

**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

Transforming Oncology Care Through Medically Integrated Collaboration



1

---

---

---

---

---

---

---

---

**How to Claim Your CE Credit**

For CE credit, please visit:  
<https://www.lecturepanda.com/r/2025NCODASpringForum>

- Credit requirements must be completed within 60 days of the program activity date.
- Upon completion, credit will be transmitted electronically to ACPE.
- All transmitted credit will be viewable in your CPE Monitor profile within 24 hours.
- CE codes will be displayed at the end of the presentation and will not be redistributed after this presentation.



Transforming Oncology Care Through Medically Integrated Collaboration



2

---

---

---

---

---

---

---

---

**OBJECTIVES**

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

Transforming Oncology Care Through Medically Integrated Collaboration



3

---

---

---

---

---

---

---

---

**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
- Jacqueline Caban, MPA
- Taryn Newsome, CPhT
- Tahsin Imam, PharmD
- Daisy Doan, PharmD

Transforming Oncology Care Through Medically Integrated Collaboration



4

---

---

---

---

---

---

---

---

**Oral Oncolytic Billing**

Transforming Oncology Care Through Medically Integrated Collaboration



5

---

---

---

---

---

---

---

---

**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.

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



6

---

---

---

---

---

---

---

---



**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

Transforming Oncology Care Through Medically Integrated Collaboration



10

---

---

---

---

---

---

---

---

## IV Chemotherapy Billing

Transforming Oncology Care Through Medically Integrated Collaboration



11

---

---

---

---

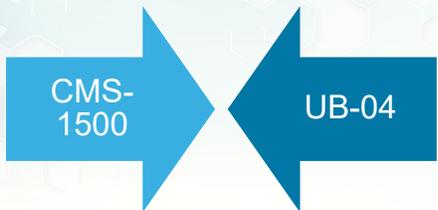
---

---

---

---

## Medical Infusion Billing Overview



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



12

---

---

---

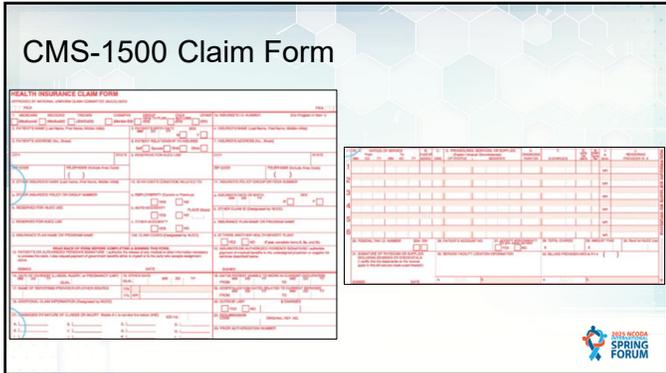
---

---

---

---

---



13

---

---

---

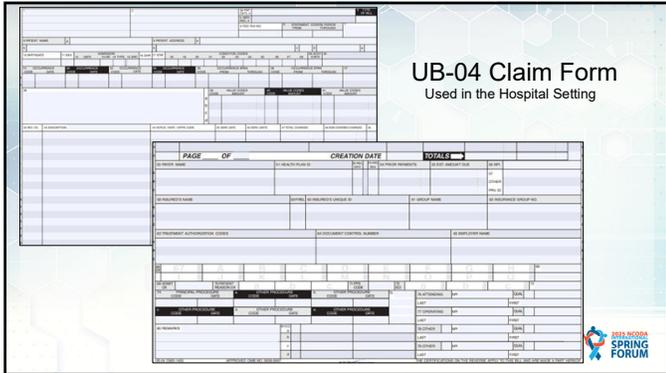
---

---

---

---

---



14

---

---

---

---

---

---

---

---

### Billing Modifiers & Status Indicators

- **Billing Modifiers** - Provide additional information about a procedure or service
  - Modifiers are two-digit alphanumeric codes added to a Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) code to provide context
- **Status Indicators** - Clarify the payer's payment rules or policies for a specific procedure code
  - Describe the payment rules for a particular procedure

Medical Billing and Coding, <https://www.medicabillingandcoding.org/hcpcs-modifiers/>, Accessed April 2025.

15

---

---

---

---

---

---

---

---

## 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



16

---

---

---

---

---

---

---

---

## 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 OPSS 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



17

---

---

---

---

---

---

---

---

## 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



18

---

---

---

---

---

---

---

---

### 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



19

---

---

---

---

---

---

---

---

### 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



20

---

---

---

---

---

---

---

---

### QUESTION 2

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

- JW
- TB
- JG
- NTAP

Transforming Oncology Care Through Medically Integrated Collaboration



21

---

---

---

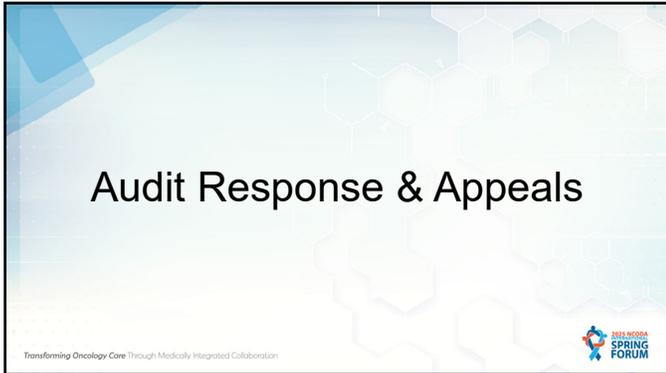
---

---

---

---

---



22

---

---

---

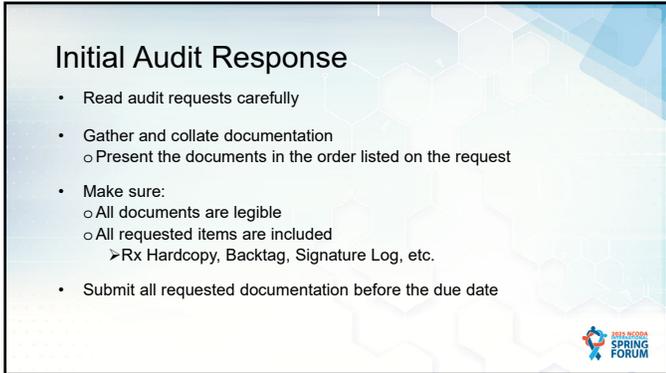
---

---

---

---

---



23

---

---

---

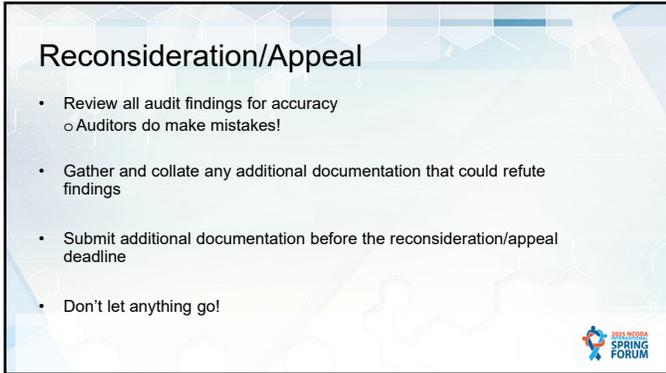
---

---

---

---

---



24

---

---

---

---

---

---

---

---

### Audit Triggers

High \$\$ Claims	Quantity Dispensed & Day Supply	Excessive Dispense As Written (DAW) >0
Drug Mix	Reversals	Member or Plan Sponsor Referrals
	Random Selection	



25

---

---

---

---

---

---

---

---

### 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))



26

---

---

---

---

---

---

---

---

### 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



27

---

---

---

---

---

---

---

---

### 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



28

---

---

---

---

---

---

---

---

### QUESTION 3

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

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

Transforming Oncology Care Through Medically Integrated Collaboration



29

---

---

---

---

---

---

---

---

### Audit Triggers & Red Flags



30

---

---

---

---

---

---

---

---



### Too Many Refills

**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:

Examples are provided from Texas Oncology Pharmacies and deidentified

**TAKE 1 TABLET BY MOUTH DAILY ON EMPTY STOMACH**  
 Qty: 30 CABOMETYX 60 MG TABLET  
 Substituted for: CABOMETYX 60 MG TABLET  
 NDC: EXELGOS, INC DISCARD 42388-0023-26  
 Safety Caps: Yes **Fill Remaining 4 Refills**

©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.



34

---

---

---

---

---

---

---

---

---

---

### Units and Route

**RX INFO:**  
**TBO-Pilgrasim (Granix) 480 MCG/0.8 ML DISP. SYRIN (Milliliter)**  
 Written Date:  
 Effective Date:  
 NDC Sent: 63459-0912-11  
 DAW: NO  
 Quantity: 14  
 Days Supply:  
 Directions: 480 MCG IV DAILY  
 Refills: 0  
 Comments:  
 <BeginSureScripts>Item Description:TBO-Pilgrasim (Granix) 480 MCG/0.8 ML DISP. SYRINQty: units:14 Milliliter<EndSureScripts>

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.  
 NDC: CEPHALON, INC -1 DISCARD: 01/24/25  
 63459-0912-11 Safety Caps: Yes **Fill Remaining: NO REFILLS**

©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.



35

---

---

---

---

---

---

---

---

---

---

### Total Daily Dose Confusion

**RX INFO:**  
**Axitinib Oral 1 mg tablet (Tablet)**  
 Written Date:  
 Effective Date:  
 NDC Sent: 00069-0145-01  
 DAW: NO  
 Quantity: 240  
 Days Supply:  
 Directions: 4 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:  
 <BeginSureScripts>Item Description:Axitinib Oral 1 mg tabletQty units:240 Tablet Primary Diagnosis: ICD10:C64I<EndSureScripts>

Examples are provided from Texas Oncology Pharmacies and deidentified

©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.  
 ©2024, OpenRx Rx Pharmacy Provider Manual, Unlabeled Health Group, Published 2024, Accessed April 15, 2025.



36

---

---

---

---

---

---

---

---

---

---



### 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.



40

---

---

---

---

---

---

---

---

### QUESTION 4

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

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

Transforming Oncology Care Through Medically Integrated Collaboration



41

---

---

---

---

---

---

---

---

### 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.

Transforming Oncology Care Through Medically Integrated Collaboration



42

---

---

---

---

---

---

---

---

**QUESTION & ANSWER**

**Managed Care Decoded:  
Winning Strategies for Oncology  
Billing & Audits**

**Peter Mertens, MBA, CPhT**  
Pharmacy Audit and Compliance Manager

**Jacqueline Caban, MPA**  
Manager of Patient Assistance Programs

Transforming Oncology Care Through Medically Integrated Collaboration



43

---

---

---

---

---

---

---

---

**CE CODES**

**Managed Care Decoded:  
Winning Strategies for Oncology  
Billing & Audits**

Transforming Oncology Care Through Medically Integrated Collaboration



44

---

---

---

---

---

---

---

---