# Outpatient Facility Coding Alert

## Coding/Modifiers: Get the Best Out of JW Modifier Coding with Proper Documentation

**Make sure to document the "discarded drug" volume in patient records**

Targeted for July 2016 but delayed until January 1, 2017, claims for discarded Part B drugs or biologicals you did not administer to the patient should be reported with modifier JW. CMS has revised its policy to ensure its uniform use, and thus the propriety of use of this modifier is no longer left to the discretion of the MACs. "The effective date has been delayed because of system implementation issues," says **Sarah Goodman, MBA, CHCAF, CPC-H, CCP, FCS**, president of the consulting firm SLG, Inc., in Raleigh, N.C.

However, there are certain documentation requirements that you must fulfill, such as updating the unused drugs on the patient record too. Sounds strange? Read on to know more, and gain insight on how to use this modifier accurately.

**Basics:** The modifier stands for Drug amount discarded/Not administered to any patient.

**When to use:** You may use this code in case you opened a single use vial/package, could not finish off the entire quantity even after administering the requisite dose to the patient, and had to discard the remaining drug. In other words, modifier JW stands for the amount of a Single Dose Vial (SDV) or single use package that was left out post administration to the patient.

**Remember:** Do not use this modifier on claims that include Competitive Acquisition Program (CAP) biologicals and drugs.

**Options available:** You can bill separately for the discarded drug quantity with modifier JW, or you may bill the entire portion (administered plus discarded) without the modifier.

**Example 1:** Suppose you have a vial with 50 units of a drug and the HCPCS description is "per unit." You administer 45 units and have to discard the remaining 5 units. You will bill 45 units separately and the discarded 5 units with modifier JW.

**Example 2:** Imagine one billing unit of a medicine is 5 mg. The clinician administers 4 mg of the drug and has to discard the rest. In this case, because the billing unit itself is a minimum of 5 mg, you may only report one unit of service. There is no wastage according to the HCPCS description in this case.

**JW Modifier No More at the Mercy of Payer's Discretion**

As per the existing policy, MACs and other contractors decide on the appropriate use of this modifier. However, this practice is being brought to a halt with transmittals R3530CP and MM9603. Beginning next year, all providers, suppliers, billing for Part B administered drugs will have to follow CMS's documentation and billing requirements pertaining to drug wastage.

**Note:** These instructions apply only to the use of single-dose vials, and not the multi-dose vials, where you would bill the dosage as per the HCPCS definition pertaining to the drug.

**Master the Documentation Requirements**

A key component of documentation will be the accurate recording of the dosage administered, as well as the volume wasted. Go by the HCPCS code description—if the code description contains terms such as mg, per dose, per unit etc., you must report the proper number of HCPCS code units to correlate with the dosage administered to the patient.

Whether you rely on your pharmacy to translate the dispensed medication into appropriate HCPCS codes for billing, or resort to calculation factor in the chargemaster—ensure you have tested your work procedure's adequate functionality.

**Foresee operational issues:** The compliance to the billing guidelines will not be that easy. You will need to be extra careful to purchase the smallest package size, closest to the dosage amount, to minimize wastage. Therefore, the availability of the smallest package size may become the most sought after issue. Apart from that, you will need to be extra specific with the HCPCS code definitions—referring to the exact amounts—to correctly bill the drugs.

**The flip side:** Suppose on a given day you run short of small vials, and have to use a bigger one, ending up discarding more drug than usual. In this case, you would be able to bill for the administered amount, and the wastage will be a cost to your facility. Also, remember that billing for waste from a multi-dose vial is not allowed.

**Final takeaway:** "Be sure to work with your system vendors and internal staff to ensure you are ready for the JW modifier come January 1st," says Goodman.