State of California

Department of Industrial Relations

DIVISION OF WORKERS’ COMPENSATION



**Order of the Administrative Director of the Division of Workers’ Compensation**

(Additional OMFS Update for Inpatient Hospital Services –

Effective March 15, 2021)

Pursuant to Labor Code section 5307.1(g)(1),(2), the Administrative Director of the Division of Workers’ Compensation orders that title 8, California Code of Regulations, sections 9789.23, 9789.24, and 9789.25 pertaining to the Inpatient Hospital Fee Schedule portion of the Official Medical Fee Schedule, be adjusted to conform to the changes to the Medicare Inpatient Fee Schedule adopted by the final rule published in the Federal Register on September 18, 2020 and the corrections to the final rule published in the Federal Register on December 7, 2020. This Order adopts the Final Rule Correction Notice revisions for discharges on or after March 15, 2021.

Title 8, California Code of Regulations, section 9789.23**,** is amended to adopt changes to the Composite Rate, Hospital Specific Outlier Factor, and Cost to Charge Ratio for the listed California inpatient hospitals, which reflect corrections made by the CMS to the Impact File [FY 2021 IPPS FR and CN Impact File.xlsx which can be found at [FY 2021 IPPS Final Rule Home Page | CMS](https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page)], for discharges rendered on or after March 15, 2021.

Section 9789.24 is amended to adopt corrections CMS made to [Table 3](https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page) and [Table 5](https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page) (Final Rule and Correction Notice which can be found at [FY 2021 IPPS Final Rule Home Page | CMS](https://www.cms.gov/medicare/acute-inpatient-pps/fy-2021-ipps-final-rule-home-page)) which contains the list of MS-DRGs, Relative Weights, and Geometric Mean Length of Stay, for discharges rendered on or after March 15, 2021.

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers’ Compensation orders that Title 8, California Code of Regulations, section 9789.25, federal regulations, federal register notices, and payment impact file by date of discharge for inpatient hospital fee schedule, is amended to conform to the final rule of September 18, 2020 and the correction notice of December 7, 2020, published in the Federal Register.

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers’ Compensation orders that to the extent references to the Federal Register or Code of Federal Regulations are made in any sections starting from section 9789.20 through 9789.25 of Title 8 of the California Code of Regulations, said section is hereby amended to incorporate by reference the applicable Federal Register final rule (including notices, correction notices, and revisions) and Federal Regulations in effect as of the date this Order becomes effective, to be applied to discharges occurring on or after March 15, 2021.

The effective date of this Order is for inpatient hospital discharges rendered on or after March 15, 2021. This Order, the attached explanation of changes and the regulations shall be published on the website of the [Division of Workers’ Compensation](http://www.dir.ca.gov/DWC/OMFS9904.htm).

**IT IS SO ORDERED.**

Dated: February 24, 2021 /s/GEORGE P. PARISOTTO

GEORGE P. PARISOTTO

Administrative Director of the

Division of Workers’ Compensation