



Reimbursement Policy

Title: Discarded Drugs and Biologicals	
Policy Number: RP-P-155X	Application: All Medica Members
Last Reviewed: 04/07/2022	Effective Date: Effective 08/01/2013
Related Policies: N/A	

Disclaimer: This reimbursement policy is intended to provide general guidance regarding Medica's policy for the services described, and does not constitute a guarantee of payment. You are responsible for submitting accurate claims. Factors affecting claims reimbursement may include, but are not limited to, state and federal laws, regulations and accreditation requirements, along with administrative services agreements, provider contracts, and benefit coverage documents. Coding methodology and industry standards are also considered in developing reimbursement policy.

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All content included on the provider portion of medica.com is an extension of providers' administrative requirements, which all Medica network providers are contractually obligated to follow.

Summary:

This policy has been established to provide reimbursement guidelines for the reporting of discarded drugs or biologicals designated as a single dose vial or single use package, along with the proper use of the JW modifier.

Policy Statement:

Medica provides payment for the discard or wastage of the single use vial or package drug or biological, in addition to the amount that is administered, up to the total amount the single use vial or package is labeled to contain.

Providers are expected to use the single use vial or package drug or biological with the smallest dose and/or combination of vials necessary for treatment, in order to prevent or minimize drug wastage. Documentation in the patient's record must include, but not limited to:

- date the drug was administered
- name of the drug administered
- dose administered to the patient
- amount wasted or discarded
- total amount the single use vial or single use package is labeled to contain



Providers are required to append the JW HCPCS modifier to the claim line reporting the discarded or wasted amount. When billing for the single use vial or package drug or biological, providers need to do the following, unless the HCPCS code description is equal to or greater than the total amount the vial is labeled to contain.

- Report the drug or biological HCPCS code and the amount administered on one line.
- Report the same drug or biological HCPCS code and the amount discarded or wasted on a separate line. Append the JW modifier.

Both lines billed are eligible for reimbursement, but unnecessary discard or wastage of the single use vial or package drug or biological will not be eligible for reimbursement. Payment made to providers for discarded or wasted drugs or biologicals can be subject to a post payment review.

Modifiers:	
JW	Drug amount discarded/not administered to any patient

Code Lists:	
Most injectable and infused drugs, administered by a qualified healthcare provider in a clinic or outpatient place of service. List of drug codes are broad.	

Definitions:	
Single Use Vial or Package	Drug or biological approved only for single patient use or as a single injection/infusion.
Discarded Drug or Biological	Unused amount of drug or biological not administered to the patient.

Exclusions/Exemptions:	
<ul style="list-style-type: none">• Multiuse vials or packages discarded or wasted are not eligible for reimbursement.• Discarded drugs the provider has received reimbursement for cannot be used on another patient.• Provider will not be reimbursed for a drug or biological due to a patient missing an appointment.	

Q & A:	
Q: How do I bill if the HCPCS code description is <i>equal to or greater than</i> the total amount the single use vial/package is labeled to contain?	
For example, the HCPCS code description indicates 1 billing unit (UOS) is 10mg. The vial or package is labeled to contain 10mg. An 8mg dose is administered to the patient and 2mg discarded.	
A: Bill the drug or biological using only one line, with one unit of service and do not append the JW modifier. Medica will reimburse for the total amount the vial or package is labeled to contain.	

<u>CLAIM LINE</u>	<u>DOS</u>	<u>CODE</u>	<u>UOS</u>
L1	MM/DD/YYYY	HCPCS	1



Q: How do I bill if the HCPCS code description is *less than* the total amount the single use vial or package is labeled to contain?

For example, the HCPCS code description indicates 1 billing unit (UOS) is 1mg. The vial or package is labeled to contain 40mg. A 35mg dose was administered to the patient and 5mg discarded.

A: Bill the drug or biological using two lines. The first line should report the amount administered. The second line should report the amount discarded. Append the JW modifier to the line reporting the discarded amount.

<u>CLAIM LINE</u>	<u>DOS</u>	<u>CODE</u>	<u>UOS</u>	<u>MOD</u>
L1	MM/DD/YYYY	HCPCS	35	
L2	MM/DD/YYYY	HCPCS	5	JW

Q: How can I determine whether a drug or biological is a single use vial or package? Where can I find the total amount the vial contains?

A: The drug information can be found on the FDA approved label or package insert. Package insert and information regarding the drug or biological is also available on the [FDA website](#).

Resources:

- Centers for Medicare and Medicaid Services (CMS)
- Current Procedural Terminology (CPT®)
- Food and Drug Administration (FDA)
- Healthcare Common Procedure Coding System (HCPCS)

Effective Date:

08/01/2013

Revision Updates:

04/07/2022	Annual Policy Review
12/23/2020	Annual Policy Review
12/11/2019	Annual Code Review