**CMS Policy Update: July 01, 2023**

**Background:**The CY 2023 Physician Fee Schedule (PFS) final rule established a requirement that a new JZ modifier (Zero drug amount discarded/not administered to any patient) be reported when there’s NO discarded amounts.  The JZ modifier requirement applies to separately payable drugs under Part B that are supplied in a single-dose container or single-use package based on FDA-approved labeling.

* **Effective July 1, 2023, the new JZ modifier must be reported** on all claims that bill for separately payable drugs under Part B when there’s no discarded amount from single-dose containers or single-use packages.
  + The JZ modifier is required to attest that there were no discarded amounts and no JW modifier amount is reported.
* For the amount administered, the claim line should include:
  + The HCPCS code, describing the drug given,
  + The JZ modifier indicating there were no discarded amounts,
  + The number of units administered in the units’ field plus a charge amount.

* **There are no changes regarding the reporting of the JW modifier.**
* **The JW and JZ modifier policy does not apply for drugs that are not separately payable (i.e. packaged OPPS or ASC drugs).**
* **Why did CMS now establish a policy for the JW and JZ modifiers (discarded drug policy)?**
  + **CMS said that because of low compliance with JW modifier use (leading to incomplete JW modifier data) *and because the discarded drug refund amounts from the manufacturers to CMS rely on this data*, they established a new modifier starting no later than July 1, 2023, the JZ modifier, to be required on claims for single-dose container drugs to attest when there are no discarded amounts.**

**JZ Modifier Phase-In:**

* **January 1, 2023**: JZ modifier may be reported (not required).
  + **July 1, 2023**:  Providers and suppliers are **required** to report the JZ modifier on all claims that bill for drugs from **single-dose or single-use** containers that are separately payable under Medicare Part B when there are **no discarded amounts**. **Claims that bill for drugs furnished on or after July 1, 2023, that do not report the JW or JZ modifier may be subject to provider audits.**
* **October 1, 2023**: Beginning on and after October 1, 2023, claims for drugs from single-dose containers that do not use the modifiers as appropriate may be returned as un-processable until claims are properly resubmitted.