PURPOSE:

The purpose of this policy is to provide direction on the Plan’s reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a “single-use” vial or “single-use” package.
- The physician’s orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight,
body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.

- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Professional Commercial Claims Only:

Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

Medicare Advantage Note:

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits are considered part of the provider’s supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-BDrugs/CompetitiveAcquisitionsforBios/index.html

POLICY UPDATE HISTORY INFORMATION:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/2016</td>
<td>Implementation</td>
</tr>
<tr>
<td>08/2019</td>
<td>Guidelines updated including reimbursement rate for JW</td>
</tr>
</tbody>
</table>
Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy’s direction and regional applicability.

PURPOSE:

The purpose of this policy is to provide direction on the Plan’s reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

Highmark does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program
(CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits (code J3490) are considered part of the provider’s supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals
  [https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html)

- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9
Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy’s direction and regional applicability.

PURPOSE:

The purpose of this policy is to provide direction on the Plan’s reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.
Convenience Kits (Applicable for Commercial Only)

Convenience Kits (code J3490) are considered part of the provider’s supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals [https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B/Drugs/CompetitiveAcquisforBios/index.html](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B/Drugs/CompetitiveAcquisforBios/index.html)

Bulletin Number: RP-003  
Subject: Drug Wastage and Modifier JW  
Effective Date: August 1, 2016  
End Date:  
Issue Date: December 1, 2017  
Source: Reimbursement Policy

Applicable Commercial Market: PA ✖️  WV ✖️  DE ✖️
Applicable Medicare Advantage Market: PA ✖️  WV ✖️
Applicable Claim Type: UB ✖️  1500 ✖️

PURPOSE:
The purpose of this policy is to provide direction on drug wastage and the use of modifier JW.

REIMBURSEMENT GUIDELINES:
When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

This policy position applies to all commercial and/or Medicare Advantage lines of business as indicated above. Reimbursement policies are intended only to establish general guidelines for reimbursement under Highmark plans. Highmark retains the right to review and update its reimbursement policy guidelines at its sole discretion.