

Effective July 1, 2023-Reporting for Discarded Drugs-JW vs. JZ Modifiers

June 15, 2023

Effective July 1, 2023, mandatory reporting of all single-use containers as used (JZ Modifier) or wasted (JW Modifier) amounts must be reported on Part B claims. This is part of the Medicare Shared Savings Program Requirements, Drug Waste Accountability Act as part of the 2021 Infrastructure Investment and Jobs Act.

Overview:

The JZ modifier was created, effective Jan 1, 2023, mandatory reporting begins July 1st and Medicare will begin claim edits Oct 1, 2023.

Prior to modifier JZ, modifier JW was implemented to report discarded drugs and biologicals. However, going forward, both will be referred to as drugs. The distinction will clarify whether single-use vial/package drugs/biologics were discarded (JW modifier) or not (JZ modifier).

The logic behind the creation of JZ modifier is due in part to \$720 million paid in 2020 for discarded amounts of drugs in single dose packaging by CMS. CMS will be seeking refunds for discarded amounts from manufacturers by tracking separately payable drugs from single-use vial/packages.

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What you need to know:

- ⇒ Mandatory reporting of modifier JW or JZ must be on all claims when billing drugs from a single-use vial/package
- ⇒ JW reports the amount of drug discarded
- ⇒ JZ reports if a single-use dose/package is completely used and there is no discarded amount of drug
- ⇒ Claims on or after 7/1/23 that do not report with JW or JZ modifier may be subject to provider audits
- ⇒ Claims after 10/1/23 not reporting modifiers will be denied
- ⇒ This excludes contrast agents and radiopharmaceuticals

What you need to do:

- ⇒ Clearly document in the patient's report 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.

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- ⇒ 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

How to Submit Claims with JZ Modifier:

.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

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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

References:

For further details regarding these mandatory modifiers, click on the links below.

[Article - Billing and Coding: JW and JZ Modifier Billing Guidelines \(A55932\) \(cms.gov\)](#)

[*jw-modifier-faqs.pdf \(cms.gov\)](#)

[Federal Register: Medicare and Medicaid Programs; CY 2023 Payment Policies Under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies;](#)

[Medicare Shared Savings Program Requirements; Implementing Requirements for](#)

[Manufacturers of Certain Single-dose Container or Single-use Package Drugs To Provide](#)

[Refunds With Respect to Discarded Amounts; and COVID-19 Interim Final Rules](#)