New COVID-19 Treatments Add-On Payment (NCTAP)

CMS issued an Interim Final Rule with Comment Period that established the New COVID-19 Treatments Add-on Payment (NCTAP) under the Medicare Inpatient Prospective Payment System (IPPS). The NCTAP, designed to mitigate potential financial disincentives for hospitals to provide new COVID-19 treatments, is effective from November 2, 2020, until the end of the COVID-19 public health emergency (PHE).

Through the NCTAP, the Medicare Program will provide an enhanced payment for eligible inpatient cases that use certain new products with current FDA approval or emergency use authorization (EUA) to treat COVID-19, including the following:

- On August 23, 2020, the FDA issued (reissued on November 30, 2020, and revised on March 9, 2021) an EUA for the use of COVID-19 convalescent plasma for treating COVID-19 in hospitalized patients
- On October 22, 2020, the FDA approved remdesivir (Veklury) for the treatment of COVID-19 for adults and certain pediatric patients requiring hospitalization
- On November 19, 2020, the FDA issued an EUA for the use of baricitinib (Olumiant), in combination with remdesivir (Veklury), for the treatment of suspected or laboratory confirmed COVID-19 in certain hospitalized patients

For eligible cases, the NCTAP is equal to the lesser of these:

- 65% of the operating outlier threshold for the claim
- 65% of the amount by which the costs of the case exceed the standard Diagnosis-Related Group (DRG) payment (including the adjustment to the relative weight under Section 3710 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Coding for NCTAP

NCTAP claims are those that are eligible for the 20% add-on payment under Section 3710 of the CARES Act. Eligible claims have both of the following:

- ICD-10-CM diagnosis code U07.1 (COVID-19)

- ICD-10-PCS codes for remdesivir (Veklury), COVID-19 convalescent plasma, or baricitinib (Olumiant) in combination with remdesivir, as described below

Codes for Remdesivir or COVID-19 Convalescent Plasma for Hospital Discharges on or after November 2, 2020

ICD-10-PCS Code	Description
XW033E5	Introduction of remdesivir anti-infective into peripheral vein, percutaneous approach, new technology group 5
XW043E5	Introduction of remdesivir anti-infective into central vein, percutaneous approach, new technology group 5
XW13325	Transfusion of convalescent plasma (nonautologous) into peripheral vein, percutaneous approach, new technology group 5
XW14325	Transfusion of convalescent plasma (nonautologous) into central vein, percutaneous approach, new technology group 5

Codes for Baricitinib for Hospital Discharges between November 19, 2020 and December 31, 2020*

ICD-10-PCS Code	Description
XW0DXF5	Introduction of other new technology therapeutic substance into mouth and pharynx, external approach, new technology group 5
3E0G7GC	Introduction of other therapeutic substance into upper G.I. via natural or artificial opening

ICD-10-PCS Code	Description
3E0H7GC	Introduction of other therapeutic substance into lower G.I. via natural or artificial opening

*In accordance with the EUA, providers should administer baricitinib with remdesivir. Claims should also include the code for remdesivir (XW033E5 or XW043E5).

Codes for Baricitinib for Hospital Discharges on or after January 01, 2021 through the End of the COVID-19 PHE*

ICD-10-PCS Code	Description
XW0DXM6	Introduction of baricitinib into mouth and pharynx, external approach, new technology group 6
XW0G7M6	Introduction of baricitinib into upper GI, via natural or artificial opening, new technology group 6
XW0H7M6	Introduction of baricitinib into lower GI, via natural or artificial opening, new technology group 6

*In accordance with the EUA, providers should administer baricitinib with remdesivir. Claims should also include the code for remdesivir (XW033E5 or XW043E5).

Hospitals should report the ICD-10-PCS code(s) for all products administered during the stay, even if the hospital got the product for free. Hospitals shouldn’t report charges for products they got for free.

Note:
A hospital shouldn't seek additional payment on the claim for drugs or biologicals to treat patients with known or suspected COVID-19 that the government purchased or provided for

free. See the CMS Medicare Claims Processing Manual, Pub. 100-04, Chapter 32, Section 67 (PDF).

For more information on COVID-19 diagnosis and procedure codes, visit the "Latest News" section of the MS-DRG Classifications and Software webpage.

You can also review our COVID-19 FAQs (PDF), which include information on NCTAP and our implementation of Section 3710 of the CARES Act.

Related Links

- CMS COVID-19 webpage
- CMS COVID-19 FAQs
- CMS COVID-19 toolkits
- CDC COVID-19 website

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