

Part B Insider (Multispecialty) Coding Alert

Drug Reimbursement: Confused About J3490 and J9999? Here's the Scoop

Easy tips for billing unlisted drugs

How do you document the need for a drug that doesn't have its own code?

This is a constant source of frustration for coders, who want to bill for new drugs but worry about carriers rejecting any claims with unlisted drug codes. Luckily, drug manufacturers and software programs are poised to help you bill for these.

Medicare offers two codes for unlisted drugs: **J9999 for** chemotherapy drugs and J3490 for others, says **Nancy Giacomozzi**, office manager for medical billing agency P.K. Administrative Services in Lakewood, Colo. The more commonly used unlisted drug code is J3490, she adds.

With an unlisted drug code, it's extra important to document "the importance of trying this new drug and why," and send in the chart notes, says **Marti Geron**, coding and reimbursement manager at the University of Texas Southwestern Medical Center at Dallas. If the physician tried listed drugs and they didn't work, you need to make sure the claim includes that information.

There are roughly a dozen codes right now that require the use of unlisted drug code J9999, says **David Davis**, medical policy analyst with iHealth Technologies in Atlanta. "The documentation and diagnoses for these drugs is similar to what is used for any procedure or service, and it is the physician's judgment on which drugs to use," he says.

It's most important to follow the Food & Drug Administration guidelines for a new and unlisted drugs, Giacomozzi says. In other words, most physicians understand the need to avoid off-label uses of new drugs until they've been around for a while and people have done studies justifying other applications.

It's fairly easy to bill for unlisted drugs in Medicare, because most billing software will let you add a descriptor to the unlisted code, Giacomozzi says. You can list the type of drug, and also the exact dosage.

You may have to use more than one code if you want to bill multiple 100-milligram units of a drug. But beware of getting too used to billing in particular units of a drug, because you may have to adjust when it gains its own code, Giacomozzi says. She gives the example of anemia drug Aranesp, which people billed in 100-microgram units when it was unlisted. Then when it gained its own code, it was measured in 5-microgram units.

The main drugs that now require unlisted codes are Neulasta and Faslodex, both of which are non-chemotherapy drugs and therefore require J3490. The two main chemotherapy drugs that require J9999 are Velcade and Oxaliplatin.

Most new drugs don't receive local medical review policies at first. But there are other sources of coding information.

When manufacturers introduce a new drug, their drug reps tend to push it hard, and they can often provide lots of information on which diagnoses to use with it. If your physician doesn't obtain this information from drug reps, then study the package insert for diagnostic information, Giacomozzi says. You can also go by what the FDA approved the drug for.

As with all other drugs, the payment amounts for unclassified drugs will be based on the manufacturer's average wholesale price, Giacomozzi says.

