



NEW TECHNOLOGY ADD-ON PAYMENT (NTAP) EFFECTIVE OCTOBER 1, 2024

Effective in Federal Fiscal Year (FFY) 2025, Medicare provides an add-on payment for TALVEY® administered in the inpatient setting of acute care hospitals that participate in the Inpatient Prospective Payment System (IPPS).^{*} The maximum new technology add-on payment (NTAP) for a case involving the use of TALVEY® is \$12,899.59 for FFY 2025.¹ This payment is in addition to the Medicare Severity-Diagnosis Related Group (MS-DRG) payment for the case.

WHAT IS AN NTAP?

Under Medicare’s IPPS, Medicare pays hospitals a predetermined rate per discharge for inpatient hospital services furnished to Medicare beneficiaries. Each type of Medicare discharge is classified and paid according to a list of Medicare Severity-Diagnosis Related Groups (MS-DRGs). These payments are, with certain exceptions (such as outlier payments or adjustments based on hospital characteristics), payment in full to the hospital for inpatient cases. Additional payments may be made for qualifying cases that involve new technologies that have been approved for special add-on payments. To qualify for an NTAP, a new technology must demonstrate that it is a substantial clinical improvement over those otherwise available and, absent an add-on payment, would be inadequately paid under the regular MS-DRG payment amount.²

WHICH CASES ARE ELIGIBLE FOR NTAP?

For discharges occurring on or after October 1, 2019, if the costs of a discharge involving a new medical service or technology exceed the full MS-DRG payment, Medicare will make an add-on payment equal to the lesser of³:

- 65 percent of the costs of the new technology or medical service³, or
- 65 percent of the amount by which the costs of the case exceed the standard MS-DRG payment³

The maximum additional payment for TALVEY® in FFY 2025 is \$12,899.59 per admission. If total costs of the case do not exceed the MS-DRG payment, the NTAP will not apply.

^{*}Only hospitals reimbursed under the IPPS are eligible to receive the add-on payment. Certain hospitals do not participate in the IPPS, including, but not limited to, psychiatric hospitals, exempt cancer hospitals, critical access hospitals, rehabilitation hospitals, Veterans Administration hospitals, and Maryland hospitals.⁴

HOW DO HOSPITALS REPORT THE NTAP FOR TALVEY®?

Hospitals use ICD-10-PCS procedure codes on the inpatient claim to identify technologies eligible for add-on payments.² To identify inpatient cases involving the use of TALVEY® CMS issued a specific ICD-10-PCS procedure code:

ICD-10-PCS Code ⁵	Descriptor ⁵
XW01329	Introduction of Talquetamab antineoplastic into subcutaneous tissue, percutaneous approach, New Technology Group 9

NTAP procedure codes are reported in Form Locators 74A-74E on the CMS-1450 claim form or in the equivalent loop of the ASC 837I v5010A2 claim when billing electronically.

SUMMARY

New technology add-on payments address the delay between market introduction of new technology and recalibration of MS-DRGs to adequately reflect the added cost. This facilitates earlier hospital adoption of innovative technology for which there is not yet adequate reimbursement. The following table summarizes important points about the NTAP involving the use of TALVEY[®]:

Summary of New Technology Add-on Payment for TALVEY [®]	
Site of Care	Inpatient setting, acute care hospital
Eligible Facilities	Acute care hospitals reimbursed under the IPPS
Excluded Facilities	Certain hospitals do not participate in the IPPS, including, but not limited to, psychiatric hospitals, exempt cancer hospitals, critical access hospitals, rehabilitation hospitals, Veterans Administration hospitals, and Maryland hospitals
Qualifying Cases	Those for which the cost of a discharge involving the use of TALVEY [®] exceeds the prevailing MS-DRG payment
Additional Payment	The maximum NTAP for a case involving the use of TALVEY [®] is \$12,899.59 in addition to the MS-DRG payment for the case
ICD-10-PCS Codes	XW01329 Introduction of Talquetamab antineoplastic into subcutaneous tissue, percutaneous approach, New Technology Group 9
Effective Dates	October 1, 2024, through September 30, 2025

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References: **1.** [CMS-1808-F] Medicare and Medicaid Programs and the Children's Health Insurance Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2025 Rates; Quality Programs Requirements; and Other Policy Changes; Final rule. Accessed August 14, 2024. <https://public-inspection.federalregister.gov/2024-17021.pdf> **2.** Centers for Medicare & Medicaid Services. Medicare Claims Processing Manual. Chapter 3: Inpatient Hospital Billing (rev 04/11/24). Accessed July 23, 2024. <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/clm104c03.pdf> **3.** Additional payment for new medical service or technology 42 CFR §412.88. Accessed July 23, 2024. <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-412/subpart-F/subject-group-ECFR5703923263fedba/section-412.88> **4.** Excluded hospitals and hospital units: General rules 42 CFR §412.22; Excluded hospitals: Classifications 42 CFR §412.23. Accessed July 23, 2024. <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-412> **5.** CMS. 2025 ICD-10-PCS Codes File. Accessed July 23, 2024. <https://www.cms.gov/medicare/coding-billing/icd-10-codes/2025-icd-10-pcs>