

### State of New Mexico Medical Assistance Program Manual

# Supplement



DATE: October 16, 2024 NUMBER: 24-17

TO: TO ALL PRACTITIONERS, FACILITIES, HOSPITALS, AND PHARMACY

PROVIDERS PARTICIPATING IN THE NEW MEXICO MEDICAID

**PROGRAM** 

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SUBJECT: BILLING AND CODING DISCARDED OR NO DISCARDED DRUGS AND

**BIOLOGICALS WITH A JW OR JZ MODIFIER** 

This supplement contains information on federal requirements where providers and suppliers report either the "JW" or "JZ" modifier on all claims for single-dose container or single-use packaged drugs and biologicals billed as HCPCS or CPT codes to the New Mexico Medicaid programs to determine discarded drug wastage or no discarded drug amounts. The "JW" modifier is a Healthcare Common Procedure Coding System (HCPCS) Level II modifier that is required to report an amount of discarded drug that may be eligible for payment when used for claims that are billed using single-dose medication vials. The "JZ" modifier is a HCPCS Level II modifier that reports that there are no discarded drug amounts from single-dose container drugs.

MODIFIER	SHORT DESCRIPTOR (28-character limit)	LONG DESCRIPTOR				
JW	Discarded drug not administered	Drug amount discarded/not administered to any patient				
JZ	Zero drug wasted	Zero drug amount discarded/not administered to any patient				

## INSTRUCTIONS FOR BILLING "JW" and "JZ" MODIFIERS ON DRUG ITEMS BILLED BY PHYSICIANS, HOSPITALS AND OTHER PROVIDERS AND SUPPLIERS

Effective July 1, 2023, providers are required to report the "JW" and "JZ" modifier on claims that bill for drugs being supplied in a single-dose container or package based on FDA-approved labeling and will not be

accepted for drugs that are from multiple-dose containers. These modifiers do not apply for drugs that are not separately payable for packaged Outpatient Prospective Payment System (OPPS) or Ambulatory Surgical Center (ASC) drugs, or drugs administered in Federally Qualified Health Centers (FQHC) or RHC facilities. This requirement for reporting the modifiers on all professional and institutional claims for physician administered or dispensed drugs and biologicals is encouraged to report the use of these drugs in the most efficient and clinically appropriate manner.

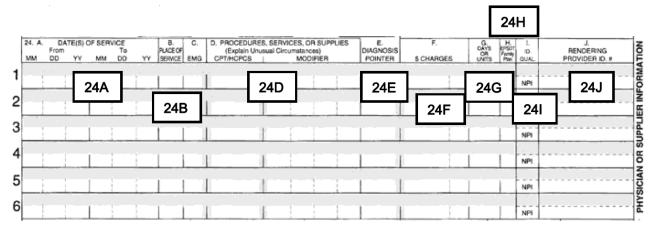
#### **CMS 1500 FORM**

Begin entering the NDC in the shaded area of box 24A when an NDC code is required for an administered drug item starting with a 2-digit qualifier "N4" followed by the 11-digit NDC code in the shaded area above the Dates of Service followed by 3 spaces, followed by one of the 2-digit Unit of Measure code and the number of units with up to three decimal places.

• The four (4) units of measure qualifiers are:

F2 - International Unit GR - Gram ML - Milliliter UN - Units

Enter the "JW" or "JZ" modifier in box 24D shown below:



#### Billing the JW and JZ Modifier

Claim form instructions can be found on the New Mexico Medicaid Portal website:

https://nmmedicaid.portal.conduent.com/static/ProviderInformation.htm#FormsPubs. Information can be found on the website for item numbers 24A-J on requirements to identify the services performed. In addition to entering an NDC, a valid HCPCS or CPT code and a "JW" or "JZ" modifier in 24D, the unit of service for the HCPCS or CPT code is also required in 24G. Units for injections must be billed consistent with the HCPCS or CPT description of the code.

#### Example 1: To submit claims for a waste-required claim, submit TWO complete claim lines.

#### Claim line #1:

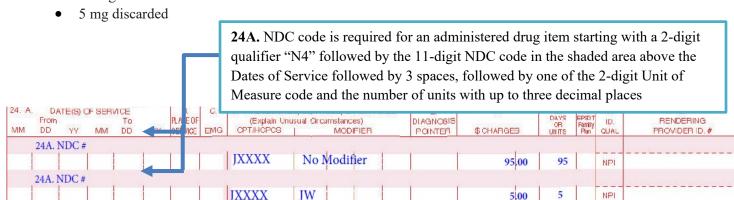
- HCPCS code for drug given
- No modifier
- Number of units given in the unit field
- Calculated submitted price for ONLY the amount of drug given

#### Claim line #2:

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

Documentation must clearly indicate the number of units administered and amount discarded in the patient's medical record.

- A provider or supplier uses a single-dose container that is labeled to contain 100 mg of a drug to administer 95 mg to the patient and 5 mg are discarded. The drug dose description is 1 mg per unit. The 95 mg dose is billed on one line, with the calculated submitted price for only the amount of the drug given, while the discarded 5 mg must be billed on another line with the JW modifier with the calculated submitted price for only the amount of the drug wasted. Both line items would be processed for payment.
- Drug code JXXXX
- Single-dose container 1 mg = 1 unit
- Labeled 100 mg
- 95 mg administered



When you administer a separately payable drug under Medicaid from a single-dose container and there are **no discarded amounts**, file a claim on one detail line using the JZ modifier:

Example 2: 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

A provider or supplier uses a single-dose container that is labeled to contain 100 mg of a drug to administer all 100 mg with nothing discarded. The drug dose description is 1 mg per unit. The claim line should be billed on one line showing the 100 mg dose using the JZ modifier attesting that there were not discarded amounts.

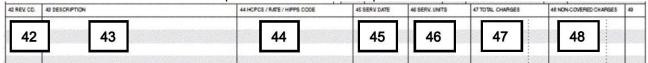
- Drug code JXXXX
- Single-dose container 1 mg = 1 unit
- Labeled 100 mg
- 100 mg administered
- Zero discarded

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JW modifier is not permitted when the actual dose of the drug administered is less than the HCPCS billing unit. In this situation, the billing provider or supplier would report administering the full billing unit along with the JZ modifier.

#### **UB-04 FORM**

A valid NDC must be entered in box 43, currently labeled as "description" and a 4-digit revenue code must be entered in form locator 42 and a HCPCS or CPT code must be entered in form locator 44 with the 2-digit modifier code "JW" or "JZ" after the procedure code with no spaces.



Claim form instructions can be found on the New Mexico Medicaid Portal website: https://nmmedicaid.portal.conduent.com/static/ProviderInformation.htm#FormsPubs. Information can be found on the website for item numbers 42-48 on requirements to identify services performed.

Medicaid Managed Care claims shall require the manufacturer assigned NDC identifier, a valid HCPCS or CPT code, a "JW" or "JZ" modifier, and the unit of service for the HCPCS or CPT. This provision is for the purposes of acquiring data and does not dictate pricing. Reimbursement logic is considered confidential based on contractual agreements between each MCO and their providers.

Questions regarding this Supplement can be directed to the Medical Assistance Division at MADInfo.HCA@hca.nm.gov.