Codify
BY AAPC

Part B Insider (Multispecialty) Coding Alert

Part B Coding Coach: Your Top 7 Drug Waste Coding Questions Answered

Don't miss your chance to get paid for a full vial of Botox no matter how much you administer

The next time your practice must discard the remainder of a vial, turn to this Q&A to be sure you won't end up on Medicare's audit list for your coding choices.

Question 1: Is there a Medicare policy on coding drug waste?

Answer: Medicare's Claim Processing Manual includes a can't-miss entry on "Discarded Drugs and Biologicals," available at www.cms.hhs.gov/manuals/104_claims/clm104index.asp (Chapter 17, section 40).

The policy, applicable to single-use vials, tells you that if you "must discard the remainder of a vial or other package after administering it to a Medicare patient, the program covers the amount of drug discarded along with the amount administered." Of course, the **Centers for Medicare & Medicaid Services** (CMS) encourages you to schedule patients so you can use drugs efficiently. Smart: Check your carrier's local policy regarding reimbursement for discarding the remains of a multi-use vial.

The manual includes 2 examples:

1. If the physician administers 30 units each of a 100-unit vial of Botulinum Toxin Type A (Botox) to three patients, you should code the remaining 10 units on the Medicare claim for the last patient. How to do it: For the first patient, report 30 units of **J0585** (Botulinum toxin type A, per unit). Do the same for the second patient. But for the third patient, report a total of 40 units of J0585 to reflect the 30 units administered to the patient and the 10 units you had to discard.

2. When it isn't practical to schedule more than one Botox administration in a day, you may code the entire 100-unit vial for that one patient, even if he requires far less.

Tip: Unless your carrier says otherwise, record the amount wasted in box 19 of your CMS-1500 form to give the payor the full story.

Opportunity: Now that you know where Medicare stands, next time you negotiate a private payor contract, bring your demand for drug waste reimbursement to the table.

Question 2: Are there exceptions to the Claims Processing Manual instructions?

Answer: Some local policies do contradict the manual.

HealthNow, the carrier for upstate New York, states that Medicare will reimburse you for the unused portion of Botox only if the vial is not split between patients. Your documentation must show the exact dosage of the drug given and the exact amount of the discarded portion of the drug (www.umd.nycpic.com/cgi-bin/bookmgr/bookmgr.exe/BOOKS/DR010E02/FRONT).

You may also have to follow certain payor instructions to attain reimbursement. Example: **Trailblazer** requires providers to append modifier JW (Drug amount discarded/not administered to any patient) to the code for the wasted drug. What to do: If you administer 70 units of Infliximab to a patient and must discard the other 30 units, report the following:

• first line item: J1745 (Injection, infliximab, 10 mg), 7 units (70 mg)
• second line item: J1745-JW, 3 units (30 mg).

Note: Trailblazer says you shouldn't use modifier JW for claims if the drug code description already includes the amount administered along with the amount wasted. (See www.trailblazerhealth.com/partb/lcdarticle/article%20i-70b-r2%20infliximab.htm.)

Bottom line: Check with your payor to learn its specific policy on coding wasted drugs.

Question 3: Why is Botox the focus of so many drug waste policies?

Answer: Botox has a very short shelf life. "You cannot save the contents of a Botox vial for another day," explains Wynnewood, PA neurologist **Steve Gollomp, MD**, clinical professor at **Thomas Jefferson University**. Chances are, providers who administer Botox will end up wasting some of it.

Dermatologists, physiatrists, neurologists, ophthalmologists and plastic surgeons commonly use Botox, says Gollomp. Your otolaryngologist may use Botox, as well. For Medicare to reimburse you, you will need documentation and coding to prove medical necessity.

Example: Empire Medicare guidelines for Botox state that it will cover 64612 (Chemodenervation of muscle[s]; muscle[s] innervated by facial nerve [e.g., for blepharospasm, hemifacial spasm]) when you legitimately pair it with 333.81 (Blepharospasm). You should also report the amount of Botox (J0585) you administer, per unit.

Question 4: If you need to code the full 100 units of Botox, but the form only allows two digits, how should you code for the drug?

Answer: If your practice management system limits you to two digits and you need to enter three, you can use more than one line in field 24G to report all the units.

Example: You need to report 100 units of Botox but space limits you to reporting up to 99 at a time. Code:
• J0585, 99 units
• J0585, 1 unit.

Question 5: If a patient has an allergic reaction to a drug that requires providers to stop administration earlier than expected, can you code for the drug waste?

Answer: As long as you document the amount administered and wasted, you should be able to code for the wasted drug.

The Claims Processing Manual tells you that if you must discard the remainder of a drug, then you can include that waste on your Medicare claim, reasons **Jean Acevedo LHRM, CPC, CHC**, president of **Acevedo Consulting Inc.** in Delray Beach, FL. Just be sure the drug was medically necessary and the physician didn't stop administration because of convenience, she notes.

In the case of termination due to patient reaction, your carrier may prefer you to include an additional diagnosis code such as V64.1 (Surgical or other procedure not carried out because of contraindication) or an adverse effect code, such as E933.1 (Adverse effect, antineoplastic drug), counsels **Cindy Parman, CPC, CPC-H, RCC,** co-owner of **Coding Strategies Inc.** in Powder Springs, GA.

You may also need to append a modifier for a discontinued procedure (53, Discontinued procedure) to your CPT code, advises **Anne Dunne, RN, MBA, MSCN**, practice administrator for **South Shore Neurologic Associates, P.C./Brookhaven MRI** in Bay Shore, NY.

Protect yourself: Medicare beneficiaries pay a lot of attention to their EOBs, Acevedo warns. If you file a claim that includes a wasted drug, the beneficiary may call the carrier to complain that he didn't receive the full dose listed. Be

sure you have documentation of why the provider stopped the administration and what steps the provider took in response to the allergic reaction. This documentation may also help you if the patient brings a malpractice suit due to the reaction.

Question 6: If we make a mistake mixing a patient's medications or prepare drugs for a patient who then doesn't show, can we still code for the drug?

Answer: Simply put -- no in both cases, says Acevedo. If you slipped up when preparing a medication, then Medicare won't pay. You'll have to foot the bill for that one yourself. You also can't submit a claim for a drug you couldn't use because of a no-show.

Tip: Advise your providers not to open a vial or mix a drug until the patient actually arrives in the office, recommends Dunne.

Question 7: How can practices improve drug waste coding?

Answer: The key is proper documentation. Audits show that many practices fail to properly document wasted drugs in the medical record, notes Parman.

Pass Parman's drug waste coding form (see upper right) around to your providers to feel secure that you've got adequate documentation of discarded drugs. Tip: Check state and payor requirements -- you may need a witness when you record drug waste. If so, simply add a "Witness Signature" column to the form.