



J Codes Over-Billing Schemes

Chief Business Office Purchased Care
Department of Program Integrity (DPI)

October 2013

Objectives

- **Learn the meaning of J codes**
- **Recognize four common J code over-billing schemes**
- **Realize these same schemes may apply to other drugs**

What Are J Codes

- **Definition of J Codes**
 - **J Codes are the Healthcare Common Procedure Coding System (HCPCS) codes for injection of drugs**

Example Schemes

This chart shows over-billing related to four drugs along with the J codes which identify each.

| DRUG | CODE |
|------------------|--------------|
| Herceptin | J9355 |
| Privigen | J1459 |
| Epogen | J0885 |
| Humira | J0135 |

Herceptin

- **Herceptin is an expensive breast cancer drug**
 - **Costs approximately \$4,000 per vial**
 - **The vial has a 28 day shelf life**
 - **There are 44 units per vial**
 - **The scheme involves billing for the entire vial or vials whether used or not**

Privigen

- **Privigen is an immune globulin used to treat immune deficiency**
- **Normally comes in 50 ml, 100 ml, and 200 ml vials**
- **A typical case of over-billing involves using a 200 ml vial when a 150 ml is prescribed instead of a 50 ml and a 100 ml vial to increase the cost**

Claim Example

This example shows billing for a 50 milliliter and a 100 milliliter vial.

| 24. A. | DATE(S) OF SERVICE | | | | | | B. PLACE OF SERVICE | C. EMG | D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) | | | | E. DIAGNOSIS POINTER | F. \$ CHARGES | G. DAYS OR UNITS | H. EPSDT Family Plan |
|--------|--------------------|----|----|----|----|----|---------------------------|-----------|---|----------|--|--|----------------------------|------------------|---------------------------|-------------------------------|
| | From | To | | | | | | | CPT/HCPCS | MODIFIER | | | | | | |
| MM | DD | YY | MM | DD | YY | | | | | | | | | | | |
| 07 | 05 | 13 | 07 | 05 | 13 | 11 | | J1459 | | | | | 366 | 00 | 10 | |
| 07 | 05 | 13 | 07 | 05 | 13 | 11 | | J1459 | | | | | 732 | 00 | 20 | |

This example shows billing for the 200 milliliter vial.

| 24. A. | DATE(S) OF SERVICE | | | | | | B. PLACE OF SERVICE | C. EMG | D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) | | | | E. DIAGNOSIS POINTER | F. \$ CHARGES | G. DAYS OR UNITS | H. EPSDT Family Plan | I. ID. QUAL. |
|--------|--------------------|----|----|----|----|----|---------------------------|-----------|---|----------|--|--|----------------------------|------------------|---------------------------|-------------------------------|--------------------|
| | From | To | | | | | | | CPT/HCPCS | MODIFIER | | | | | | | |
| MM | DD | YY | MM | DD | YY | | | | | | | | | | | | |
| 07 | 05 | 13 | 07 | 05 | 13 | 11 | | J1459 | | | | | 1,464 | 00 | 40 | NPI | |

Epogen

- **Epogen is used to treat anemia in dialysis patients**
- **Epogen is very expensive**
- **A small volume adheres to the inside of the vial and cannot be withdrawn**
- **Epogen manufacturers fill the vial with 11 % “overflow” at no charge**

Humira

- **Used for treatment of rheumatoid arthritis**
- **1 injection every other week**
- **2 injections for 28 days**
- **Over-billed as 2 injections for 2 days**

Conclusion

- **J codes definition**
- **Billing schemes for J Codes; Herceptin, Privigen, Epogen, and Humira**
- **Similar schemes may apply to other J codes**
- **Billing for more of the drug than what was actually prescribed**
- **Review of documentation to determine the actual amount of medication given**

References

Veterans Affairs manages several health care programs that reimburse private health care providers for caring for our Veterans and their eligible family members. Unfortunately these health care programs have a different statutory and regulatory authority, which creates diverse payment methodologies. The majority of VA health care programs utilize Medicare's payment methodologies or something very similar.

Therefore, providers and facilities that utilize Medicare's billing and coding guidelines will greatly minimize claim delays or rejections as a result of the Program Integrity Tools fraud and abuse review.

The following Medicare link is an excellent source of billing and coding guidance for all providers and facilities:

Medicare Claim Processing Guide

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf>