

Coding Policy Policy and Procedure		
SUBJECT: Coding Policy 15.0 JW Modifier: Drug/Biological Amount Discarded/Not Administered To Any Patient	DEPARTMENT: Pharmacy	
ORIGINAL EFFECTIVE DATE: 05/18	DATE(S) REVIEWED/REVISED: 1/09, 01/20, 01/21, 01/22	
APPROVED BY: Coding Policy Review Committee	NUMBER: MC 15.0	PAGE: 1 of 2

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

Health Plan Providers
All Lines of Business

POLICY:

The JW modifier is a Healthcare Common Procedure Coding System (HCPCS) Level II modifier used on a Medicare Part B drug claim to report the amount of drug or biological (hereafter referred to as drug) that is discarded and eligible for payment under the discarded drug policy. The modifier shall only be used for drugs in single dose or single use packaging.

Effective January 1, 2017 per Centers for Medicare & Medicaid Services (CMS), providers are required to:

- Use the JW modifier for claims with unused drugs or biologicals from single use vials or single use packages that are appropriately discarded (except those provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals), **and**
- Document the discarded drug or biological in the patient's medical record when submitting claims with unused Part B drugs or biologicals from single use vials or single use packages that are appropriately discarded.

PROCEDURE:

Company requires the use of HCPCS modifier JW to indicate drug wastage of a single dose vial/packaged drugs and biologicals.

To submit a claim for drug waste reimbursement, providers must report two claim lines per wasted drug as outlined in the following example:

Claim line 1 - provide the following information:

- HCPCS code for drug administered
- No modifier
- Number of units administered to the patient
- Calculated submitted price for only the amount of drug given

Claim line 2 - provide the following information:

- HCPCS code for the drug wasted

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- HCPCS modifier JW to indicate wastage
- Number of units wasted
- Calculated submitted price for only the amount of drug wasted

Note: When the billing units are equal to or greater than the total actual dose and the amount discarded, HCPCS modifier JW may not be submitted.

Additionally, billing for wastage and/or using the JW modifier for drugs supplied in a multi-dose vial is prohibited.

Note: The JW modifier is not used on claims for CAP drugs and biologicals.

REFERENCE:

CMS/Medicare Rules and Regulations

[Medicare Claims Processing Manual, Chapter 17, Section 40](#) 

[CMS Change Request \(CR\) 9603](#) 

HCPCS, Medicare National Level II Codes

Providence Health Plan Coding Edits