

## Part B Insider (Multispecialty) Coding Alert

### READER QUESTION: Learn Foolproof Drug Wastage Calculation

#### CMS offers guidance for this tricky task

**Question:** When we code for drug wastage, I'm always concerned we'll make an error. I have heard that there is an easy way to accurately calculate wastage. Can you shed any light on this?

**Answer:** The key to accurately calculating drug wastage begins with knowing which drugs are single-dose vials and when you should expect waste to occur.

There is a simple formula you can use that applies to all drugs from a single-dose vial:

**Step 1:** Add the dose given and the amount wasted to determine the total amount.

**Step 2:** Divide the total amount by the drug's billable unit to determine the quantity of units you should bill.

**Example:** The doctor administers 125 mg of oxaliplatin to the patient (J9263, Injection, oxaliplatin, 0.5 mg), using three 50-mg single-dose vials.

Here's how you'd calculate your drug wastage:

**Step 1:** 125 (mg given) + 25 (mg wasted) = 150 (total mg)

**Step 2:** 150 (total mg) divided by 0.5 mg (oxaliplatin's billable unit) = 300 (total units billed)

**Experts note:** According to the CMS Web site, if you use a single-dose vial on multiple patients, you should assign the remaining waste to the last patient on whom you use the single-dose vial.

**Remember:** When you only use the same vial on a single patient, you will also need to bill it entirely to that single patient.

**Warning:** You should never report waste on multi-dose vials.

**For more info:** The examples cited above were used by **Lisa Martin, CPC, CPC-IM, CPC-I**, during her recent presentation -Increase Your Charge Capture for Oncology Drugs- for The Coding Institute, available at [www.codingconferences.com/oncology08cde\\_doc\\_books.htm](http://www.codingconferences.com/oncology08cde_doc_books.htm).

**Bonus:** [When coding for drug wastage, another good tool to have handy is modifier JW \(Drug amount discarded/not administered to any patient\).](#)

[According to CMS, -When processing all drugs except those provided under the Competitive Acquisition Program for Part B drugs and biologicals \(CAP\), local contractors may require the use of the modifier JW to identify unused drug or biologicals from single-use vials or single-use packages that are appropriately discarded.-](#)

[You can find more information on processing claims involving drug wastage on the CMS Web site at www.cms.hhs.gov/manuals/downloads/clm104c17.pdf.](http://www.cms.hhs.gov/manuals/downloads/clm104c17.pdf)

