Abbott

HEALTH ECONOMICS & REIMBURSEMENT

New Technology Add-On Payment (NTAP) Guide for TriClip™ Therapy

Overview

Effective October 1, 2024, TriClip™ Transcatheter Edge-to-Edge Repair (TEER) procedures are eligible for an incremental payment from Medicare (Fee for Service cases only)[1]. This incremental reimbursement is called the "New Technology Add-on Payment (NTAP)". CMS has determined the TriClip NTAP maximum of $26,000 for Fiscal Year 2025 (Effective October 2024)[1]. See below for more details regarding NTAP, including examples of how the NTAP payment is calculated and frequently asked questions.

NTAP calculation

The NTAP amount is based on the total covered cost to hospitals for a TriClip TEER case. If the total covered costs of a discharge (derived by multiplying the hospital's operating cost-to-charge ratio (CCR) by the total covered charges for the case) exceed the full MS-DRG payment, Medicare will provide the NTAP add-on payment equal to 65% of the difference between the full MS-DRG payment and hospital's reported cost for the discharge[2]. Please note that total case reimbursement may vary based on different factors such as outlier payments, however, this guide is only focused on NTAP calculations.

Illustrative NTAP Calculations

The two calculation examples below are for illustration purposes only. As you see in these examples, the NTAP eligibility depends on several factors such as hospital-specific MS-DRG payment rate, operating CCR, and estimated total cost per case.

Table 1. *Calculation example for an NTAP-eligible case*

DESCRIPTION		CALCULATION	AMOUNT
Hospital Charges per Case *(Entire hospital stay, including device)*	A		$150,000
Hospital-Specific Inpatient CCR (*published by Medicare*)	B		0.30
Hospital Estimated Cost Per Case	C	A X B	$45,000
Hospital-Specific MS-DRG Payment	D		$38,000
Hospital Case Cost Minus hospital-specific MS-DRG Reimbursement *(Hospital case cost must exceed MS-DRG payment)*	E	C – D	$7,000
65% of Hospital Case Cost Minus hospital-specific MS-DRG Payment	F	E x 0.65	$4,550
NTAP Cap (determined by CMS)	G		$26,000
NTAP Payment Amount	H	Lesser of F and G	$4,550
Estimated Total Hospital Reimbursement [NTAP + hospital-specific MS-DRG payment]		D + H	$42,550

Table 2. *Calculation example for an NTAP-ineligible case*

DESCRIPTION		CALCULATION	AMOUNT
Hospital Charges *(Entire hospital stay, including device)*	A		$100,000
Hospital-Specific Inpatient CCR (*published by Medicare*)	B		0.34
Hospital Total Case Cost	C	A X B	$34,000
Hospital-Specific MS-DRG Payment	D		$35,000
Hospital Case Cost Minus hospital-specific MS-DRG Reimbursement *(Hospital case cost must exceed MS-DRG payment)*	E	C – D	($1,000)
65% of Hospital Case Cost Minus hospital-specific MS-DRG Payment	F	E x 0.65	N/A
NTAP Cap (determined by CMS)	G		$26,000
NTAP Payment Amount	H	Lesser of F and G	$0
Estimated Total Hospital Reimbursement [NTAP + hospital-specific MS-DRG payment]		D + H	$35,000

Frequently Asked Questions

1. When does the TriClip NTAP effectiveness period start?

The TriClip Transcatheter Edge-to-Edge Repair (TEER) procedure NTAP goes into effect for discharges on or after **October 1, 2024** (Federal Fiscal Year 2025).

2. How long would TriClip NTAP be effective?

The TriClip NTAP will be effective for three years [from Oct 1, 2024, to Sep 30, 2027].

3. Is NTAP payment for each TriClip TEER procedure the same?

No, The NTAP is not a fixed amount and varies for each case. Each TriClip TEER case will be assessed for NTAP eligibility and payment individually. The maximum NTAP amount that a hospital can receive is $26,000 per discharge. Please note that the NTAP amount is **paid once per discharge**, not per the number of devices used in a procedure.

4. Is there a specific coding guidance to become eligible for NTAP??

No. There are no specific coding requirements other than using the appropriate **ICD-10-PCS code** that describes the use of TriClip (ICD-10-PCS code **02UJ3JZ**: *Supplement tricuspid valve with Synthetic Substitute, Percutaneous approach*). The proper code utilization will trigger a calculation of the NTAP payment by your Medicare Administrator Contractor's claims processing system. For comprehensive coding guidance, download the TEER Coding Guide on the Abbott website: https://www.cardiovascular.abbott/us/en/hcp/reimbursement/sh/coding-coverage.html

5. Where can you access the hospital inpatient operating cost-to-charge-ratio (CCR) used in the NTAP payment calculation?

The 2024 CCRs sorted by provider are available at https://www.cms.gov/files/zip/fy-2025-final-rule-impact-file.zip

Download the IPPS rule Impact File and search the Excel file by Medicare provider number to find your facility. You can locate the "Operating CCR" in the Excel's Column AG.

6. How is the total hospital reimbursement amount (including NTAP) calculated for each case?

As you see in the calculation examples above, the total hospital reimbursement amount will consist of the hospital-specific MS-DRG payment in addition to 65% of the difference between the cost of discharge for the hospital and the hospital-specific MS-DRG payment, up to a maximum of $26,000 per case.

7. Can the NTAP amount received by a hospital be less than the maximum $26,000 allowed for a TriClip case?

Yes, if the hospital-specific calculation of 65% of the hospital costs minus the hospital-specific DRG payment is less than $26,000, then the lower amount is paid.

8. Do commercial payers and Medicare Advantage plans use NTAP payments?

No, NTAP payment only applies to cases covered under traditional Medicare (Fee-for-Service Medicare).

References:

1. CMS final FY2025 IPPS rule: https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2025-ipps-final-rule-home-page
2. CMS claim submission requirements. Medicare Claims Processing Manual. https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/clm104c26pdf.pdf

Abbott
3200 Lakeside Dr., Santa Clara, CA 95054 USA Tel: 1.800.227.9902
www.cardiovascular.abbott

MAT-2409306 v1.0 | Item approved for U.S. use only.