



Clover Health Discarded Drugs and Biologicals Reimbursement Policy

Policy # RP-018

Policy Title	Clover Health Discarded Drugs and Biologicals Reimbursement Policy
Policy Department	Payment Strategy and Operations
Effective Date	1/1/2022
Revision Date(s)	1/1/2022
Next Review Date	

Disclaimer:

Clover Health applies CMS criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

Clover Health has created this policy to define the reimbursement for discarded drugs and biologicals for physicians, hospitals or other providers or suppliers. The need for discarding drugs and biologicals occurs when there is a remainder of a single use vial or other single use package after the dose or quantity of the drug has been administered. Clover Health applies CMS criteria and guidelines, National Coverage Determinations (NCD), and Local Coverage Determinations (LCD) when applicable.

Definitions:

- Discarded Drugs and Biologicals
 - For purposes of this policy, the remainder of a vial or other package of a drug or biological after administering a dose/quantity to a patient.



Clover Health Discarded Drugs and Biologicals Reimbursement Policy

Policy # RP-018

Policy:

Clover Health will reimburse physicians, hospitals or other providers or suppliers for the cost of discarded drugs and biologicals from single use containers where the patient dosage did not use the entire container. Clover Health will reimburse for these drugs up to the amount indicated on the vial or package label. Coverage will be limited to the smallest vial/package size available for purchase from the manufacturer which contains the appropriate dosage for the member, minimizing unnecessary wastage.

Providers should submit the drug/biological on two separate lines. One line showing the dosage administered to the patient and a second line including the drug/biological code with a required modifier JW appended to it for the discarded amount. Submission of a second line with JW modifier is not appropriate when the total dosage is less than one billing unit.

The only discarded drug contained in a multi use vial subject to payment is self administered erythropoietin stimulating agents (ESAs) used by Method I home dialysis patients. Reimbursement for these discarded drugs must be submitted with JW modifier for the amount appropriately discarded.

This exception only applies in cases where the patient must discard a portion of the ESA due to one of the follow reasons:

- expiration of the vial
- interruption in the patient's plan of care
- for unused ESAs on hand after a patient's death

Claim Codes

Modifier JW

- Drug amount discarded/not administered to any patient.

References

[Medicare Claims Processing Manual, Chapter 17, Sections 40-40.1](#)