

Managed Care Decoded:
Winning Strategies for Oncology
Billing & Audits


Peter Mertens, MBA, CPhT

Pharmacy Audit and Compliance Manager
Texas Oncology

Jacqueline Caban, MPA

Manager of Patient Assistance Programs
Bon Secours Mercy Health

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OBJECTIVES

- Discuss accurate billing practices for Part B medications, including oral oncolytics and IV therapies, to ensure compliance with payer requirements.
- Recognize CMS and commercial payer contracting, reimbursement strategies, and policy variations to optimize managed care billing in oncology.
- Identify common audit triggers in oncology billing and their effects on compliance risks and claim denials.
- Outline effective audit response strategies as they relate to auditor expectations, required documentation, and best practices for appeals.

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DISCLOSURES

There are no relevant conflicts of interest to disclose for this presentation for the following faculty and reviewers of this CE activity:

- Peter Mertens, MBA, CPhT
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- Daisy Doan, PharmD

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Oral Oncolytic Billing

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Overview of Oral Oncolytic
Part B Medications

- Medicare Part B pays for 80% of medication costs.
- Patient coinsurance for 20% after the annual deductible has been met.
- Medicare Supplemental plans may cover the 20% OOP*
 - Starting in 2020 it cannot be applied toward the annual Medicare deductible.
- Medication coverage is dependent on a valid diagnosis.
- The medication refill date is 7 days or less prior to the last fill.


Medication.gov: <https://www.medicare.gov/coverage/medication-drugs-coverage>. Accessed April 2025.

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Oral Oncolytic Part B Medications


| | | |
|---|--|--|
| Oral Oncolytics <ul style="list-style-type: none">• Capecitabine• Temozolomide• Etoposide• Cyclophosphamide• Melphalan | Transplant/ Immunosuppressives <ul style="list-style-type: none">• Tacrolimus• Sirolimus | Antiemetics (That are part of the regimen) <ul style="list-style-type: none">• Aprepitant• Ondansetron |
|---|--|--|




Medicare.gov: <https://www.medicare.gov/coverage/medicare-drug-coverage>. Accessed April 2025.
CMS: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovData/Downloads/PDRCoverage_022005.pdf. Accessed April 2025.

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Common Billing Errors for Oral Oncolytics



- Billing Medicare B for self-administered medications that do not meet their criteria
- Using the incorrect HCPCS code (ICD-10)
- Submitting a claim with missing or incorrect information
- Verify if the patient has a Medicare B supplemental plan to cover Part B (Out of Pocket) OOP cost
- Filing for more than 1 month at a time
- Duplicate claim submission
- Oral anti-emetics should be used as a replacement for IV administration if billed under Part B
- Medication is filled outside the 7-day window




HCPCS, healthcare common procedure coding system; OOP, out-of-pocket.
CMS: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovData/Downloads/PDRCoverage_022005.pdf. Accessed April 2025.


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Best Practices for Billing Success

- The script and label must match
- The script should reflect what is on the patient's chart (clean script)
- During a Part A-covered nursing home stay, prescription drugs are covered by Part A, not Part D
 - If a patient is entering a nursing home or transitioning from another setting, their plan must provide a 31-day emergency supply of medications while an exception request is processed
 - Also applies to patients in rehab for over 30 days
- If a Medicare Part B refill is mailed out, a medication refill form is required by CMS to be filled out and maintained in a file by the pharmacy (see example)
- Billing must occur on the date of sale



Medication Refill Request form example showing fields for Patient, Date, Medication, Quantity, and Refill Request.



Medicare.gov: <https://www.medicare.gov/coverage/medicare-drug-coverage>. Accessed April 2025.

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QUESTION 1

What is the most appropriate step if the directions on an oral oncolytic e-script are unclear?

a. Fill out the prescription and clarify later

b. Annotate the e-script with your best guess

c. Get a new e-script, but if not practical, contact the prescriber, annotate, and initial/date

d. Submit a prior authorization instead

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IV Chemotherapy Billing

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Medical Infusion Billing Overview

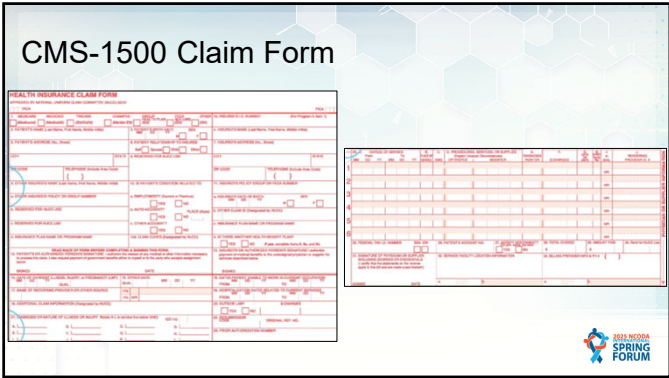
CMS-1500

UB-04

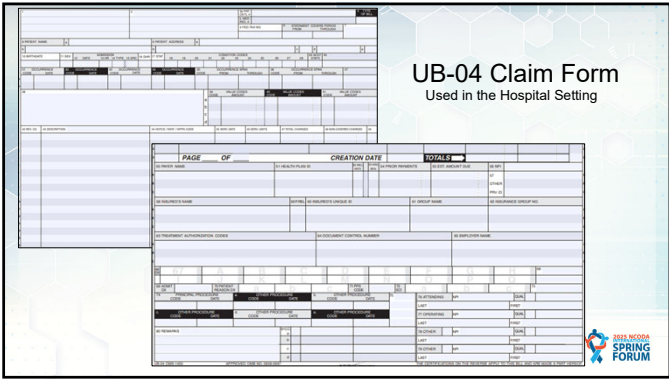
Medical Billing and Coding. <https://www.medicallifegandcoding.org/hcpes-modifiers/>. Accessed April 2025.

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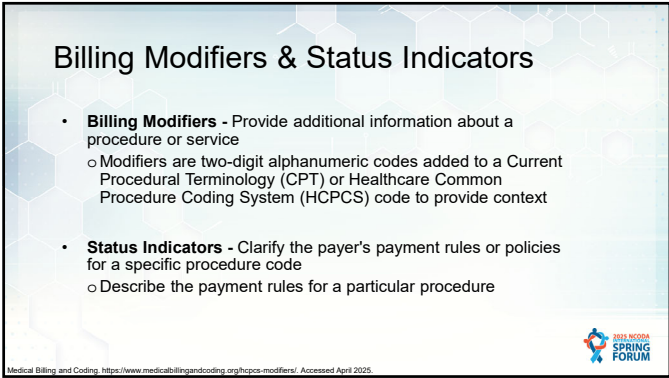
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Common HCPCS Modifiers in Oncology Billing

HCPCS J-Codes (Drug Codes)


- **Definition:** J-codes are part of the HCPCS Level II code set used to identify injectable drugs and infused chemotherapy agents
- **Example:** J9190 – Injection, fluorouracil, 500 mg
- **Use:** Required for billing Medicare and commercial payers for drugs administered in clinical settings



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Billing Modifiers Definitions


| Modifier | Definition | Purpose |
|----------|---|--|
| JG | Drug acquired with 340B discount | Required on institutional claims (before 1/1/25) |
| TB | 340B-acquired drug (effective 1/1/25) | Replaces JG under OPPS for Medicare |
| JW | Drug amount discarded | Reports wastage from single-use vials |
| JZ | No drug wastage | Required when no leftover drug remains |
| K | Status Indicator – Non-pass-through drug Outpatient Prospective Payment System (OPPS) | Affects how CMS reimburses hospitals |
| G | Status Indicator – Pass-through drug (OPPS) | Temporarily reimbursed separately from ambulatory payment classifications (APC) bundle |



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New Technology Add-on Payment (NTAP)

The New Technology Add-on Payment (NTAP) program provides additional Medicare reimbursement to hospitals for certain new, high-cost medical services and technologies that are not fully compensated by the standard Medicare Severity-Diagnosis Related Group (MS-DRG) payments




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340B Drug Pricing Program

What is the 340B Program?

- A federal program that allows eligible hospitals and clinics to purchase outpatient medications at discounted prices from manufacturers
- Intended to stretch scarce federal resources, allowing providers to:
 - Serve more eligible, low-income patients
 - Deliver comprehensive care
 - Reduce financial burden on the healthcare system

American Hospital Association <https://www.aha.org/fact-sheets/fact-sheet-340b-drug-pricing-program> Accessed April 2025



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340B Eligibility Review

Who Qualifies for 340B?
Covered entities must meet eligibility requirements regulated by HRSA (Health Resources and Services Administration)

Common Eligible Entities:

- Federal grantee organizations
- Disproportionate Share Hospitals (DSH)
- Must serve a high volume of low-income or indigent patients
- Critical Access Hospitals (CAHs)
- Sole Community Hospitals (SCHs)
- Rural Referral Centers (RRCs)

American Hospital Association <https://www.aha.org/fact-sheets/fact-sheet-340b-drug-pricing-program> Accessed April 2025




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QUESTION 2

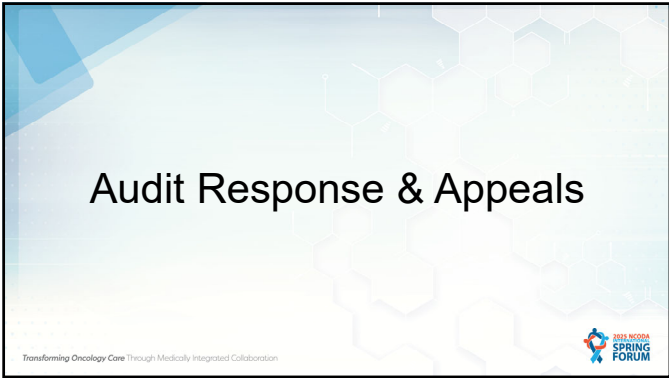
Which modifier should be used on claims for 340B drugs to indicate discounted acquisition cost after January 1, 2025?

- a. JW
- b. TB
- c. JG
- d. NTAP

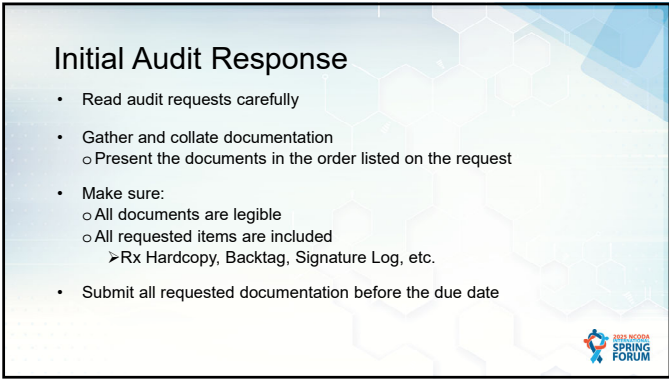
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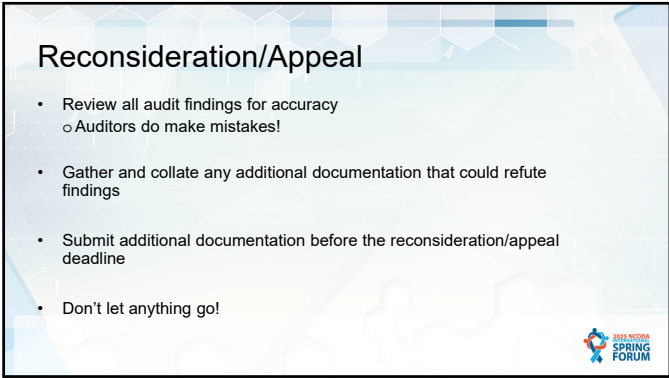
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Audit Triggers

High \$\$ Claims

Quantity Dispensed & Day Supply


Excessive Dispense As Written (DAW) >0

Drug Mix

Reversals

Member or Plan Sponsor Referrals


Random Selection



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What Causes Audit Citations?


- Differences between what is on the prescription and what is on the computer prescription label
- Failure to comply with requirements outlined in the pharmacy benefits manager (PBM)'s provider manual
- Failure to comply with legal requirements
- Failure to follow manufacturer/FDA requirements (Storage, Risk Evaluation and Mitigation Strategy (REMS))



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Keys to Successful Audit Outcomes


- Everything on the pharmacy label should match the e-script:
 - Prescriber, Patient, Drug/Strength, Directions, DAW, Quantity, Calculable Days Supply
- If anything is not going to match, it's best to get a new e-script
 - As Directed, Incorrect Quantity, Confusing Directions
- When a new e-script is not possible, annotation of the e-script is acceptable
 - Date and initial any annotations
- If any overrides are used (i.e. Vacation Supply), document the reason on the e-script



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Correct Annotation

- When annotating an e-script, be sure that it is initialed and dated (the date of the original fill)
- Example:** 9/12/24 – verified with Dr. Smith that TDD = 8mg – PJM
- Annotation vs clean script




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QUESTION 3

Which of the following scenarios is most likely to result in an audit citation during a PBM or payer review?

- a. Label instructions exactly match the original e-script and all documentation is complete
- b. A prescription is filled and shipped despite a mismatch between the prescriber's directions and the label, with no annotation
- c. A specialty drug is stored according to REMS and temperature requirements
- d. PBM provider manual guidance is followed when choosing the billing NDC



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Audit Triggers & Red Flags



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PX INFO:
Palbociclib Oral 100 mg tablet (Tablet)
Written Date
NDC Sent: 00069-0486-07
NDC used: 00069-0486-07 IBRANCE 100 MG TABLET
DAM: No
Quantity: 1
Directions: 1 capsule orally every day, on days 1-21 of each 28-day cycle. Take whole with water and Food, at the same time each day.
Refills: 6
Comments:

**TAKE 1 TABLET BY MOUTH DAILY ON DAYS
1-21 OF EACH 28-DAY CYCLE.**

Qty: 21 IBRANCE 100 MG TABLET
Substituted for: IBRANCE 100 MG TABLET
MFG: PFIZER US PHARM DISCARD 01/10/25
00069-0486-03 Safety Caps: Yes Fills Remaining: 4 REFILLS

Examples are provided from Texas Oncology Pharmacies and deidentified

OptumRx Pharmacy Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025.
<https://optumrx.pharmacymanual.com/>

Prime Therapeutics, Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025.
https://www.edmetheraphy.com/documents/willmetts-therapeutic-drug-manual-pharmacy-providers.pdf?ac505_1

[illegible]

RX INFO:
Dexamethasone Oral 4 mg tablet (Tablet)
Written Date:
NDC Sent: 60219-2043-01
NDC Used: 60219-2043-01 DEXAMETHASONE 4 MG TABLET
DAW: NO
Quantity: 30
Directions: 20 mg orally As Directed. Take 12 and 6 hours prior to paclitaxel.
Refills: 3
Comments:

Examples are provided from Texas Oncology Pharmacies and deidentified

OptumRx. Optum Rx Pharmacy Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025. <https://professional.optumrx.com/content/dam/healthplan/uhf/uhf-provider-manual/uhf-rx-pharmacy-provider-manual.pdf>

Prime Therapeutics. Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025. <https://www.athenahealth.com/documents/prime-therapeutics-pharmacy-provider-manual-january-2025.pdf>

[illegible]

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RX INFO:
Cabometyx (Cabozantinib Oral (Cabometyx)) 40 mg tablet (Tablet)
Written Date:
NDC Sent: 42388-0025-26
NDC Used: 42388-0025-26 Cabometyx (Cabozantinib Oral (Cabometyx)) 40 mg tablet
DAN: No
Quantity: 30
Directions: 1 tablet orally every day, 1 PO EVERY OTHER DAY
Refills: 5
Comments:

```

TOME 1 TABLETA POR LA BOCA CADA OTRO DIA
 Qty: 15 CABOMETYX 40 MG TABLET
 Substituted for: CABOMETYX 40 MG TABLET
 MFG: EXELIXIS, INC. DISCARD 01/22/25
 42388-0025-26 Safety Caps: Yes Fills Remaining: 3.5 REFILLS

Examples are provided from Texas Oncology Pharmacies and deidentified

Oxymetol. Oxymetol Rx Pharmacy/Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025. <https://oxymetolrx1.gst.com/oxymetolrx1/oxymetolrx1-pharmacy-provider-manual-rev-01-2024>

Prima Therapeutics. Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025. <https://www.primateherapeutics.com/sites/default/files/2025-01/Prima%20Pharmacy%20Manual%20January%202025.pdf>



```

RX INFO:
Cabometyx (Cabozantinib Oral (cabometyx)) 60 mg tablet (Tablet)
Written Date:
Effective Date:
NDC Sent: 42388-0023-26
DAW: No
Quantity: 30
Days supply:
Directions: 60 mg orally daily. Take on an empty stomach.
Refills: 5
Comments:

```

TAKE 1 TABLET BY MOUTH DAILY ON EMPTY STOMACH

Qty: 30 CABOMETYX 60 MG TABLET

Substituted for: CABOMETYX 60 MG TABLET

MFG: EXELDIX, INC. DISCARD

42388-0023-26 Safety Caps: Yes **Fill** remaining 6 REFILLS

OptumRx Pharmacy Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025.
<https://optumrx.pharmacymanual.com/>

Prime Therapeutics, Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025.
<https://www.edmetheraphy.com/documents/willmetts-therapeutic-substance-provider-manual-jan2025>

[illegible]

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RX INFO:
TBO-Flilgrastim (Granix) 480 MCG/0.8 ML DISP.SVRIN (Milliliter)
Written Date:
Effective Date:
NDC Sent: 63459-0912-11
DAW: No
Quantity: 14
Days Supply:
Directions: 480 MCG IV DAILY
Refills: 0
Comments:
<beginScript>Item Description:TBO-Flilgrastim (Granix) 480
MCG/0.8 ML DISP.SVRIN,Qty:14 Milliliter<endScript>

```

**INJECT CONTENTS OF SYRINGE
SUBCUTANEOUSLY DAILY**

Qty: 11.2 GRANIX 480 MCG/0.8 ML SAFE SYR
Substituted for: GRANIX 480 MCG/0.8 ML S.
MFG: CEPHALON, INC.-T DISCARD 01/24/25
63459-0912-11 Safety Caps: Yes Fills Remaining: NO REFILLS

OptumRx. Optum Rx Pharmacy Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025. <https://professionals.optumrx.com/content/dam/uhm/docs/assurances/uhp-provider-manual/optum-rx-pharmacy-provider-manual.pdf>

Prime Therapeutics. Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025. <https://www.prime-therapeutics.com/locations/uhm/uhm-manual-prime-therapeutics-provider-manual-jan-2025/>

[illegible]

RX INFO:
Axitinib Oral 1 mg tablet (Tablet)
 Written Date:
 Effective Date:
 NDC Sent: 00069-0145-01
 DAW: No
 Quantity: 240
 Days Supply:
 1 mg orally every 12 hours. Take whole with water,
 with or without food, at the same times each day.
Total daily dose is 10 mg.
 Refills: 5
 Comments:
 <BeginScript>Item Description: Axitinib Oral 1 mg TabletQty
 units:240 Tablet Primary Diagnosis: ICD10:C641<EndScript>

Oxymetol. Oxymetol Rx Pharmacy/Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025. <https://oxymetolrx1.gst.com/oxymetolrx1/oxymetolrx1-pharmacy-provider-manual-rev-2024-01-01>

Prima Therapeutics. Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025. <https://www.primateherapeutics.com/sites/default/files/2025-01/Prima%20Pharmacy%20Manual%20January%202025.pdf>



```

RX INFO:
Dasatinib oral 50 mg tablet (Tablet)
  Written Date: 02/19/2025
  Effective Date:
  NDC Item: 60505-3629-06
  DAW: No
  Quantity: 60
  Days Supply: 30
  Directions: 1. 1 tablet orally 2 times per day. 1 tablet orally 2
times per day. Take whole with water. Take antacids 2
hrs before or 2 hrs after each dose. Do not take
H2-antagonist or PPI.
  Refills: 3
  Comments:
DAWI Brand Med Necessary
<beginScript>Item

```

Examples are provided from Texas Oncology Pharmacies and deidentified

- OptumRx. Optum Rx Pharmacy Provider Manual. UnitedHealth Group. Published 2024. Accessed April 15, 2025. <https://pharmacymanual.optumrx.com/docs/default-source/pharmacy-manual-for-providers.pdf>
- Pfizer Therapeutics. Pharmacy Provider Manual January 2025. Published January 2025. Accessed April 15, 2025. <https://www.pfizertherapeutics.com/VirtualAssets/SiteAssets/Documents/pfizer-pharmacy-provider-manual-2025-1>

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Date: 1/20/2023
TAKE 1 CAPSULE BY MOUTH DAILY FOR 21 DAYS, THEN OFF FOR 7 DAYS.
Qty: 21 POMALYST 4 MG CAPSULE
Substituted for: POMALYST 4 MG CAPSULE
MFG: CELGENE/BMS DISCARD 01/20/24
59572-0504-21 Safety Caps: Yes Fills Remaining: NO REFILLS

| | | | | | |
|--|--|-----------|------|-----------|--|
| Store: T02B14 | | Yan 51726 | | Customer: | |
| Code: Feb 14 2021 07:00:27 Pts Redeemed 0 | | Code: | | Name: | |
| PRI: REGULAR EFF: Cur Pts Before Tm 0 | | | | Street: | |
| Time: Reg Save Earned Pts Today: 0 / 217.9 | | | | City: | |
| C: SAUCEUR JESUS D-Tuesday Stop: 17:00:42 | | | | Postal: | |
| | | Qty: | Unit | Item | |
| 51 PRESCRIPTION | | 1.000 | 0.00 | 0.00 | |
| Rr Reference: 10444356 | | | | | |
| Rr Number: | | | | | |
| J | | | | | |
| Signature | | COVID 64 | | | |

Examples are provided from Texas Oncology Pharmacies and deidentified

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RX INFO:
Idhifa (Enasidenib oral) 100 mg tablet (Tablet)
 Written Date:
 Effective Date:
 NDC Sent: 59572-0710-30
 DAW: NO
 Quantity: 21
 Days Supply: 21
Directions: 1 tablet orally daily. 1 Tablet PO QD
 during induction
 Refill: 5
 Store at 20°C-25°C (68°F-77°F)

Store at 20°C-25°C (68°F-77°F); excursions permitted between 15°C-30°C (59°F-86°F) [see USP Controlled Room Temperature]. Keep the bottle tightly closed. Store and dispense in the original (with a desiccant canister) to protect from moisture.

TAKE 1 TABLET BY MOUTH ONCE DAILY (ON
DAYS 8-28 DURING INDUCTION)


Qty: 21 IDHIFA 100 MG TABLET
Substituted for: IDHIFA 100 MG TABLET
MFG: CELGENE/BMS DISCARD 09/06/25
59572-0710-30 Safety Caps: Yes Fills Remaining: 3 REFILLS

Examples are provided from Texas Oncology Pharmacies and deidentified

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Packaging & Days Supply (cont.)

- If a prescription is written for a lower than usual dose of a drug that must be dispensed in its original packaging, causing the days supply to be greater than 30 days:
 - Call the PBM for an override
 - If the PBM won't give an override, fill for the full package size using 30 days supply (Be sure to get a new e-script with the full pack quantity)
 - Annotate the e-script and document that the PBM refused the override
- There are typically no recoupments for incorrect days supply. A recoupment will only happen if the next refill is filled too early as a result of the incorrect days supply.




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QUESTION 4

Which of the following is a common reason for audit recoupment in oral oncolytic billing?


- a. E-script was printed in color
- b. Prescriber's name was abbreviated
- c. Inappropriate quantity for the billed package size
- d. NDC code matched package insert

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SUMMARY

- **Accurate billing prevents audits**
 - Ensure claims for oral and IV Part B medications are complete, legible, and aligned with payer policies.
- **Documentation is your defense**
 - Audit-proof your practice with clear annotations, signature logs, and supporting documentation tied to each claim.
- **Know your modifiers**
 - Use correct 340B billing modifiers (e.g., JG → TB in 2025), and accurately document discarded drugs using JW/JZ.
- **Identify red flags early**
 - Watch for common audit triggers like mismatched days supply, excessive DAW use, or unclear directions.
- **Fight for every dollar**
 - Always review audit results and submit reconsiderations or appeals with additional documentation—don't let recoupments go uncontested.

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QUESTION & ANSWER

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Pharmacy Audit and Compliance Manager

Jacqueline Caban, MPA
Manager of Patient Assistance Programs

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CE CODES

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