



EFFECTIVE DATE: 06|05|2012

POLICY LAST REVIEWED: 11|05|2025

OVERVIEW

Blue Cross Blue Shield of Rhode Island (BCBSRI) follows CMS regulations regarding payment for discarded drugs. BCBSRI will pay for the discarded amount of a single-use drug/biological product after administering what is reasonable and necessary for the patient's condition. BCBSRI encourages providers to care for and administer to patients in such a way that they can use drugs or biologicals most efficiently, in a clinically appropriate manner. Additionally, CMS is requiring an informational only modifier to be used when there is no discarded drugs.

MEDICAL CRITERIA

Not applicable.

PRIOR AUTHORIZATION

Not applicable.

POLICY STATEMENT

Medicare Advantage and Commercial Products

Modifiers required for Single use vial or other single use package.

When a provider 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 patient, BCBSRI provides payment for the amount of drug or biological discarded, as well as the dose administered, up to the amount of the drug or biological as indicated on the vial or package label.

When processing claims for drugs and biologicals BCBSRI requires providers to use the JW modifier to identify the unused drug or biologicals from single use vials/packages that are appropriately discarded. The JW modifier should be billed on a separate line and will provide payment for the amount of discarded drug or biological.

For example, a single use vial that is labeled to contain 100 units of a drug has 95 units administered to the patient and 5 units discarded. The 95-unit dose is billed on one line, while the discarded 5 units may be billed on another line by using the JW modifier. Both line items would be processed for payment.

The JW modifier is only applied to the amount of 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.

For example, one billing unit for a drug is equal to 10mg of the drug in a single use vial. A 7mg dose is administered to a patient while 3mg of the remaining drug is discarded. The 7mg dose is billed using one billing unit that represents 10mg on a single line item. The single line item of 1 unit would be processed for payment of the total 10mg of drug administered and discarded. Billing another unit on a separate line item with the JW modifier for the discarded 3mg of drug is not permitted because it would result in overpayment. Therefore, when the billing unit is equal to or greater than the total actual dose and the amount discarded, the use of the JW modifier is not permitted.

- **Multi-use vials** are not subject to payment for discarded amounts of drug or biological.

- **The billing of drug waste** is appropriate only to a single-use vial or single-use package.
- **The provider must make a good-faith effort** to schedule patients so that the use of drugs is efficient and medically appropriate (unused portion of a drug package administered to another patient).
- **Any waste reimbursed by BCBSRI must not be** billed for use on any other patient.
- **Coverage does not apply** if the provider chooses to purchase larger packages (for a lower per-unit cost) when smaller, more appropriate packaging is available.

Providers who document discarded drugs in the medical record must note the date and time, amount of product used, amount of product wasted, and the reason for the waste.

When there is zero waste from a single dose vial or other single dose package, effective, July 1, 2023, the JZ modifier is required. When processing claims for drugs and biologicals, BCBSRI requires providers to use the JZ modifier to identify that zero amount was discarded/not administered to any patient from the drug or biologicals from single use vials/packages. The JZ modifier is appended to the drugs or biologicals HCPCS code charged.

COVERAGE

Benefits may vary between groups/contracts. Please refer to the appropriate member certificate/subscriber agreement for applicable drug/biological coverage/benefits.

BACKGROUND

The JW and JZ modifiers are a Healthcare Common Procedure Coding System (HCPCS) Level II modifier used on a claim to report the amount of drug or biological (hereafter referred to as drug) that is discarded and/or used and eligible for payment under the discarded drug policy. The modifiers shall only be used for drugs in single dose or single use packaging.

CODING

See above.

RELATED POLICIES

Medical Supply Wastage
Coding and Payment Guidelines Modifiers

PUBLISHED

Provider Update, November 2025
Provider Update, May 2023
Provider Update, March 2020
Provider Update, April 2018
Provider Update, Aug 2012

REFERENCES

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/JW-Modifier-FAQs.pdf>
<https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=55932>
Billing and Coding: JW and JZ Modifier Billing Guidelines

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