In order to address the high cost of new medications, Medicare created a new technology add-on payment (NTAP) to offset the burden of increasing costs for new treatments not accounted for in Medicare Severity-adjusted Diagnosis Related Groups (MS-DRG) reimbursements. It appears to be unclear who takes ownership of the process to claim NTAP for eligible medications or devices.

The NTAP is designed to help offset high drug or device acquisition costs that are coupled with inadequate reimbursement through Medicare's Inpatient Prospective Payment System, thus potentially incentivizing the use of newer and improved treatments.

At AtlantiCare Regional Medical Center (ARMC), there are two medications on the inpatient formulary that qualify for NTAP, meropenem-vaborbactam (M/V) and andexanet alfa.

The purpose of this study is to establish a pharmacy-initiated process that ensures the receipt of NTAP for eligible medications.

Methods

In September 2019, the Center for Medicare and Medicaid Services' (CMS) list of NTAP eligible medications was cross-referenced with ARMC's inpatient formulary by a pharmacy clinical coordinator identifying two eligible medications: meropenem-vaborbactam and andexanet alfa. The list of NTAP eligible medications is updated every year on October 1st by CMS and will be reassessed by ARMC annually.

The inpatient use of these medications was tracked from September through November 2019 via a report generated from Cerner Discern Analytics. All patients included in this study have Medicare as their primary insurance and received a medication with NTAP designation.

A medication with NTAP designation is ordered by a provider, verified by a pharmacist, and a note is documented in the patient's notes in 3MTM 360 EncompassTM. This special code is added at the bottom of the UB-04 form in section 30 to input ICD-10-PCS codes. Diagnoses and procedures, including the administration of a medication with NTAP designation, are highlighted in the patient's notes in 3MTM 360 EncompassTM.

The alert will remind coders to include the NTAP ICD-10-PCS code when transferring codes from 3MTM 360 EncompassTM to a patient's McKesson STAR Navigator profile. This special code is added at the bottom of the UB-04 form in section 74a under “other procedure code” (Figure 1).

This process provided an additional NTAP of $10,740.77 (Figure 3) for a single case where a patient received andexanet alfa.

Discussion

Creating a pharmacy initiated process to ensure receipt of NTAP requires a collaborative effort resulting in significantly greater reimbursement. This intervention creates a pathway that can be used for all future uses of NTAP eligible treatments.

We anticipate receiving over $300,000 additional reimbursement via NTAP in FY 2020.

Conclusion

The development of a process to receive NTAP provides financial benefits to a hospital. The number of NTAP medications is increasing due to less restrictions on eligibility criteria from CMS, and the NTAP amounts are increasing to offset inadequate reimbursement. Taking ownership of this process by Pharmacy is critical to ensure full reimbursement from CMS.

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Implementation of a Pharmacy-initiated Process Ensuring the Receipt of New Technology Add-on Payments for Formulary Medications

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