

JW Modifier Required on July 1, 2016

Effective July 1, 2016, Medicare providers (including both physicians and hospitals) must report the JW modifier (Drug Amount Discarded/Not Administered to Any Patient) on a second claim line to separately report the wasted/unused units of HCPCS coded drugs or biologicals from single use vials or single use packages on Medicare outpatient claims.

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Report Selection **Modifier Lookup**

Modifier Lookup
Codes and/or Descriptions: JW
Results Returned (below): 1

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Modifier	Description
JW	DRUG AMOUNT DISCARDED / NOT ADMINISTERED TO ANY PATIENT

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM5923.pdf>

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 9603 to alert MACs and providers of the change in policy regarding the use of the JW modifier for discarded Part B drugs and biologicals.

Effective July 1, 2016, providers are required to:

- Use the JW modifier for claims with unused drugs or biologicals from single use vials or single use packages that are appropriately discarded (except those provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals) and
- Document the discarded drug or biological in the patient's medical record when submitting claims with unused Part B drugs or biologicals from single use vials or single use packages that are appropriately discarded

Make sure that your billing staffs are aware of these changes. Remember that the JW modifier is not used on claims for CAP drugs and biologicals.

With this announcement, CMS changes the Medicare Claims Processing Manual, Chapter 17 - Drugs and Biologicals. Previously, the Manual allowed that “contractors **may** require the use of the modifier JW...” The new language is in red font below:

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3508CP.pdf>

Effective July 1, 2016 when processing claims for drugs and biologicals (except those provided under the Competitive Acquisition Program for Part B drugs and biologicals (CAP)), local contractors **shall** require the use of the modifier JW to identify unused drugs or biologicals from single use vials or single use packages that are appropriately discarded. This modifier, billed on a separate line, will provide payment for the amount of discarded drug or biological. 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. The 95 unit dose is billed on one

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line, while the discarded 5 units shall be billed on another line by using the JW modifier. Both line items would be processed for payment. **Providers must record the discarded amounts of drugs and biologicals in the patient's medical record.**

In requiring the JW modifier, Medicare intends to monitor wastage to ensure that providers use the most appropriate available single-use vial size, particularly for separately payable drugs and biologicals (OPPS status K and G HCPCS). Critical Access Hospitals (CAHs) are paid for all line items on a cost basis. For separately payable drugs, both the administered and the discarded units of a drug or biological will be reimbursed.

In a MedLearn publication revised in 2013, Medicare explains its expectation that the smallest available vial should be used to meet the dose required to treat the patient:

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1316.pdf>

- 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.

For example, OPPS Status K (separately payable) drug Avastin (J9035 - INJECTION, BEVACIZUMAB, 10 MG) is available in 10 unit or 40 unit single-use vial sizes, as displayed in the **PARA Data Editor** NDC to J Code report:

HCPCS	HCPCS Desc	HCPCS Status	Labeler	NDC	NDC Desc	Addl Desc	Drug	HCPCS Dosage	FDB Pkg Size Qty	Bill Units	Route	FDB WAC Unit PKG	FDB SWP Unit	FDB SWP Pkg
J9035	INJECTION, BEVACIZUMAB, 10 MG	K	Genentech, Inc.	50242006001	AVASTIN 100 MG/4 ML VIAL	P/F,SUV	AVASTIN	10 MG	4	10	INTRAVENOUS	177.39 709.56	0.00	0.00
J9035	INJECTION, BEVACIZUMAB, 10 MG	K	Genentech, Inc.	50242006101	AVASTIN 400 MG/16 ML VIAL	P/F,SUV	AVASTIN	10 MG	16	40	INTRAVENOUS	177.39 2,838.24	0.00	0.00

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If a patient is to receive a dose of 44 units (440 milligrams) of Avastin, Medicare would expect that one 40-unit vial and one 10-unit vial would be used, resulting in wastage of only 6 units. If two vials of the 40-unit size vial were consumed, the wastage reported would be 36 units. Providers who inappropriately waste expensive drugs may be required to return payment for the wasted units, and could be subject to further penalties under fraud and abuse regulations applicable under the Medicare program.

Hospitals which are paid under Medicare's OPPS system can determine which drugs and biological items are separately payable using the **PARA Data Editor** Filters tab. In the status section, highlight status indicators G (Pass-Through Drugs and Biologicals) and K (Nonpass-Through Drugs and Nonimplantable Biologicals, Including Therapeutic Radiopharmaceuticals)

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2016 Code Map Update
Invalid
Invalid - CPT Only
Invalid - HCPCS Only
Invalid - Medicaid Only
Unit of service - per ml/sq cm
Compliance - Marked
Compliance - Identified for Review
Compliance - Modifiers
CA MCard J3490 ID for Review

Segments: [v]
 Recommended Changes Or And
 All Approved Not Approved
Changed By: Online Adv2686 Or And
Comment By: pripper Or And
Pharmacy - Self Admin Drugs - MAC Specific: NGS [v]

APC Status
 Status
G - Paid under OPPS; separate APC payment.
H - Separate cost-based pass-through payment; not
K - Paid under OPPS; separate APC payment.

Service: Allergy [v]
 Quantity: With Without
 Search for Codes and Descriptions Or And Excl
HCPCS/CPT Codes: []
UB Codes: []
Description: []

Recommended Price Same CPT® w/ Different Price
 Relative To Market
 Below Average Below Midpoint Above High Market Inflation: [] %
 Price Below Clinical Lab
 Price Below Professional Fees
 Facility Non-Facility Facility & Non-Facility
 Price Below DME
 Price Below APC Status T, Q, Q1, Q2, Q3
 Price Below APC Status S Price Below APC Status X

CDM
Single
Department: All [v]
Sort By: Procedure Code [v] Add Department: []
 Ascending Descending Clear All Filters
View CDM By: Summary Detail Excel

Reports
Audit: Unit of service - per ml/sq cm [v] Create PDF
Service: Allergy [v] Create Service Line PDF
Dept: 3010 - Total Items: 00016 - MED/SURG INTENSIVE C
3070 - Total Items: 00011 - NEONATAL INTENSIVE C
3150 - Total Items: 00010 - TELEMETRY 3200
3151 - Total Items: 00005 - MED/SURG TELEMETRY 2
3171 - Total Items: 00020 - MED/SURG ACUTE 5100
3177 - Total Items: 00013 - MED/SUR/TELE 4100
3179 - Total Items: 00010 - MED/SUR/TELE 3400
3290 - Total Items: 00016 - PED ACUTE
3340 - Total Items: 00006 - PSYCHIATRIC ACUTE-AD
3380 - Total Items: 00011 - OBSTETRICS ACUTE

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If the single-use vial size contains only one unit of the appropriate HCPCS, payment for the discard is included in the single billing unit. In this case, billing the discarded amount on a separate line with the JW modifier is not necessary.

This new requirement applies to outpatient claims only. There is no exception in the published rule for drugs which are not separately reimbursed under OPPS status N.