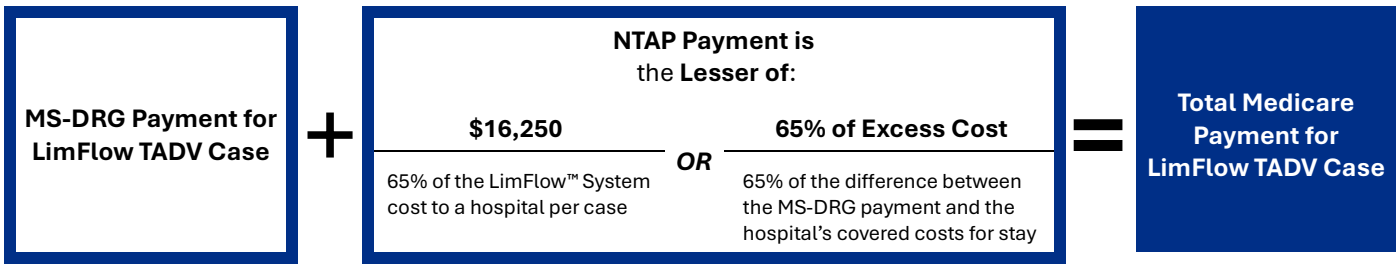
New Technology Add-On Payment (NTAP) for LimFlow™ System

Effective October 1, 2024, LimFlow transcatheter arterialization of the deep veins (TADV) procedures performed in a hospital inpatient setting are eligible for an incremental payment from Medicare (in addition to the applicable MS-DRG payment) to help cover the additional costs of performing a LimFlow TADV.[1]

This incremental reimbursement is called a "New Technology Add-on Payment" or NTAP. LimFlow TADV cases are eligible for NTAP payments for 3 years (i.e., 10/1/2024 – 9/30/2027), after which the base DRG rates are adjusted to reflect facility-reported costs and the utilization rate of the new therapy.

How NTAP Works

- **LimFlow NTAP provides an additional payment of up to $16,250** per LimFlow case on top of the base DRG.
- Specifically, Medicare evaluates each LimFlow TADV case and pays 65% of the hospital's total covered costs for the entire LimFlow TADV encounter exceeding the MS-DRG payment, up to $16,250.
- Click here (p. 3) for examples of NTAP calculations.



What is Critical for a Case to Qualify for NTAP

- ✓ Use of LimFlow for the TADV procedure (this NTAP is only for LimFlow TADV).
- ✓ Ensure appropriate charge capture on claim (i.e., of LimFlow System Kit, TADV procedure, other stay costs).
- ✓ Note the appropriate LimFlow TADV ICD-10-PCS code on the claim (list below).

ICD-10-PCS	Code Description
041M3JS	Bypass right popliteal artery to lower extremity vein with synthetic substitute, percutaneous approach
041N3JS	Bypass left popliteal artery to lower extremity vein with synthetic substitute, percutaneous approach
041P3JS	Bypass right anterior tibial artery to lower extremity vein with synthetic substitute, percutaneous approach
041Q3JS	Bypass left anterior tibial artery to lower extremity vein with synthetic substitute, percutaneous approach
041R3JS	Bypass right posterior tibial artery to lower extremity vein with synthetic substitute, percutaneous approach
041S3JS	Bypass left posterior tibial artery to lower extremity vein with synthetic substitute, percutaneous approach
041T3JS	Bypass right peroneal artery to lower extremity vein with synthetic substitute, percutaneous approach
041U3JS	Bypass left peroneal artery to lower extremity vein with synthetic substitute, percutaneous approach

For more information, please contact your local Inari-LimFlow Health Economics & Market Access (HEMA) manager directly or by emailing: reimbursement@inarimedical.com.

[1] FY 2025 IPPS Final Rule (CMS-1808-F). Available here. LimFlow NTAP section starts PDF p. 575.

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Frequently Asked Questions

1. **Is NTAP intended only for FDA-approved therapies with specific NTAP approval from Medicare?**
   Yes. FDA-approval is one of the key criteria to be eligible for NTAP. LimFlow is the only FDA-approved therapy for TADV. LimFlow applied for NTAP and received explicit NTAP approval from CMS in the FY 2025 IPPS Final Rule.

2. **When is the NTAP effective?**
   The NTAP payments for LimFlow TADV go into effect for discharges on or after October 1, 2024, which coincides with the start of Federal Fiscal Year 2025. LimFlow TADV procedures will be eligible for NTAP for three years from the effective date (i.e., 10/1/2024 – 9/30/2027).

3. **What are Medicare's billing requirements to facilitate NTAP processing?**
   There are no special billing requirements placed on the hospital for processing the NTAP payment, other than using the appropriate ICD-10-PCS code that describes the use of LimFlow TADV procedure (see table on p. 1) and ensuring appropriate charge capture. To ensure appropriate MS-DRG assignment and physician payment, providers should continue to accurately report the patient's admitting diagnosis, patient comorbidities, and services provided during the hospital stay. Please email reimbursement@inarimedical.com to receive the LimFlow TADV Reimbursement Guide.

4. **Is NTAP a fixed amount per case?**
   No. The NTAP amount is not a fixed amount and will vary by case. The amount is based on how much the total charges for the LimFlow TADV hospital stay exceed the applicable DRG payment. For all NTAPs, the NTAP payment is the ***lesser of*****:**
   i. 65% of the cost of the product, OR
   ii. 65% of the cost of the total case exceeds the DRG payment.

5. **How is the actual cost of the discharge determined?**
   CMS derives the total covered cost of the discharge based on the total covered hospital charges for the stay, and the hospital's inpatient operating cost to charge ratio determined from its cost report. To calculate the cost of the case, all charges on the claim are reduced to cost using the hospital's operating cost-to-charge ratio (CCR). The operating CCR varies by hospital.

6. **Where can a hospital find the hospital inpatient operating cost-to-charge-ratio (CCR) used in the NTAP payment calculation?**
   The operating CCRs by provider number are available on CMS' website here. Download the FY 2025 Final Rule Impact File and search the excel file by Medicare provider number. The CCR is listed in Column AG (Operating CCR). If you have any questions, please contact us via email at reimbursement@inarimedical.com with the name and location of your hospital and we can help.

7. **Can the NTAP amount be less than the maximum allowed amount stated?**
   Yes. $16,250 is the maximum NTAP amount per LimFlow TADV case. Should the hospital-specific calculation of 65% of the hospital costs minus the DRG payment be less than $16,250, then a lower NTAP amount is paid.

8. **Do commercial payers and Medicare Advantage provide NTAPs?**
   Private payers and Medicare Advantage plans will pay according to the terms of their contracts with hospitals. Contracts may follow Medicare methodology, pay per diem, or pay a percentage of charges.

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Example NTAP Calculations

Calculation Steps for How Traditional Medicare Determines the NTAP Amount:

1. Determine total covered charges for the entire hospital stay involving LimFlow TADV.
2. Identify the hospital's specific operating cost-to-charge ratio (CCR) (See FAQ #6 for how to locate your CCR).
3. Derive total covered costs of the stay (Step 1 x 2).
4. Determine the applicable base MS-DRG payment for the stay.
5. Subtract the MS-DRG payment from the total covered costs of the stay (Step 3 - 4).
6. Calculate 65% of the excess cost of the stay over DRG payment (Step 5 x 65%).
7. 65% of the LimFlow System Cost (i.e., $16,250).
8. Final NTAP Payment. Determine the lesser of Steps 6 and 7.
9. Total Case Payment. NTAP plus MS-DRG payment (Step 4 + 8).

Examples of NTAP Calculation:

The table below uses hypothetical total covered charges for two LimFlow TADV cases at the same hospital, the hospital's operating CCR, and base DRG payments to illustrate how an NTAP payment is calculated. The examples only vary case charges (Step 1); we assume the same DRG payment and hospital operating CCR for both cases.

Calculation Steps		Calculation	Case A	Case B
1.	Total Covered Charges for Hospital Stay		$150,000	$125,000
2.	Hospital-Specific Operating CCR		0.3	0.3
3.	Hospital's Reported Cost of Stay	Step 1 x 2	$45,000	$37,500
4.	Hospital's MS-DRG 253 Payment		$17,862	$17,862
5.	Difference between Cost of Stay and DRG Payment	Step 3 - 4	$27,138	$19,638
6.	65% of Excess Cost of Stay over DRG Payment	Step 5 x 65%	$17,640	$12,765
7.	65% of LimFlow System Cost		$16,250	$16,250
8.	**Final NTAP Payment**	**Lesser of Steps 6 & 7**	**$16,250**	**$12,765**
9.	Total Case Payment	Step 4 + 8	$34,112	$30,627

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