

Part B Insider (Multispecialty) Coding Alert

DISCARDED DRUGS: CMS: Document Discarded Drugs

But, not all payers want modifier JW appended.

CMS allows you to bill for discarded portions of drug vials -- but wants to ensure that you document properly in these situations.

That's the word from CMS transmittal 1962, released on April 30, which discusses drugs that are left over in vials after treating patients.

The policy, applicable to single use vials, tells you that if you "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 covers the amount of drug discarded as well as the dose administered."

"The Medicare drug wastage coverage truly applies to any single dose medication but it is particularly important for those preservative-free drugs that are expensive," says **Marvel Hammer, RN, CPC, CCSP, PCS, ACS-PM, CHCO** with MJH Consulting in Denver, Colo. "The most common reference that many payers use for billing of drug wastage of single dose drugs is Botulinum toxin, whether it be Botox, (J0585), Dysport (J0586), or Myobloc (J0587)," she says.

Other single dose medications that providers may inject in the office place of service and have potential unavoidable wastage include certain antibiotics and steroids, Hammer says.

The CMS transmittal reminds providers that some MACs may require you to append modifier JW (Drug amount discarded/not administered to any patient) to the code for the wasted drug.

What to do: Say your physician administers botulinum type A using the 100-unit size vial (J0585, per unit). He splits the injection between two separate patients, administering 40 units to each patient. He would bill as follows:

- Patient 1: J0585, 40 units
- Patient 2: J0585, 40 units, followed by a separate line item of

J0585-JW, 20 units (to represent the wastage)

Keep in mind: Not all MACs want you to append modifier JW, says **Michael A. Ferragamo, MD, FACS**, clinical assistant professor of urology at the State University of New York at Stony Brook.

For instance, Highmark Medicare Services, a Part B payer in five states, notes on its Web site that "reporting the JW modifier is not required." (www.highmarkmedicare.com/faq/parta/billing-esrdmedications.html#waste).

Most MACs request that practices document the date, time, amount wasted, and reason for wastage in the patient's medical record. "Upon review, any discrepancy between amount administered to the patient and amount billed will be denied as non-rendered unless the wastage is clearly and acceptably documented," according to a policy on the Web site of Trailblazer Health, a Part B payer in five states.

"Anytime you're billing for drug administration, especially if there is wastage, make sure you have excellent chart notes so if the claim is denied, you can appeal based on the documentation," Ferragamo says.