

DRUG WASTE

Scope

This policy applies to:

- | | | |
|---|---|-----------------------------------|
| <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington | <input checked="" type="checkbox"/> Kaiser Permanente Health Plan of Washington Options, Inc. | |
| <input checked="" type="checkbox"/> Commercial | <input checked="" type="checkbox"/> Medicare | <input type="checkbox"/> Medicaid |

Policy

Original Effective Date: 01/01/2021

When benefits allow, Kaiser Permanente will reimburse for drug wastage, indicated by the JW Modifier, when the drug dosage administered to a patient does not equal the amount of a single dose or single use drug package or biological.

The JW modifier must be billed equal to the amount of waste when a single use vial is not administered in full. For example, a single use vial that is labeled to contain 100 units of a drug has 95 units administered to the patient and 5 units discarded.

Billing/Coding Guidelines

All claims must be billed according to Centers for Medicare & Medicaid Services (CMS) guidelines.

In general, the modifier policy applies to all separately payable Part B drugs that are designated as single-use or single dose on the FDA-approved label or package insert. Accordingly, use of the modifier is not appropriate for drugs that are from multiple dose vials or packages. Package inserts are available on the FDA website at <http://www.accessdata.fda.gov/scripts/cder/drugsatfda>.

To submit a claim for drug waste reimbursement, providers must report two claim lines per wasted drug as follows:

Line 1:

- HCPC
- No Modifier
- Units administered to patient
- Calculated price based on the number of units administered

Line 2:

- HCPC
- Modifier JW
- Units discarded
- Calculated price based on units discarded

Policy Definitions

JW modifier - The JW modifier is a Healthcare Common Procedure Coding System (HCPCS) Level II modifier used on a Medicare Part B drug claim to report the amount of drug or biological that is discarded and eligible for payment under this Drug Waste policy.

Drug Overfill – Any amount drug greater than the amount identified on the package or label.

Prerequisite(s)

Not applicable

Exclusions

JW modifier cannot be used to report [drug overfill](#) wastage.

Multi-dose vial medication that is discarded.

Discarded drugs if none of the drug was administered to the patient.

Drugs that are billed without using the most appropriate size vial, or combination of vials to deliver the administered dose.

Example: If a required dosage of 875mg of a drug is needed to treat a patient and the single use dosage vials available are 400mg and 100mg. Using 3 400mg vials for administration and billing 325mg of waste would not be covered, when 2 400mg vials and 1 100mg vial would result in only 25mg of waste.

References

Medicare Program JW Modifier: [Link](#)

Medicare Claims Processing Manual: [Chapter 17](#)

Frequently Asked Questions

Q1: If a provider bills JW modifier for a single use vial drug, will they be reimbursed for the drug wastage?

A1: Yes, as long as criteria laid out in the [Billing/Coding Guidelines](#) are met.

Revision History

08/15/2022 – Updated formatting

01/01/2021 – New Policy Published

Note: This information is intended to serve only as a general reference resource regarding reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, we may use reasonable discretion in interpreting and applying this policy to services being delivered in a particular case. Further, the policy does not cover all issues related to reimbursement for services rendered to our enrollees as legislative mandates, the provider contracts, the enrollee's benefit coverage documents, and the Provider Manual all may supplement or in some cases supersede this policy. This policy may be modified from time to time by publishing a new version of the policy on Kaiser Permanente provider website; however, the information presented in this policy is believed to be accurate and current as of the date of publication.