal technology assessments as stronger than professional opinions, policy positions, and reports. (Although the TRICARE regulation is not binding on the SHCP, it provides a useful frame of reference). The effectiveness of gender transition surgery as a treatment for gender dysphoria is not well documented under this hierarchy of reliable evidence.⁵

Criteria for Considering SHCP Waiver Requests

Use of the Secretary's discretionary authority to waive the prohibition on paying for sex-reassignment surgery⁶ under the SHCP will consider all relevant information in a case-by-case

³ 32 CFR 199.16(f) provides that generally applicable exclusions may be waived by the DHA based on a determination that such waiver is necessary to assure adequate availability of health care services to active duty members.

⁴ 32 C.F.R. 199.2.

⁵ Consistent with this hierarchy of reliable evidence, DoD often relies on health technology assessments conducted by Hayes, Inc. Hayes, Inc. uses a five-tier rating system. Under the most recent Hayes, Inc. assessment (Haynes Directory and Annual Review, May 15, 2014 and April 18, 2017 (updated)), for sex reassignment surgery (SRS) to treat gender dysphoria (GD) in adults for whom a qualified mental health professional has made a formal diagnosis of GD, have undergone hormone therapy and psychotherapy, and have undergone a Real-Life Experience, the rating reflects the reporting of some positive evidence but with serious limitations in the evidence of both effectiveness and safety. The evidence is rated a "C", which is a middle tier in the rating system, indicating there is potential but unproven benefit. Some published evidence suggests that safety and impact on health outcomes are at least comparable to standard treatment/testing. However, the "C" rating indicates that substantial uncertainty remains about safety and/or impact on health outcomes because of poor-quality studies, sparse data, conflicting study results, and/or other concerns.

⁶ For purposes of this memorandum, sex reassignment surgery is defined as all surgical procedures related to transition from the birth sex to the preferred gender. These procedures include but are not limited to mastectomy, hysterectomy, gonadectomy, genital reassignment, breast augmentation, and cosmetic procedures to enhance the characteristics of the preferred gender. See Attachment for a more inclusive list.

review of the patient's record and circumstances, including the expected clinical benefit if the surgery is provided, the expected adverse effect on the patient's health if the surgery is not provided, and the potential impact of the requested health care service on the Service member's fitness for duty and military readiness. Updating guidance applicable to the SHCP, DHA's clinical review will adhere to the surgical care provisions of the 2017 Endocrine Society's Standards of Care, "Endocrine Treatment of Gender-Dysphoric/Gender-Incongruent Persons: An Endocrine Society Clinical Practice Guideline,"⁷ to provide consistent, evidence-based care. The standards applicable to surgical care are summarized in the Attachment. Use of SHCP funding for any proposed sex-reassignment surgical procedures requires case-by-case authorization from the DHA Director.

Requests for waivers require appropriate clinical documentation and a recommendation for approval by the Surgeon General concerned. Absent emergency circumstances, SHCP surgery should not be scheduled until a waiver has been approved by the Director, DHA.

My point of contact for this matter is Dr. John Kugler, Chief, Clinical Support Division, Operations Directorate (J-3). Dr. Kugler can be reached via email at john.p.kugler.civ@mail.mil.



R. C. BONO
VADM, MC, USN
Director

Attachments:
As stated

cc:
Assistant Secretary of Defense for Health Affairs
Surgeon General of the Army
Surgeon General of the Navy
Surgeon General of the Air Force
Joint Staff Surgeon
Medical Officer of the Marine Corps
Director, Health, Safety, and Work Life, U.S. Coast Guard

⁷ The 2017 Endocrine Society guideline uses the terms "gender-reassignment surgery," "gender-confirming surgery" and "gender-affirming surgery." For purposes of this memorandum, the term "sex reassignment surgery" is interchangeable with the 2017 Endocrine Society guideline terms.

ATTACHMENT

SURGICAL PROCEDURES FOR GENDER DYSPHORIA

1. SRS GUIDELINES. Medically necessary sex reassignment surgery (SRS) may be considered when all of the following criteria are met:

- a. Cross-sex hormones have been used continuously and responsibly for the required/recommended time according to the type of surgery;
- b. Regular participation in psychotherapy throughout the transition period at a frequency determined jointly by the patient and the mental health provider has been completed if required;
- c. Knowledge of all practical aspects of surgery (e.g., cost, required length of hospitalization, likely complications, post-surgical rehabilitation, SHCP policy including limitations, etc.) has been demonstrated;
- d. Progress in consolidating one's gender identity has been demonstrated;
- e. Progress in dealing with work, family, and interpersonal issues resulting in a significantly better state of mental health has been demonstrated; and
- f. The endocrinologist or the physician responsible for endocrine treatment and the mental health provider must certify that the individual satisfies the eligibility and readiness criteria for SRS.

2. MEDICALLY NECESSARY PROCEDURES. Subject to receiving the relevant diagnosis/validation from an appropriate military medical provider, the following procedures may be recognized as "medically necessary" by DoD and may be funded through SHCP:

- a. Female-to-Male

PROCEDURE	CPT Codes	CRITERIA
Hysterectomy and salpingo-oophorectomy (removal of uterus and ovaries)	58262/58291	1. Meet SRS Guidelines in Attachment 1, section 1, required 2. 12 months of hormonal therapy required (unless medically contraindicated) 3. 12 months of full time RLE required
Mastectomy (removal of breast)	19301/19303/19304	1. Meet SRS Guidelines in Attachment 1, section 1, required 2. 12 months of hormonal

		therapy recommended (unless medically contraindicated) 3. 12 months of full time RLE recommended
Metoidioplasty (enlargement/lengthening of clitoris)	55899	1. Meet SRS Guidelines in Attachment 1, section 1, required 2. 12 months of hormonal therapy required (unless medically contraindicated) 3. 12 months of continuous full time RLE required
Phalloplasty (construction of "new" phallus from skin or muscle grafts)	55899	
Placement of testicular prostheses	54660	
Scrotoplasty (re-arrangement of labia to create scrotum)	55175	
Urethroplasty (creation of longer urethra from skin to enable standing voiding)	53430	
Vaginectomy (removal of vagina)	57106	

b. Male-to-Female

PROCEDURE	CPT Codes	CRITERIA
Orchiectomy (removal of testicles)	54520/54690	1. Meet SRS Guidelines in Attachment 1, section 1, required 2. 12 months of hormonal therapy required (unless medically contraindicated) 3. 12 months of full time RLE required
Penectomy (removal of penis)	54125	
Vaginoplasty (construction of "new" vagina from skin or intestinal tube)	57335	
Clitoroplasty (rearrangement of penile tissues to create "new" clitoris)	56805	
Labiaplasty (rearrangement of scrotum to create "new" labia)	58999	

3. COSMETIC PROCEDURES. The following procedures are considered "cosmetic procedures" by DoD and are not funded through SHCP (although some may be provided in an MTF subject to MTF capability and current Cosmetic Surgery Policy payment rules; this list is not all-inclusive):

- a. Abdominoplasty (unless standard medical necessity criteria met)
- b. Breast Augmentation⁸
- c. Blepharoplasty (eyelid lift) (unless standard medical necessity criteria met)
- d. Hair removal/Electrolysis⁹
- e. Face-lift
- f. Facial bone reduction
- g. Hair transplantation
- h. Liposuction
- i. Reduction thyroid chondroplasty (Adam's Apple surgery)
- j. Rhinoplasty
- k. Voice modification surgery

4. OTHER SURGICAL CONSIDERATIONS

- a. Cryopreservation of oocytes and/or sperm is not funded by DoD
- b. Reversal of SRS is not funded by DoD

⁸ A waiver for breast augmentation (CPT code 19324/19325) may be authorized when the ADSM has undergone 24 months of feminizing hormone therapy (unless medically contraindicated) with insufficient breast development.

⁹ A waiver for hair removal by laser or electrolysis (CPT codes 17380) may be authorized when the ADSM meets one of the following criteria for planned SRS:

A. The defined area of hair removal is to treat tissue donor site(s) for a planned phalloplasty.

B. The defined area of hair removal is to treat tissue donor site(s) for planned vaginoplasty.