New Technology Add-on Payment (NTAP) offers reimbursement for novel life-saving agents[1]

NTAP is based on 3 main eligibility criteria to address the need for timely access to and adequate payment for new, clinically significant therapies[1]:

Newness

"New" is generally defined as within 2 to 3 years following Food and Drug Administration (FDA) approval or market introduction

Substantial clinical improvement over existing technologies

The therapy offers an option for a patient population unresponsive to, or ineligible for, currently available therapies

Cost

Existing Medicare Severity-Diagnosis Related Group (MS-DRG) payment for the service involving the technology must meet the cost threshold and be inadequate for the costs of services

The payment amount is equal to the lesser of[1]:

65%

of the amount by which the total covered costs of the case exceed the MS-DRG payment

– or –

65%

of the costs of the new therapy

NTAP helps address the delay between a product launch and MS-DRG recalibration[2,3]

- Current MS-DRGs are calibrated based on data from 2-3 years prior[3]
- NTAP may help provide reimbursement until MS-DRGs are reclassified or recalibrated[2,3]

Submitting NTAP claims can help the Centers for Medicare & Medicaid Services (CMS) understand the appropriate DRG payment rate when recalibrating[2,3]

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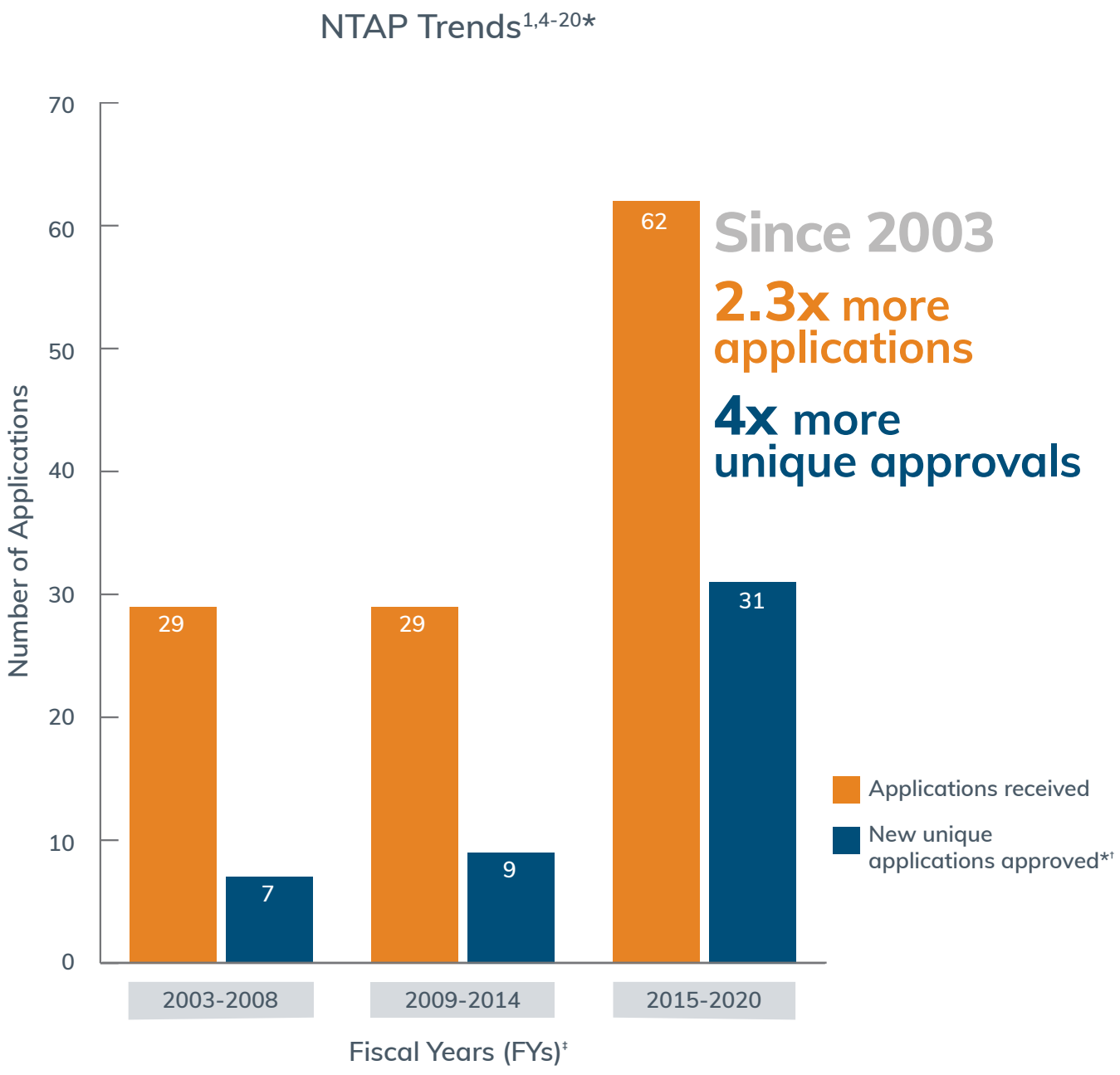
In the last 17 years, CMS has received 120 unique NTAP applications[1,4-20]*



*Some NTAP application decisions may have been withheld at the time of annual report release.
†New unique applications refer to the first time that a technology submits and is approved for NTAP. NTAP applications that are renewed from year to year are not included in this category.
‡Fiscal year for CMS begins October 1 and runs through September 30 (eg, FY2020 begins October 1, 2019 and ends September 30, 2020).

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then

2003

The first NTAP approval was for a drug intended to treat severe sepsis in high-risk patients[4]

2004

Total spending for NTAP approvals was estimated to be $14.4 million[5]

now

2020

Breakthrough therapies approved for NTAP reimbursement include[1]:

- 2 antibiotics
- 1 antineoplastic agent
- 1 disease-monitoring technology
- 8 immuno-oncology agents
- 1 oral anticoagulant reversal agent
- 1 surgical implant
- 1 surgical robotics technology

2020

CMS estimates payment change will increase spending by $94 million to an estimated $400 million in 2020[21]

CMS recognizes the value of NTAP—budget has increased 28x since the first approval in 2003 and may continue to grow[5,21,22]

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CMS continues to increase its investment in NTAP[5,21]

NTAP was designed by Congress to ensure Medicare beneficiaries have access to novel therapies[1,3]

- Submitting NTAP reimbursement claims can help CMS appropriately recalibrate DRGs to address payment[2,3]

Since 2003, NTAP applications, approvals, and budget have increased substantially[1,4,5,21]

- Approved NTAP applications: From 1 in 2003 to 19 in 2020[1,4]
- Budget: From $14.4 million in 2003 to $400 million in 2020[5,21]

In 2019, an increase to NTAP further encouraged access to breakthrough agents[1]

- The maximum reimbursement increased from 50% to 65% of the wholesale acquisition cost of the technology[1]

For more information on the NTAP increase, please reach out to your Portola representative

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