

Article - Billing and Coding: JW and JZ Modifier Billing Guidelines (A53024)

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Noridian Healthcare Solutions, LLC	A and B MAC	01911 - MAC A	J - E	American Samoa California - Entire State Guam Hawaii Nevada Northern Mariana Islands

Article Information

General Information

Article ID

A53024

Article Title

Billing and Coding: JW and JZ Modifier Billing Guidelines

Article Type

Billing and Coding

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03/21/2024

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N/A

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N/A

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CMS National Coverage Policy

N/A

Article Guidance

Article Text

This article addresses the required use of the JW and JZ modifier to indicate drug wastage. CMS and Noridian encourage physicians, hospitals and other providers and suppliers to administer drugs and biologicals to patients in such a way that these are used most efficiently, in a clinically appropriate manner ([IOM 100-4 Chapter 17, Sections 40-40.1](#)).

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 Medicare patient, the program

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.

The following serves to clarify billing guidelines and provide examples of proper billing with a single-dose vial and discarded drug billing:

- Providers and hospitals are reminded to ensure amounts of drugs administered to patients are accurately reported in terms of the dosage specified in the long descriptor for the applicable HCPCS codes. This is because the short descriptors are limited to 28 characters so they do not always capture the complete description of the drug.
- When submitting Medicare claims, units of service (UOS) should be reported in multiples of the dosage included in the long HCPCS code descriptor. If the dosage given is not a multiple of the number provided in the HCPCS code description, the provider shall round up to the nearest whole number in order to express the number as a multiple.
- If the provider must discard the remainder of a single-use vial or other package after administering the prescribed dosage of any given drug, Medicare may cover the amount of the drug discarded along with the amount administered. The following elements must be followed in order for the discarded amount to be covered.
 1. The vial must be a single-use vial. Multi-use vials are not subject to payment for any discarded amounts of the drug.
 2. Any amount of drug billed as wastage from a single-dose vial, must actually be discarded and may not be used for another patient regardless of whether or not that other patient has Medicare.
- Please clearly document in the patient's medical record the actual dose administered in addition to the exact amount wasted and the total amount of the vial is labeled to contain. This kind of detailed documentation helps benefit your practice by justifying your billing in the event a medical review should occur.
- Medicare requires discarded drugs be reported with the JW modifier on a separate line, the total number of discarded units reported should not include amounts of the drug also included on the administered line due to the rounding up of units.
- Please remember to verify the milligrams administered to the patient and then convert to the proper units for billing.
- Due to single-use vial type, the provider may bill for the amount administered as well as the amount appropriately discarded. The discarded amount is reported with the JW modifier. The JW modifier is only applied to the amount of the drug or biological that is discarded. A situation in which the JW modifier is not permitted is when the actual dose of the drug or biological administered is less than the billing unit. (See "[Medicare Claims Processing Manual](#)," Chapter 17, Section 40). As an example, if one billing unit for a drug is equal to 10mg of the drug in a single-use vial, and a 7mg dose is administered to a patient resulting in 3mg remaining drug being discarded, then the 7mg dose is billed using one UOS that represents 10mg on a single line item. The single line item would be processed for payment of the total 10mg of the drug administered and discarded. Billing another unit on a separate line item with the JW modifier for the discarded 3mg of the drug is not permitted because it would result in an overpayment. Therefore, when the billing unit is equal or greater than the total actual dose and the amount discarded, the use of the JW modifier is not permitted.
- Effective July 1, 2023, Medicare requires the JZ modifier on all claims for single-dose containers where there are no discarded amounts.

To submit claims for a waste-required claim, submit two complete claim lines.

Claim line #1:

- HCPCS code for drug given
- No modifier

- Number of units given to the patient
- Calculated submitted price for ONLY the amount of drug given

Claim line #2:

- HCPCS code for drug wasted
- JW modifier to indicate waste
- Number of units wasted
- Calculated submitted price for ONLY the amount of drug wasted

To submit claims for a non-discarded claim, submit one complete claim line.

- HCPCS code for drug given
- JZ modifier to indicate no waste
- Number of units given to the patient
- Calculate submitted price for the amount given

Sources:

1. [CR 9603-JW Modifier: Drug amount discarded/not administered to any patient](#)
2. [Internet Only Manual \(IOM\) 100-4-Claims Processing Manual; Chapter 17-Drugs and Biologicals; Sections 40-40.1](#)
3. [Discarded Drugs and Biologicals - JW Modifier and JZ Modifier Policy Frequently Asked Questions \(cms.gov\)](#)

Coding Information

CPT/HCPCS Codes

N/A

CPT/HCPCS Modifiers

Group 1 Paragraph:

N/A

Group 1 Codes: (2 Codes)

CODE	DESCRIPTION
JW	DRUG AMOUNT DISCARDED/NOT ADMINISTERED TO ANY PATIENT
JZ	ZERO DRUG AMOUNT DISCARDED/NOT ADMINISTERED TO ANY PATIENT

ICD-10-CM Codes that Support Medical Necessity

N/A

ICD-10-CM Codes that DO NOT Support Medical Necessity

N/A

ICD-10-PCS Codes

N/A

Additional ICD-10 Information

N/A

Bill Type Codes

Contractors may specify Bill Types to help providers identify those Bill Types typically used to report this service. Absence of a Bill Type does not guarantee that the article does not apply to that Bill Type. Complete absence of all Bill Types indicates that coverage is not influenced by Bill Type and the article should be assumed to apply equally to all claims.

N/A

Revenue Codes

Contractors may specify Revenue Codes to help providers identify those Revenue Codes typically used to report this service. In most instances Revenue Codes are purely advisory. Unless specified in the article, services reported under other Revenue Codes are equally subject to this coverage determination. Complete absence of all Revenue Codes indicates that coverage is not influenced by Revenue Code and the article should be assumed to apply equally to all Revenue Codes.

N/A

Other Coding Information

N/A

Revision History Information

REVISION HISTORY DATE	REVISION HISTORY NUMBER	REVISION HISTORY EXPLANATION
03/21/2024	R8	Removed sentence to align with CR9603.

REVISION HISTORY DATE	REVISION HISTORY NUMBER	REVISION HISTORY EXPLANATION
01/10/2023	R7	Updated to indicate this article is not an LCD Reference Article.
01/10/2023	R6	<p>Updated Article Title: Billing and Coding: JW and JZ Modifier Billing Guidelines</p> <p>Updated guidance in the Article Text section:</p> <ul style="list-style-type: none"> • Changed the sentence: "This article addresses the required use of the JW and JZ modifier to indicate drug wastage." • Added: "Effective July 1, 2023, Medicare requires the JZ modifier on all claims for single-dose containers where there are no discarded amounts." • Added: To submit claims for a non-discarded claim, submit one complete claim line. <ul style="list-style-type: none"> ▫ HCPCS code for drug given ▫ JZ modifier to indicate no waste ▫ Number of units given to the patient ▫ Calculate submitted price for the amount given • Removed MLN Matter Article MM9603 under sources as this is no longer published. • Updated Title of Source #3: Discarded Drugs and Biologicals – JW Modifier and JZ Modifier Policy Frequently Asked Questions (cms.gov) <p>Updated CPT/HCPCS Modifier: added JZ modifier</p>
01/10/2023	R5	Updated guidance in the Article Text section: changed the sentence, "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." to "The units billed should where possible 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."
09/29/2022	R4	Updated Article Text: Typographical error corrected. SE1316 was removed under resources due to no longer being published. The article was replaced with JW Modifier: Drug/Biological Amount Discarded/Not Administered To Any Patient Frequently Asked Questions.
04/28/2020	R3	Under Sources in the Article Text, corrected the link to MLN [®] article SE1316.
04/28/2020	R2	This article was converted to a Billing and Coding article effective 04/28/2020. No other updates were made.
01/01/2018	R1	Clarified when and when not to bill the JW modifier, how to calculate the units billed

REVISION HISTORY DATE	REVISION HISTORY NUMBER	REVISION HISTORY EXPLANATION
		and added the items under Sources. Added the Part A contracts to be consistent in all LOB.

Associated Documents

Related Local Coverage Documents

Articles

[A52953 - \(MCD Archive Site\)](#)

Related National Coverage Documents

N/A

Statutory Requirements URLs

N/A

Rules and Regulations URLs

N/A

CMS Manual Explanations URLs

N/A

Other URLs

N/A

Public Versions

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Keywords

- JW
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- drug
- wastage

- single-use vial