

MLN Matters® Number: MM7095

Related Change Request (CR) #: 7095

Related CR Release Date: August 20, 2010

Effective Date: July 30, 2010

Related CR Transmittal #: R7580TN

Implementation Date: September 21, 2010

Discarded Drugs and Biologicals Policy at Contractor Discretion

Note: This article was updated on July 27, 2016, to add a link [MM9603](#) that alerts providers to the change in policy regarding the use of the JW modifier for discarded Part B drugs and biologicals. Effective January 1, 2017, providers are required to: 1) Use the JW modifier for claims with unused drugs and biologicals from single use vials or packages that are appropriately discarded (excluding those provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals) and 2) Document the discarded drug or biological in the patient's medical record when submitting claims. All other information remains unchanged.

Provider Types Affected

Physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), A/B Medicare Administrative Contractors (A/B MACs) and/or durable medical equipment (DME) MACs) for drugs or biologicals administered to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 7095 which is being issued in response to inquiries related to CR 6711 pertaining to the use of the JW modifier (drug or biological amount discarded/not administered to any patient) for discarded drugs and biologicals.



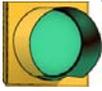
CAUTION – What You Need to Know

CR 7095 instructs that each Medicare contractor 1) has the individual discretion to determine whether the JW modifier is required for any claims with discarded drugs including the specific details regarding how the discarded drug information should be

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documented and applied on the claim; and 2) will notify their respective providers of such requirements associated with the use of the JW modifier.



GO – What You Need to Do

Your Medicare contractor will provide you with details concerning the use of the JW modifier for discarded drugs and biological. Be sure to follow those requirements.

Background

Previously, the Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 6711 (see the MLN Matters® article related to CR 6711 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6711.pdf> on the CMS website)) which updated the Medicare Claims Processing Manual (Chapter 17, Section 40) and provided policy on the appropriate use of the JW modifier (drug or biological amount discarded/not administered to any patient) for discarded drugs or biologicals. After issuing CR 6711, CMS received several inquiries from various providers regarding how the JW modifier is to be used for their Medicare Part B drug claims.

CR 7095 is being issued in response to these inquiries, and it instructs that each Medicare contractor:

- Has the individual discretion to determine whether the JW modifier is required for any claims with discarded drugs including the specific details regarding how the discarded drug information should be documented and applied on the claim; and
- Will notify their respective providers of such requirements associated with the use of the JW modifier.

Additional Information

The official instruction, CR 7095, issued to your carrier, FI, A/B MAC, or DME MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R758OTN.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, A/B MAC, or DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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Document History

Date	Description
July 27, 2016	The article was revised to add a link MM9603 that alerts providers to the change in policy regarding the use of the JW modifier for discarded Part B drugs and biologicals. Effective January 1, 2017, providers are required to: 1) Use the JW modifier for claims with unused drugs and biologicals from single use vials or packages that are appropriately discarded (excluding those provided under the Competitive Acquisition Program (CAP) for Part B drugs and biologicals) and 2) Document the discarded drug or biological in the patient's medical record when submitting claims.
December 10, 2012	The article was updated to reflect current Web addresses. All other information remains unchanged.
August 25, 2010	Initial article released

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