

cmi_171649

Title	Drugs Administered in a Physician Office		
Number	CP.PP.410.v1.3		
Last Approval Date	02/04/25	Original Effective Date	04/14/19
Cross Reference	<ul style="list-style-type: none"> • <i>Modifier JW – Drug amount discarded/not administered to any patient and Modifier JZ – Zero drug amount discarded/not administered to any patient</i> • <i>National Drug Code (NDC) Billing Guidelines – Professional Claims</i> 		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

Purpose	To define the criteria used by the Plan to implement drug edits for physician or other healthcare professional administered drugs reimbursed under the medical benefit that are submitted on a CMS-1500 paper claim form or an 837P electronic claim form.
Scope	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premera Blue Cross HMO lines of business and products.
Policy	<p>Claim edits are being applied to drugs/medications that require professional administration by a physician or other qualified healthcare professional in the provider office or outpatient clinic setting and which are billed under the member's medical benefits.</p> <p>Drug edits which are implemented by the claim editors use criteria established and approved by the U.S. Food and Drug Administration (FDA) and other sources for the use of drugs administered in the physician office or outpatient clinic setting. Such criteria are contained in the drug manufacturer's prescribing information for the specific drug administered and are supported by Plan Medical or Pharmacy policies. The FDA package insert criteria can be accessed using the following links to search for the drug in question:</p> <p style="text-align: center;"> https://www.accessdata.fda.gov/scripts/cder/daf/ or Medication Guides (fda.gov) </p> <p>In addition, other nationally recognized drug information sources including, but are not limited to, Lexicomp and Lexi-Drugs, Micromedex DRUGDEX, Medi-Span, RJ Health, and others may also be consulted. (see References and Resources section in this policy)</p> <p>All drugs administered in the physician's office or outpatient clinic setting and billed on a professional claim form are required to be billed with an appropriate HCPCS series procedure code for the drug administered and an appropriate active National Drug Code (NDC) number for the administered drug in order to be considered for reimbursement.</p>

Codes/Coding Guidelines	Refer to the Payment Policies listed in the Cross Reference section of this policy for guidelines on how to correctly bill NDCs on professional claims as well as guidelines for billing drug wastage using Modifier JW.
Violations of Policy	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined at the Plan's sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
Exceptions	
Laws, Regulations & Standards	
References and Resources	<ul style="list-style-type: none"> • U.S. Food and Drug Administration (FDA) • Drug Manufacturer's Prescribing Information • Micromedex DRUGDEX • Lexicomp and Lexi-Drugs • Elsevier/Gold Standard Clinical Pharmacology • American Hospital Formulary Service Drug Information (AHFS DI) • National Comprehensive Cancer Network (NCCN) Drugs and Biologics Compendium • Medi-Span • RJ Health • International Classification of Diseases (ICD-10) Manual • Regional CMS Policies and Local Coverage Determinations

Policy Owner Review	Payment Integrity Oversight Committee	
Contact	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department	
Annual Review Dates	02/04/25; 03/04/24; 04/06/23; 10/13/22; 11/01/21; 11/04/20; 12/04/19; 12/06/18	
Version History	12/06/18	Initial creation of policy
	12/04/19	Annual Review; no changes
	11/04/20	Clarified the Purpose statement to indicate that the policy pertains to Professional services billed on a CMS-1500 paper or 837P electronic claim forms
	11/01/21	Annual review; no changes
	10/33/22	Annual review; no changes
	04/06/23	<ul style="list-style-type: none"> • Created a new section Codes/Coding Guidelines and referenced the policies noted in the Cross Reference section of this policy for coding and billing guidelines for NDC codes and drug wastage. • Added 2 new resources
	03/04/24	<ul style="list-style-type: none"> • In the Policy section, revised the third paragraph to include additional resources and a notation for References and Resources section of the policy

		<ul style="list-style-type: none"> • In the References and Resources section of the policy, additional resources were added
	02/04/25	<ul style="list-style-type: none"> • Annual review; no changes