NTAP Master Workbook: companion guide

How to build defensible case charges, test them against the CMS Table 10 MS-DRG threshold, estimate the NTAP add-on a hospital receives and audit your application before the October deadline.

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Workbook + guide · $499 USD one-time · Applicable taxes may apply

Online guide: https://medtech.cahir.ai/ntap-master-guide

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Start here: free check first, workbook second

The new technology add-on payment (NTAP) pays hospitals extra for qualifying new technologies under the Medicare inpatient payment system (IPPS). To qualify, a technology must pass three tests: it is new, its cases are costly enough, and it offers a substantial clinical improvement (or uses an alternative pathway such as Breakthrough Device designation), under 42 CFR 412.87.

If you only need a quick yes-or-no on the cost test, start with the free NTAP threshold check. The workbook is for the next step: building the numbers your application and hospital customers will scrutinize. For a background read, see our NTAP cost threshold article.

What is in the workbook

Tab	What it does	Output
Charge Build-Up	Converts department costs into charges with each department's cost-to-charge ratio	Implied charge per line item
Threshold Test	Compares projected charges per case with the Table 10 threshold you enter	Exceeds or Below
Hospital Margin Model	Applies the 42 CFR 412.88 add-on formula	Estimated add-on per case

The full workbook also includes CCR sensitivity by hospital profile, an application readiness audit with owners and sign-offs, and a sources tab.

Building case charges hospitals will recognize

CMS tests charges, not costs. Hospitals convert cost into charges using cost-to-charge ratios (CCRs) that differ by department and hospital. Itemize the technology cost, procedure room time, disposables, room and board and ancillaries, then divide each by the department CCR. Keep the assumptions traceable to claims or hospital cost reports, because reviewers and hospital finance teams will ask where each number came from.

Testing against Table 10

CMS publishes a dollar threshold for every MS-DRG each fiscal year with the IPPS final rule. Enter the thresholds for your application cycle, never last year's, and test every MS-DRG your cases could group to. A technology that clears the threshold in one MS-DRG but not another needs a clear case-selection rationale.

What the hospital actually receives

Under 42 CFR 412.88, the add-on is generally the lesser of 65% of the technology's cost or 65% of the amount by which the case's costs exceed the standard MS-DRG payment (75% for qualifying antimicrobial products). The add-on rarely covers the whole cost, so hospital value analysis committees still look at the remaining gap. Pair this with the Hospital VAC Dossier Pack.

Frequently asked questions

Does the workbook include current Table 10 values?

No. You enter the thresholds from the IPPS final rule for your cycle, so the workbook never carries outdated figures.

How is this different from MedTech Compass?

MedTech Compass automatically maps a device to likely MS-DRGs and adds Medicare discharge volumes and payment weights. The workbook is where your team builds and documents the charge, threshold and margin case itself.

When are NTAP applications due?

Typically in October for the next fiscal year, with decisions in the IPPS final rule around August.

Sources and further reading

- CMS: New Medical Services and New Technologies
- 42 CFR 412.87 — eligibility criteria
- 42 CFR 412.88 — payment amount
- CMS: Acute Inpatient PPS