BlueCross BlueShield Minnesota

COMMERCIAL REIMBURSEMENT POLICY

Drug Wastage

Active

Section: General Coding
Policy Number: 016
Effective Date: 06/03/24

Description

This policy addresses the coding and reimbursement of unused/wasted quantities of drugs and biologicals designated as single dose vials or single use packages. This policy applies to professional (837P) and outpatient facility (837I) claims.

Definitions

JW modifier: Used to indicate the drug amount discarded/not administered to any patient. This modifier should only be used for drugs or biologicals that are single use vials or packages.

JZ modifier: Zero drug amount discarded/not administered to any patient. This modifier should only be used for drugs or biologicals that are single use vials or packages.

Policy Statement

When the total amount of a single use vial or other single use package of a drug or biological cannot be administered to a patient, Blue Cross and Blue Shield of Minnesota (Blue Cross) will allow reimbursement for the discarded quantity, as well as the dose administered, up to the total amount of the drug or biological as indicated on the vial or package label.

Providers are expected to use the most economical combination of vial or package sizes to avoid drug wastage. The units billed must correspond with the smallest vial or package available from the manufacturer that could provide the appropriate dose for the patient.

- For example, if a patient needs 45 mg of a drug, which comes in both a 50 mg and 100 mg vial, the 50 mg vial should be used unless the rest of the 100 mg vial will be used for another patient scheduled for treatment the same day.

Billing Requirements

Charges for the administration of the single use drug or biological along with any wastage should be submitted on the same claim on two separate claim lines:

- **Claim line #1:** The amount of drug/biological that is administered to the member is billed on one line.
  - Healthcare Common Procedure Coding System (HCPCS) code for drug/biological administered
  - No modifier
  - Number of units administered to the patient

- **Claim line #2:** The amount of drug that was wasted is billed as a second line item, appended with modifier JW.
    - HCPCS code for drug/biological wastage
    - JW modifier to indicate wastage
    - Number of units for drug/biological wastage

Blue Cross requires providers to use the JW modifier when reporting the amount wasted from a single use vial or single use package. The JW modifier is not permitted when the actual dose of the drug or biological administered is less than the billing unit specified in the HCPCS code description or for wastage of a multi-use drug or biological.

Effective 7/1/23, use of the JZ modifier is required on all claims for single use vials/packages where there are no discarded amounts. The modifier should only be used for claims that bill for single use vials or packages.

Documentation Submission

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. If a denial is appealed, this documentation must be submitted with the appeal.

Coverage

Eligible drug services will be subject to the Blue Cross fee schedule amount.

The following applies to all claim submissions.

All coding and reimbursement is subject to all terms of the Provider Service Agreement and subject to changes, updates, or other requirements of coding rules and guidelines. All codes are subject to federal HIPAA rules, and in the case of medical code sets (HCPCS, CPT, ICD), only codes valid for the date of service may be submitted or accepted. Reimbursement for all Health Services is subject to current Blue Cross Medical Policy criteria, policies found in the Provider Policy and Procedure Manual sections, Reimbursement Policies and all other provisions of the Provider Service Agreement (Agreement).

In the event that any new codes are developed during the course of Provider's Agreement, such new codes will be paid according to the standard or applicable Blue Cross fee schedule until such time as a new agreement is reached and supersedes the Provider's current Agreement.

All payment for codes based on Relative Value Units (RVU) will include a site of service differential and will be calculated using the appropriate facility or non-facility components, based on the site of service identified, as submitted by Provider.

Coding

The following codes are included below for informational purposes only and are subject to change without notice. Inclusion or exclusion of a code does not constitute or imply subscriber coverage or provider reimbursement.

CPT/HCPCS Modifier:	JW	JZ
ICD-10 Diagnosis:	N/A	
ICD-10 Procedure:	N/A	
CPT/HCPCS:	As applicable	

Revenue Codes: N/A

Resources
Current Procedural Terminology (CPT®)
Healthcare Common Procedure Coding System (HCPCS)
Medicare Claims Processing Manual, Chapter 17 Section 40

Policy History	
10/21/2015	Initial Committee Approval
02/04/2019	Annual Policy Review
01/26/2021	Annual Policy Review
05/27/2021	Annual Policy Review
05/24/2022	Annual Policy Review
05/23/2023	Revised
05/28/2024	Annual Policy Review