SECTION 5: BILLING AND REIMBURSEMENT GUIDELINES

of the Professional Provider Office Manual

5.40 PHARMACEUTICAL WASTE

This is a subsection of Section 5: Billing and Reimbursement Guidelines of the *Professional Provider Office Manual*. If Blue Cross and Blue Shield of Louisiana (Louisiana Blue) makes any procedural changes, in our ongoing efforts to improve our service to you, we will update the information in this subsection and notify our network providers. For complete *Professional Provider Office Manual* information, please refer to the other sections of this manual. Contact information for all manual sections is available in the Manual Reference Section.

For member eligibility, benefits or claims status information, we encourage you to use iLinkBlue (www.lablue.com/ilinkblue), our online self-service provider tool. Additional provider resources are available on our Provider page at www.lablue.com/providers.

This manual is provided for informational purposes only and is an extension of your Professional Provider Agreement. You should always directly verify member benefits prior to performing services. Every effort has been made to print accurate, current information. Errors or omissions, if any, are inadvertent. The Member Contract/Certificate contains information on benefits, limitations and exclusions, and managed care benefit requirements. It also may limit the number of days, visits or dollar amounts to be reimbursed.

As stated in your agreement: This manual is intended to set forth in detail our policies. Louisiana Blue retains the right to add to, delete from and otherwise modify the *Professional Provider Office Manual* as needed. This manual and other information and materials provided are proprietary and confidential and may constitute trade secrets.

PHARMACEUTICAL WASTE

Louisiana Blue expects providers to avoid pharmaceutical wastage by appropriately using the most cost-effective vial or combination of vials to deliver a medically appropriate dosage to the member. There are two types of vials/packages:

- Single-dose: A drug or biologic package where only one dose can be taken for administration.
- Multi-dose: A drug or biologic package where more than one dose can be taken for administration.

Pharmaceutical waste refers to the amount of discarded drug or biologic not administered to any patient. A multi-dose vial/package will not be reimbursed for pharmaceutical waste; however, a single-dose vial/package may be eligible for reimbursement if the actual dose administered from a single-dose vial is more than the unit of measure represented by the HCPCS code.

For pharmaceutical waste to be eligible for reimbursement, the following criteria must be met:

- The administered dose plus the wasted dose must not exceed the vial/package amount.
- The administered dose must be more than the unit of measure represented by the HCPCS code.
- The drug or biologic package must not be available in a multi-dose form.
- The discarded drug or biologic must not be administered to another patient.
- The discarded drug or biologic must not be due to contamination, expiration, improper storage, improper administration, manufacturer defect, shipping damage or spillage/breakage.

The patient's record must have the following items documented:

- The amount of the drug/biologic administered to the patient along with the date and time it was administered.
- The amount of the drug/biologic discarded along with the reason for the wastage.

Modifier JW

The amount of pharmaceutical waste from a single-dose vial (SDV) should be reported on a separate line with Modifier JW to receive reimbursement.

For example, if 275 milligrams (mg) of a drug is administered, the HCPCS code indicates that 10 mg equals one billing unit. The drug is available in a single-use 150-mg vial. Therefore, the provider would bill 28 units of the HCPCS code on one claim line followed by two units of the HCPCS code with Modifier JW appended on the second claim line.

Or, if 80 mg of a drug is administered, and the HCPCS code indicates that 100 mg equals one billing unit. The drug is available in a single-use 100-mg vial. Therefore, the provider would bill one unit of the HCPCS code on one claim line, and the 20 mg of pharmaceutical wastage would not be billed separately since it would result in overpayment.

Minimizing Wastage

Louisiana Blue expects the provider to minimize wastage by using the most cost-effective vial/package or combination of vials/packages to deliver a medically appropriate dosage to the member.

For example, if the provider needs to administer 30 units of a drug where 10- and 50-unit, single-dose vials are available, the expectation is for the provider to use three of the 10-unit vials as opposed to one 50-unit vial. The first option would result in no wastage as opposed to the second option having 20 units of wastage.