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| Title | Drug and Biologic Edits for Drugs Administered in a Physician Office or in an Outpatient Facility Clinic | | |
| Number | CP.PP.410.v1.4 | | |
| Last Approval Date | 02/06/26 | 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> • <i>National Drug Code (NDC) Billing Guidelines – Outpatient Facility 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.

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| Purpose | To define the criteria used by the Plan to implement drug edits for administered drugs submitted on professional or facility claims. |
| 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>Drug and Biologic (D&B) claim edits are currently being applied to drugs/medications which are administered by a physician or other qualified healthcare professional in a provider office or in an outpatient clinic setting and which are processed under the member's medical benefits.</p> <p>Effective on claims with dates of service December 5th, 2025, and after, D&B claim edits will also be applied to drugs/medications which are administered in an outpatient facility setting and which are processed under the member's medical benefits.</p> <p>D&B edits which are implemented by the claim editors use criteria established and approved by the United States Food and Drug Administration (FDA) and other sources for the use of drugs/biologics administered in the physician office or in an outpatient facility setting. Such criteria are contained in the drug manufacturer's prescribing information package insert for the specific drug administered and are supported by the Plan's 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;"> Drugs@FDA: FDA-Approved Drugs or Medication Guides (fda.gov) </p> <p>In addition, other nationally recognized drug information sources utilized by these edits include, but are not limited to, Lexicomp and Lexi-Drugs, Micromedex DRUGDEX, Medi-Span, RJ Health, and others.</p> <p>All drugs/biologics administered are required to be billed with an appropriate HCPCS series procedure code for the drug/biologic administered and an appropriate active National Drug Code (NDC) number in order to be considered for reimbursement.</p> |

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| | Refer to the Payment Policies listed in the Cross Reference section of this policy for guidelines on how to correctly bill NDCs on professional and outpatient facility claims as well as guidelines on how to correctly code for administered and wasted portions of a drug using modifiers JZ and JW respectively. |
| Codes/Coding Guidelines | |
| Violations of Policy | 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 by the plan. |
| Exceptions | Exceptions to the policy may be made where a provider or employer group contract dictates otherwise |
| 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 • National Drug Codes List • Medi-Span • RJ Health • International Classification of Diseases (ICD-10) Manual • Regional CMS Policies and Local Coverage Determinations |

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| 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 | 02/06/26; 08/04/25; 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 |

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| | 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 • 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 |
| | 08/04/25 | <ul style="list-style-type: none"> • Revised Policy Title Revised the Policy statement to now include D&B edits being applied to drugs and medications billed on a facility claim, effective with claim dates of service on and after December 5th, 2025 |
| | 02/06/26 | Annual review; added National Drug Codes List resource |