Highmark Reimbursement Policy Bulletin

HISTORY VERSION

Bulletin Number:	RP-003		
Subject:	Convenience Kits, Drug and Biological Wastage		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	March 3, 2025	**Revised Date:**	March 2025
Date Reviewed:	February 2025		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Claim Type	**UB**	☒	**1500**	☒				

A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

DEFINITIONS:

Modifier	Definition
JW	Drug / biological amount discarded / not administered to any patient
JZ	Zero drug amount discarded / not administered to any patient

REIMBURSEMENT GUIDELINES:

Drug Wastage (*Applicable for Commercial and Medicare Advantage*)

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight, body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Effective July 1, 2023, claim line(s) for drugs from single-dose or single use containers MUST append either the JZ modifier to report that there were no discarded amounts, or append the JW modifier to report there was a discarded amount. On October 1, 2023, claims for drugs from single-dose or single use containers that do not append one of these two modifiers on the claim line(s) may be rejected as un-processable until claims are accurately resubmitted.

- The Direction Below is Applicable to Professional Commercial Claims ONLY:

  Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

- The Direction Below is for Medicare Advantage ONLY*:*

  Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (*Applicable for Commercial Only*)

Convenience Kits are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

Skin Substitutes (*Applicable for Commercial and Medicare Advantage*)

Any amount of wasted skin substitute must be clearly documented in the procedure note with the following minimum information:

- Date, time, and location of ulcer(s) treated.
- Name of skin substitute and how the product is supplied.
- Approximate amount of product unit used.
- Approximate amount of product unit discarded.
- Reason for the wastage.
- Manufacturer's serial, lot, batch, or other unit identification number of graft material. When manufacturer does not supply unit identification, record must document such.

The Plan expects that where multiple sizes of a specific product are available, the size that best fits the wound with the least of amount of wastage will be utilized. The unused portion of product must be discarded and may not be used for another patient.

REFERENCES:

- Centers For Medicare and Medicaid Services (CMS); Competitive Acquisition Program (CAP) for Part B drugs and biologicals

- Centers For Medicare and Medicaid Services (CMS); Claims Processing Manual Chapter 17: Drugs and Biologicals; section 100.2.9, and section 40

- Centers For Medicare and Medicaid Services (CMS); Medicare Coverage Database: L35041, Article ID 54117: Application of Bioengineered Skin Substitutes to Lower Extremity Chronic Non-Healing Wounds

POLICY UPDATE HISTORY INFORMATION:

8 / 2016	Implementation
8 / 2019	Guidelines updated including reimbursement rate for modifier JW
11 / 2021	Added NY region applicable to the policy
1 / 2022	Added Delaware Medicare Advantage applicable to the policy
1 / 2023	Added modifier JZ
5 / 2023	Added direction for modifier JZ and skin substitute wastage, changed name of policy
3 / 2025	Administrative policy review with no changes in policy direction

Highmark Reimbursement Policy Bulletin

HIGHMARK.

HISTORY VERSION

Bulletin Number:	RP-003		
Subject:	Convenience Kits, Drug and Biological Wastage		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	May 29, 2023	**Revised Date:**	May 2023
Date Reviewed:	March 2023		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Claim Type	**UB**	☒	**1500**	☒				

A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

DEFINITIONS:

Modifier	Definition
JW	Drug / biological amount discarded / not administered to any patient
JZ	Zero drug amount discarded / not administered to any patient

REIMBURSEMENT GUIDELINES:

Drug Wastage (*Applicable for Commercial and Medicare Advantage*)

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight, body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Effective July 1, 2023, claim line(s) for drugs from single-dose or single use containers MUST append either the JZ modifier to report that there were no discarded amounts, or append the JW modifier to report there was a discarded amount. On October 1, 2023, claims for drugs from single-dose or single use containers that do not append one of these two modifiers on the claim line(s) may be rejected as un-processable until claims are accurately resubmitted.

- The Direction Below is Applicable to Professional Commercial Claims ONLY:

  Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

- The Direction Below is for Medicare Advantage ONLY:

  Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (*Applicable for Commercial Only*)

Convenience Kits are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

Skin Substitutes (*Applicable for Commercial and Medicare Advantage*)

Any amount of wasted skin substitute must be clearly documented in the procedure note with the following minimum information:

- Date, time, and location of ulcer(s) treated.
- Name of skin substitute and how the product is supplied.
- Approximate amount of product unit used.
- Approximate amount of product unit discarded.
- Reason for the wastage.
- Manufacturer's serial, lot, batch, or other unit identification number of graft material. When manufacturer does not supply unit identification, record must document such.

The Plan expects that where multiple sizes of a specific product are available, the size that best fits the wound with the least of amount of wastage will be utilized. The unused portion of product must be discarded and may not be used for another patient.

REFERENCES:

- Centers For Medicare and Medicaid Services (CMS); Competitive Acquisition Program (CAP) for Part B drugs and biologicals
- Centers For Medicare and Medicaid Services (CMS); Claims Processing Manual Chapter 17: Drugs and Biologicals; section 100.2.9, and section 40
- Centers For Medicare and Medicaid Services (CMS); Medicare Coverage Database: L35041, Article ID 54117: Application of Bioengineered Skin Substitutes to Lower Extremity Chronic Non-Healing Wounds

POLICY UPDATE HISTORY INFORMATION:

8 / 2016	Implementation
8 / 2019	Guidelines updated including reimbursement rate for modifier JW
11 / 2021	Added NY region applicable to the policy
1 / 2022	Added Delaware Medicare Advantage applicable to the policy
1 / 2023	Added modifier JZ
5 / 2023	Added direction for modifier JZ and skin substitute wastage, changed name of policy

Highmark Reimbursement Policy Bulletin

HIGHMARK.

HISTORY VERSION

Bulletin Number:	RP-003		
Subject:	Drug Wastage and Convenience Kits		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	January 1, 2023	**Revised Date:**	January 2023
Date Reviewed:	December 2022		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY** ☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY** ☒
Applicable Claim Type	**UB**	☒	**1500**	☒			

A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

DEFINITIONS:

Modifier	Definition
JW	Drug / biological amount discarded / not administered to any patient
JZ	Zero drug amount discarded / not administered to any patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight, body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

<u>The Direction Below is Applicable to Professional Commercial Claims ONLY:</u>

Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

<u>The Direction Below is for Medicare Advantage ONLY</u>*:*

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (*Applicable for Commercial Only*)

Convenience Kits are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Centers For Medicare and Medicaid Services (CMS); Competitive Acquisition Program (CAP) for Part B drugs and biologicals

- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9

POLICY UPDATE HISTORY INFORMATION:

8 / 2016	Implementation
8 / 2019	Guidelines updated including reimbursement rate for modifier JW
11 / 2021	Added NY region applicable to the policy
1 / 2022	Added Delaware Medicare Advantage applicable to the policy
1 / 2023	Added modifier JZ

Highmark Reimbursement Policy Bulletin

HIGHMARK.

HISTORY VERSION

Bulletin Number:	RP-003		
Subject:	Drug Wastage and Convenience Kits		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	January 3, 2022	**Revised Date:**	January 2022
Date Reviewed:	October 2021		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY**	☒
Applicable Claim Type	**UB**	☒	**1500**	☒				

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Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

Modifier JW: Drug/Biological Amount Discarded/Not Administered To Any Patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight,

body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

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REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html

- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9

https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf

POLICY UPDATE HISTORY INFORMATION:

8 / 2016	Implementation
8 / 2019	Guidelines updated including reimbursement rate for JW
11 / 2021	Added NY region applicable to the policy
1 / 2022	Added Delaware Medicare Advantage applicable to the policy

Highmark Reimbursement Policy Bulletin

HIGHMARK.

HISTORY VERSION

Bulletin Number:	RP- 003		
Subject:	Drug Wastage and Convenience Kits		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	November 1, 2021	**Revised Date:**	July 2021
Date Reviewed:	July 2021		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒	**NY** ☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒	**DE**	☐	**NY** ☒
Applicable Claim Type	**UB**	☒	**1500**	☒			

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this Policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

Modifier JW: Drug/Biological Amount Discarded/Not Administered To Any Patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight, body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.

- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

<u>The Direction Below is Applicable to Professional Commercial Claims Only:</u>

Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

<u>The Note Below is for Medicare Advantage ONLY</u>:

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (*Applicable for Commercial Only*)

Convenience Kits are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

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POLICY UPDATE HISTORY INFORMATION:

8 / 2016	Implementation
8 / 2019	Guidelines updated including reimbursement rate for JW
11 / 2021	Added NY region applicable to the policy

Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003	VIEW HISTORY
Subject:	Drug Wastage and Convenience Kits	
Effective Date:	August 1, 2016	**End Date:**
Issue Date:	August 5, 2019	**Revised Date:** August 5, 2019
Date Reviewed:	August 2019	
Source:	Reimbursement Policy	

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
Applicable Claim Type	**UB**	☒	**1500** ☒		

Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy's direction and regional applicability. This policy supersedes and replaces any prior Plan guidance, including bulletins, in direct conflict with the guidance provided in this Reimbursement Policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight,

body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Professional Commercial Claims Only:

Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

Medicare Advantage Note:

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

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REFERENCES:

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- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9 https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf

POLICY UPDATE HISTORY INFORMATION:

08/2016	Implementation
08/2019	Guidelines updated including reimbursement rate for JW

Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003		VIEW HISTORY
Subject:	Drug Wastage and Convenience Kits		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	November 5, 2018		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
Applicable Claim Type	**UB**	☒	**1500** ☒		

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PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

Highmark does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program

(CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits (code J3490) are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html
- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9 https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf

Highmark Reimbursement Policy Bulletin

HISTORY VERSIONS

Bulletin Number:	RP-003
Subject:	Drug Wastage and Convenience Kits
Effective Date:	August 1, 2016 **End Date:**
Issue Date:	May 21, 2018
Source:	Reimbursement Policy

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
Applicable Claim Type	**UB**	☒	**1500** ☒		

Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy's direction and regional applicability.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits (code J3490) are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html
- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9 https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf

Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003		
Subject:	Drug Wastage and Modifier JW		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	December 1, 2017		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒		
Applicable Claim Type	**UB**	☒	**1500**	☒		

Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreements supersede Reimbursement Policy direction and regional applicability.

PURPOSE:

The purpose of this policy is to provide direction on drug wastage and the use of modifier JW.

REIMBURSEMENT GUIDELINES:

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003	VIEW HISTORY
Subject:	Drug Wastage and Convenience Kits	
Effective Date:	August 1, 2016	**End Date:**
Issue Date:	August 5, 2019	**Revised Date:** August 5, 2019
Date Reviewed:	August 2019	
Source:	Reimbursement Policy	

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
Applicable Claim Type	**UB**	☒	**1500** ☒		

Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy's direction and regional applicability. This policy supersedes and replaces any prior Plan guidance, including bulletins, in direct conflict with the guidance provided in this Reimbursement Policy.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

The Plan will reimburse for discarded or wasted amounts of drug when all of the following requirements are met:

- The drug is being supplied from a "single-use" vial or "single-use" package.
- The physician's orders for the drug must be clearly and completely documented in the medical record. When the physician order for the drug is written in terms of patient specific factors (weight,

body surface area, etc.), records documenting current measurements of those specific factors must also be included with the records provided for review.
- The amount of drug administered must be clearly and completely documented in the medical record.
- The discarded or wasted drug must be clearly documented as discarded or wasted in the medical records provided to The Plan.
- The amount of drug that is actually administered to the member is billed on one line on the claim
- The amount of drug that was wasted or discarded is billed as a separate or second line item, with modifier JW attached.

The Plan will only reimburse for the minimum amount of drug above what was actually ordered to arrive at the nearest whole vial using the smallest commercially available vial size and dose that result in the least amount of wastage.

The Plan does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

The Plan does not reimburse for discarded or wasted amounts of drug from multi-dose vials or multi-use packages. It is inappropriate to report the JW modifier for wastage from a multi-dose vial or package.

Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Professional Commercial Claims Only:

Claim lines reported with modifier JW will be reimbursed at 100% of Average Sales Price (ASP). Procedure Codes that do not have an assigned ASP will be reimbursed at 85% of Average Wholesale Price (AWP) when reported with modifier JW.

Medicare Advantage Note:

Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

REFERENCES:

- Competitive Acquisition Program (CAP) for Part B drugs and biologicals https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B Drugs/CompetitiveAcquisforBios/index.html

- Medicare Claims Processing Manual Chapter 17, Drugs and Biologicals, section 100.2.9 https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c17.pdf

POLICY UPDATE HISTORY INFORMATION:

08/2016	Implementation
08/2019	Guidelines updated including reimbursement rate for JW

Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003		VIEW HISTORY
Subject:	Drug Wastage and Convenience Kits		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	November 5, 2018		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
Applicable Claim Type	**UB**	☒	**1500** ☒		

Reimbursement Policy designation of Professional or Facility application is respective to how the provider is contracted with The Plan. Provider contractual agreement terms in direct conflict with this Reimbursement Policy may supersede this Policy's direction and regional applicability.

PURPOSE:

The purpose of this policy is to provide direction on the Plan's reimbursement for drug wastage (modifier JW) and convenience kits (code J3490).

REIMBURSEMENT GUIDELINES:

Drug Wastage

When the total vial of a drug or biological cannot be administered to one or more patients and is discarded (i.e., wastage), the appropriate drug or biological code along with the JW modifier should be reported on a separate line and is eligible for reimbursement.

Highmark does not reimburse discarded contrast material when billed with modifier JW. Providers should bill the appropriate contrast material code and report only the units administered.

JW - Drug/Biological Amount Discarded/Not Administered To Any Patient

The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program

(CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

Convenience Kits (Applicable for Commercial Only)

Convenience Kits (code J3490) are considered part of the provider's supply allowance used to administer the drug or biological; therefore, convenience kits are not reimbursed by the Plan. These charges are non-billable and a participating or network provider cannot bill the member for the denied service.

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Highmark Reimbursement Policy Bulletin

HISTORY VERSIONS

Bulletin Number:	RP-003
Subject:	Drug Wastage and Convenience Kits
Effective Date:	August 1, 2016 **End Date:**
Issue Date:	May 21, 2018
Source:	Reimbursement Policy

Applicable Commercial Market	**PA**	☒	**WV** ☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV** ☒		
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Medicare Advantage Note: Unused drugs or biologicals from single use vials or single use packages that are appropriately discarded and provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals, do not require the JW modifier to be reported with that service line.

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Highmark Reimbursement Policy Bulletin

Bulletin Number:	RP-003		
Subject:	Drug Wastage and Modifier JW		
Effective Date:	August 1, 2016	**End Date:**	
Issue Date:	December 1, 2017		
Source:	Reimbursement Policy		

Applicable Commercial Market	**PA**	☒	**WV**	☒	**DE**	☒
Applicable Medicare Advantage Market	**PA**	☒	**WV**	☒		
Applicable Claim Type	**UB**	☒	**1500**	☒		

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The medical record must clearly document the exact dosage administered and the exact amount of the discarded portion of the drug or biological. Every attempt should be made to utilize the drug or biological in a responsible manner to avoid wastage.

Medicare Advantage

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