



**Subject: Modifier JW**

**Revision Date: 7/24**

## **POLICY**

When a physician, hospital or other provider or supplier must discard the remainder of a single-use vial or other single-use package after administering a dose/quantity of the drug or biological to a patient, modifier JW is appended to the HCPCS code on the claim to identify the waste. OSU Health Plan provides payment for the discarded drug or biological amount as well as the dose administered, up to the amount of the drug or biological as indicated on the vial or package label when the criteria in this policy are met.

## **DEFINITIONS**

Modifier JW: A Healthcare Common Procedure Coding System (HCPCS) Level II modifier indicating drug amount discarded/not administered to any patient.

## **POLICY GUIDELINES**

Consistent with CMS billing guidelines, OSU Health Plan covers modifier JW when all the following criteria are met:

- The drug or biological must only be available in a single-use vial. Multi-use vials are not subject to payment for any discarded amounts of the drug.
- The units billed must correspond with the smallest dose (vial) available for purchase from the manufacturer(s) that could provide the appropriate dose for the patient, while minimizing any wastage.
- Any amount of drug billed as wastage from a single-dose vial, must actually be discarded. Modifier JW is not covered for any amount of drug or biological in excess of the medically necessary dose/quantity if it is administered to the patient for a non-covered indication or administered to another patient.
- Use of modifier JW does not result in an overpayment. The billing units for the amount of drug or biological administered plus the billing units for the wastage must not exceed the

total vial size utilized.

For example, diphenhydramine HCl is available in 50 mg single-use vials. The description for HCPCS J1200 is “Injection, diphenhydramine HCl, up to 50 mg.” Therefore, if a provider administers 25 mg of diphenhydramine HCl and wastes 25 mg for a total of 50 mg, modifier JW should not be billed. One billing unit of J1200 is equal to the entire 50 mg vial and billing a second line for the waste would result in an overpayment.

## PROCEDURES

The Third Party Administer will process claims for modifier JW according to the following guidelines:

- The following HCPCS codes with modifier JW may be allowed without OSU Health Plan review:
  - J0585 (Injection, onabotulinumtoxinA, 1 unit) and TIN 311466115 (OSU Neuroscience Center)
  - J1745 (Injection, infliximab, excludes biosimilar, 10 mg)
  - J1750 (Injection, iron dextran, 50 mg)
  - J9047 (Injection, carfilzomib, 1 mg)
  - J9070 (Cyclophosphamide, 100 mg)
  - Q0138 (Injection, ferumoxytol, for treatment of iron deficiency anemia, 1 mg (non-ESRD use))
  - Q5104 (Injection, infliximab-abda, biosimilar, (Renflexis), 10 mg)
- The following HCPCS codes with modifier JW may be denied without OSU Health Plan review:
  - J1200 (Injection, diphenhydramine HCl, up to 50 mg)
  - J2704 (Injection, propofol, 10 mg)
  - J3301 (Injection, triamcinolone acetonide, not otherwise specified, 10 mg)
- All other codes with a modifier JW should be sent to OSU Health Plan for review if the billed amount is \$500 or greater. Medical records are required for non-OSU providers.
- Appeals for modifier JW should be sent to OSU Health Plan for review.

## RESOURCES

CMS. (n.d.). Medicare Program, Discarded Drugs and Biologicals – JW Modifier and JZ Modifier Policy Frequently Asked Questions. <https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospitaloutpatientpps/downloads/jw-modifier-faqs.pdf>

CMS. (2023). Billing and Coding: JW and JZ Modifier Billing Guidelines (A55932).

<https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=55932>