Payment Policy

Pharmaceutical Waste

Purpose

The purpose of this payment policy is to define how Health Minuteman Health, Inc. (MHI) reimburses for pharmaceutical waste.

Applicable Plans

☒ MHI MA Plans
☒ MHI NH Plans

Definitions

For the purpose of this policy, pharmaceutical waste is medication that has been spilled, rejected for use by the patient, or otherwise cannot be returned to the pharmacy for reuse. It can be in the form of a pill, an oral liquid, an intravenous liquid or another form that is intended for patients to consume. Some of these wastes may cause environmental damage as well as injury to individuals who handle or manage these products.

Requirements

Commercial

MHI expects that any non self-administered drug/biologic dosage prepared from a single-dose vial (SDV) procured by the provider and administered to the member, be clinically appropriate for treating the member's condition and calculated in the most efficient manner to optimize utilization and minimize pharmaceutical waste. The Centers for Disease Control and Prevention defines an SDV as a 'vial of liquid medication intended for parenteral administration (injection or infusion) that is meant for use in a single member for a single case/procedure/injection. SDV's are labeled as such by the manufacturer and typically lack an antimicrobial preservation. When the actual dose of a covered drug/biologic administered from an SDV is less than the billing unit defined by a specific HCPCS code, the provider may bill MHI for the unused portion *up to the next HCPCS increment*. For example, the descriptor text for HCPCS code J2270 is 'injection morphine sulfate, up to 10 mg'. If the administered dose of this drug is 6 mg of a 10 mg SDV, the provider may bill the entire billing unit (1) without a separate line for the amount wasted. The provider should append the specific HCPCS code with a modifier JW to report any unused portion of a drug/biologic which is not administered to the member as it is considered to be pharmaceutical waste. In this scenario, the provider should report the HCPCS code for the administered drug/biologic on one line to include identification of the actual units administered to the member. The unused amount of pharmaceutical (discarded waste) is reported on a separate line of the same claim with the modifier JW appended to the specific HCPCS code. For example, if the descriptor text for HCPCS code J1650 is 'injection, enoxaparin

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sodium, 10 mg' and the administered dose of this drug is 60 mg of a 100 mg SDV, the provider should report six (6) billing units of J1650 as administered to the member, and on a separate line, the provider should report four (4) units with modifier JW appended to it.
The definition of 'multi-use vial' is a vial intended for use on multiple patients. The manufacturer states that the medication in the vial is good for a specified duration of time under certain storage-conditions defined in the manufacturers package insert (e.g., '72 hours once opened and if refrigerated'). The vial is used on multiple patients and discarded within the time frame designated by the manufacturer.

The claim for a patient receiving medication from a multi-use vial should indicate only the exact amount of the drug that was administered to the patient. The provider should bill with the specific HCPCS code.

MHI reimburses for wasted pharmaceuticals from a single-dose vial (not multi-dose) up to the next incremental HCPCS code, only when the waste is documented in the record by the clinician wasting the medication. This clinical entry into the medical record should specify drug name/amount of drug wasted/date/time and the chart entry should be signed and dated by the clinician or pharmacist wasting the medication.

MHI requires providers to submit the charges for pharmaceuticals by identifying specific HCPCS codes and increments within revenue codes 250-259, 630-633 and 636. MHI does not reimburse for any pharmaceuticals which are not administered to the patient and/or that are deemed contaminated, expired or considered waste due to spillage or breakage. MHI does not reimburse for drugs that are billed without using the most appropriate size vial, or combination of vials, to deliver the administered dose. For example, the descriptor for HCPCS code J9305, 'injection, pemetrexed, 10 mg (Alimta) is available in two vial sizes, a 500 mg vial and a 100 mg vial. The prescribed dose is 850 mg, and the dose administered is 850 mg. An *inappropriate* combination of vials would be 2 (500 mg vials) for a total of 1000 mg utilized to yield a dose prescribed to be administered, 850 mg. The most *appropriate* level of vials would be 1 (500 mg vial) and 4 (100 mg vials) for a total of 900 mg utilized to yield the dose prescribed to be administered, 850 mg.

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Authorization Requirements

Medications - For information about medications that require prior approval check the Drug Look up Tool on the "I'm a Member" Tab on MHI website www.minutemanhealth.org

Attachments

None

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Important Note About This Reimbursement Policy

Providers are responsible for submission of accurate claims. All EDI claims must be submitted in accordance with HIPAA 5010 Standards and Paper claims must be submitted on either CMS1500 or CMS1450 (UB04) claim forms. MHI's reimbursement policy includes the use of Current Procedural Terminology (CPT®[1]), guidelines from the Centers for Medicare and Medicaid Services (CMS), and other coding guidelines. Providers will be reimbursed based on the codes(s) that correctly describe the health care services provided.

MHI may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to MHI enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to, legislative mandates, the type of provider agreement and the terms of that agreement, the MHI Provider Manual, and/or the enrollee's benefit coverage documents.

MHI reserves the right to audit any provider and/or facility to ensure compliance with the guidelines stated in this payment policy in accordance with our provider review policy.

Resources

American Medical Association, Current Procedural Terminology (CPT®) and associated publications and services
MHI provider Manual

History

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[1] CPT® is a registered trademark of the American Medical Association.