

Security Health Plan enforces drug waste policies for all product lines

Over the past several years, Security Health Plan has been implementing payment policies that reflect guidelines set forth by industry authorities. Our goal is to process claims consistently and per best practice standards. Beginning with claims processed on or after October 1, 2025, for all product lines, we will be instituting two new payment policies for drug wastage.

The first policy will require the use of the JW/JZ modifiers based on CMS Policy. When a drug that is supplied in single-dose containers is administered, one of the drug wastage modifiers must be present on the claim:

- JW: Drug amount discarded/not administered to any patient
 - Claims with JW should be billed with two service lines. One line with no JW modifier and the number of units administered in the units field. The second line should contain the JW modifier and the number of units discarded in the units field.
- JZ: Zero drug amount discarded/not administered to any patient
 - Claims with JZ are billed on a single line with the JZ modifier and the number of units administered in the units field.

In situations where a single-dose container drug is billed without modifier JZ or JW, the applicable drug line and associated administration fees will be denied. Additionally, if a claim with the JW is billed but is missing the claim line for the same medication without the JW modifier, the drug line and associated administration fees will be denied.

For more information on the use of JW and JZ modifiers, see Medicare's [Discarded Drugs and Biologicals – JW Modifier and JZ Modifier Policy Frequently Asked Questions](#).

The second policy requires providers to use the smallest vial size or combination of vials that would provide the appropriate dosage for the member and produce the smallest amount of waste. If a larger vial is used unnecessarily, drug wastage lines will be denied.

As a reminder, for drugs authorized through Prime Therapeutics, the authorization includes vial size in the calculation of the approved dosage. This means that the units approved, for the appropriate dosage, already include any potential drug waste for each administration. Therefore, if a larger-than-necessary vial size is used, Prime Therapeutics will also deny the waste line as exceeding authorized units.