

Local Coverage Article: Billing and Coding: JW Modifier Billing Guidelines (A53024)

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Noridian Healthcare Solutions, LLC	01111 - MAC A	01111 - MAC A	J - E	California - Entire State
Noridian Healthcare Solutions, LLC	01112 - MAC B	01112 - MAC B	J - E	California - Northern
Noridian Healthcare Solutions, LLC	01182 - MAC B	01182 - MAC B	J - E	California - Southern
Noridian Healthcare Solutions, LLC	01211 - MAC A	01211 - MAC A	J - E	American Samoa Guam Hawaii Northern Mariana Islands
Noridian Healthcare Solutions, LLC	01212 - MAC B	01212 - MAC B	J - E	American Samoa Guam Hawaii Northern Mariana Islands
Noridian Healthcare Solutions, LLC	01311 - MAC A	01311 - MAC A	J - E	Nevada
Noridian Healthcare Solutions, LLC	01312 - MAC B	01312 - MAC B	J - E	Nevada
Noridian Healthcare Solutions, LLC	01911 - MAC A	01911 - MAC A	J - E	American Samoa California - Entire State Guam Hawaii

CONTRACTOR NAME	CONTRACT TYPE	CONTRACT NUMBER	JURISDICTION	STATE(S)
				Nevada Northern Mariana Islands

Article Information

General Information

Article ID

A53024

Original Effective Date

10/01/2015

Article Title

Billing and Coding: JW Modifier Billing Guidelines

Revision Effective Date

04/28/2020

Article Type

Billing and Coding

Revision Ending Date

N/A

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Retirement Date

N/A

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CMS National Coverage Policy

N/A

Article Guidance

Article Text:

This article addresses the required use of the JW modifier to indicate drug wastage. CMS and Noridian encourage physicians, hospitals and other providers and suppliers to administer drugs and biologicals to patients in such a way that these are used most efficiently, in a clinically appropriate manner (IOM [100-4 Chapter 17, Sections 40-40.1](#)).

When a physician, hospital or other provider or supplier must discard the remainder of a single-use vial or other single-use package after administering a dose/quantity of the drug or biological to a Medicare patient, the program provides payment for the discarded drug or biological amount as well as the dose administered, up to the amount of the drug or biological as indicated on the vial or package label.

The following serves to clarify billing guidelines and provide examples of proper billing with a single-dose vial and discarded drug billing:

- Providers and hospitals are reminded to ensure amounts of drugs administered to patients are accurately reported in terms of the dosage specified in the long descriptor for the applicable HCPCS codes. This is because the short descriptors are limited to 28 characters so they do not always capture the complete description of the drug.
- When submitting Medicare claims, units of service (UOS) should be reported in multiples of the dosage included in the long HCPCS code descriptor. If the dosage given is not a multiple of the number provided in the HCPCS code description, the provider shall round up to the nearest whole number in order to express the number as a multiple.
- If the provider must discard the remainder of a single-use vial or other package after administering the prescribed dosage of any given drug, Medicare may cover the amount of the drug discarded along with the amount administered. The following elements must be followed in order for the discarded amount to be covered.
 1. The vial must be a single-use vial. Multi-use vials are not subject to payment for any discarded amounts of the drug.
 2. The units billed must correspond with the smallest dose (vial) available for purchase from the manufacturer(s) that could provide the appropriate dose for the patient, while minimizing any wastage.
 - a. For example, bevacizumab (1 unit=10mg) is supplied as 100mg in a 4mL single-use vial or 400mg in a 16mL single-use vial. If the physician administers 300mg of bevacizumab to a patient. The most efficient way to administer this dose is with three-100mg vials. The 300mg is billed as 30 UOS. An incorrect method would be if the physician had utilized the 400mg single-use vial and discarded the remaining 100mg in the vial; as this would not be the most efficient way to minimize drug wastage.
 - b. As another example, if the dose of bevacizumab (1 unit=10mg) administered had been 305mg, 31

UOS would have been billed and 9 UOS would have been billed on a separate line with the JW modifier. Note: Providers must round up to the nearest multiple of what one unit of the drug is (e.g. 1 unit is 10mg and if 305mg is administered, providers must round up to the next full unit).

3. Any amount of drug billed as wastage from a single-dose vial, must actually be discarded and may not be used for another patient regardless of whether or not that other patient has Medicare.

- Please clearly document in the patient's medical record the actual dose administered in addition to the exact amount wasted and the total amount of the vial is labeled to contain. This kind of detailed documentation helps benefit your practice by justifying your billing in the event a medical review should occur.
- Medicare requires discarded drugs be reported with the JW modifier on a separate line, the total number of discarded units reported should not include amounts of the drug also included on the administered line due to the rounding up of units.
- Please remember to verify the milligrams administered to the patient and then convert to the proper units for billing.
- Due to single-use vial type, the provider may bill for the amount administered as well as the amount appropriately discarded. The discarded amount is reported with the JW modifier. The JW modifier is only applied to the amount of the drug or biological that is discarded. A situation in which the JW modifier is not permitted is when the actual dose of the drug or biological administered is less than the billing unit. (See "[Medicare Claims Processing Manual](#)," Chapter 17, Section 40). As an example, if one billing unit for a drug is equal to 10mg of the drug in a single-use vial, and a 7mg dose is administered to a patient resulting in 3mg remaining drug being discarded, then the 7mg dose is billed using one UOS that represents 10mg on a single line item. The single line item would be processed for payment of the total 10mg of the drug administered and discarded. Billing another unit on a separate line item with the JW modifier for the discarded 3mg of the drug is not permitted because it would result in an overpayment. Therefore, when the billing unit is equal or greater than the total actual dose and the amount discarded, the use of the JW modifier is not permitted.

To submit claims for a waste-required claim, submit two complete claim lines.

Claim line #1:

- HCPCS code for drug given
- No modifier
- Number of units given to the patient
- Calculated submitted price for ONLY the amount of drug given

Claim line #2:

- HCPCS code for drug wasted
- JW modifier to indicate waste
- Number of units wasted
- Calculated submitted price for ONLY the amount of drug wasted

Sources:

1. [MLN Matters article MM9603](#)
2. [CR 9603-JW Modifier: Drug amount discarded/not administered to any patient](#)
3. [Internet Only Manual \(IOM\) 100-4-Claims Processing Manual; Chapter 17-Drugs and Biologicals; Sections 40-40.1](#)
4. [MLN Matters Article SE1316](#)

Coding Information

CPT/HCPCS Codes

N/A

CPT/HCPCS Modifiers

Group 1 Paragraph:

N/A

Group 1 Codes:

CODE	DESCRIPTION
JW	DRUG AMOUNT DISCARDED/NOT ADMINISTERED TO ANY PATIENT

ICD-10 Codes that Support Medical Necessity

N/A

ICD-10 Codes that DO NOT Support Medical Necessity

N/A

Additional ICD-10 Information

N/A

Bill Type Codes:

Contractors may specify Bill Types to help providers identify those Bill Types typically used to report this service. Absence of a Bill Type does not guarantee that the policy does not apply to that Bill Type. Complete absence of all Bill Types indicates that coverage is not influenced by Bill Type and the policy should be assumed to apply equally to all claims.

N/A

Revenue Codes:

Contractors may specify Revenue Codes to help providers identify those Revenue Codes typically used to report this service. In most instances Revenue Codes are purely advisory. Unless specified in the article, services reported under other Revenue Codes are equally subject to this coverage determination. Complete absence of all Revenue Codes indicates that coverage is not influenced by Revenue Code and the article should be assumed to apply equally to all Revenue Codes.

N/A

Other Coding Information

Revision History Information

REVISION HISTORY DATE	REVISION HISTORY NUMBER	REVISION HISTORY EXPLANATION
04/28/2020	R2	This article was converted to a Billing and Coding article effective 04/28/2020. No other updates were made.
01/01/2018	R1	Clarified when and when not to bill the JW modifier, how to calculate the units billed and added the items under Sources. Added the Part A contracts to be consistent in all LOB.

Associated Documents

Related Local Coverage Document(s)

Article(s)

[A52953 - Billing and Coding: Chemotherapy Administration](#)

Related National Coverage Document(s)

N/A

Statutory Requirements URL(s)

N/A

Rules and Regulations URL(s)

N/A

CMS Manual Explanations URL(s)

N/A

Other URL(s)

N/A

Public Version(s)

Updated on 09/03/20 with effective dates 04/28/2020 - N/A

[Updated on 03/13/18 with effective dates 01/01/2018 - 04/27/2020](#)

[Updated on 03/31/14 with effective dates 10/01/2015 - N/A](#)

Keywords

- JW
- modifier
- billing of JW modifier

- drug
- wastage
- single-use vial