

Discarded Drugs and Biologicals

Reimbursement Policy ID: RPC.0067.SCM1

Recent review date: 05/2024

Next review date: 11/2025

First Choice VIP Care Plus reimbursement policies and their resulting edits are based on guidelines from established industry sources, such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), state and federal regulatory agencies, and medical specialty professional societies. Reimbursement policies are intended as a general reference and do not constitute a contract or other guarantee of payment. First Choice VIP Care Plus may use reasonable discretion in interpreting and applying its policies to services provided in a particular case and may modify its policies at any time.

In making claim payment determinations, the health plan also uses coding terminology and methodologies based on accepted industry standards, including Current Procedural Terminology (CPT); the Healthcare Common Procedure Coding System (HCPCS); and the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM), and other relevant sources. Other factors that may affect payment include medical record documentation, legislative or regulatory mandates, a provider's contract, a member's eligibility in receiving covered services, submission of clean claims, and other health plan policies, and other relevant factors. These factors may supplement, modify, or in some cases supersede reimbursement policies.

This reimbursement policy applies to all health care services billed on a CMS-1500 form or its electronic equivalent, or when billed on a UB-04 form or its electronic equivalent.

Policy Overview

This policy addresses First Choice VIP Care Plus reimbursement of discarded drugs and biologicals reported with modifier JW indicating the leftover portion of a drug or biological from a single-dose package was discarded after removal of the prescribed individual dose. The intent of the policy is to avoid or reduce waste and/or abuse by providing guidance for appropriate billing and reporting of discarded drugs and biologicals.

Exceptions

Outpatient pharmacy claims submitted for reimbursement through PerformRx, First Choice VIP Care Plus Pharmacy Benefits Manager, are excluded from this policy.

Reimbursement Guidelines

First Choice VIP Care Plus recognizes that a variety of factors must be considered to ascertain the specific, clinically appropriate dose of drugs and biologicals for each patient. Providers should administer medications in the most efficient and cost-effective manner in order to avoid or minimize wastage. The actual dose administered and exact amount discarded must be documented in the medical record, and providers should

use drugs and biologicals in the most economical combination of container sizes to avoid excess wastage. For example, if a patient is prescribed 75 milligrams of a drug that is supplied in 100 milligrams/100 milliliters and 200 milligrams/200 milliliters single-dose vials, the most economical combination is one 100 milliliters vial, leaving 25 milliliters of waste vs. 125 milliliters of waste from one 200 milliliters vial.

First Choice VIP Care Plus will not reimburse claim lines with modifier JW for drugs or biologicals that are:

- Packaged and thus not separately reimbursable per the Outpatient Prospective Payment System (OPPS) or Inpatient Prospective Payment System (IPPS).
- Administered in an Ambulatory Surgical Center (ASC), Federally Qualified Health Center (FQHC), or Rural Health Clinic (RHC).
- COVID-19, influenza, or pneumococcal vaccines.
- Obtained from multiple-use packaging.

Definitions

Modifier JW - Drug amount discarded/not administered

Modifier JW is used to report the quantity of a drug or biological that is discarded after administration of an individual dose from a single-use vial or container.

Edit Sources

- I. Current Procedural Terminology (CPT) and associated publications and services.
- II. International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10).
- III. Healthcare Common Procedure Coding System (HCPCS).
- IV. Centers for Medicare and Medicaid Services (CMS).
- V. The National Correct Coding Initiative (NCCI).
- VI. Medicare Fee Schedule(s).

Attachments

N/A

Associated Policies

N/A

Policy History

05/2024	Reimbursement Policy Committee Approval
04/2024	Revised preamble
08/2023	Removal of policy implemented by First Choice VIP Care Plus from Policy History section
01/2023	Template revised • Revised preamble • Removal of Applicable Claim Types table • Coding section renamed to Reimbursement Guidelines • Added Associated Policies section