

State of California
Department of Industrial Relations
DIVISION OF WORKERS' COMPENSATION



Order of the Acting Administrative Director of the Division of Workers' Compensation
(OMFS Update for Hospital Outpatient and Ambulatory Surgical Center (ASC) Services
Effective April 1, 2013)

Pursuant to Labor Code section 5307.1(g)(2), the Acting Administrative Director of the Division of Workers' Compensation orders that Title 8, California Code of Regulations, sections 9789.30 through 9789.39, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, are adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 15, 2012, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 31, 2012, and corrections to the IPPS final rule published on October 3, 2012 and October 29, 2012 in the Federal Register which change the Medicare payment system.

For services rendered on or after April 1, 2013, section 9789.30, subsections (a) adjusted conversion factor, (e) APC payment rate, (f) APC relative weight, (p) labor-related share, (q) market basket inflation factor, and (w) wage index, are adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 15, 2012 and the updated fiscal year 2013 versions of CMS' IPPS final rule of August 31, 2012, and corrections to the IPPS final rule published on October 3, 2012 and October 29, 2012 in the Federal Register. The adjustments to these subsections are specified in section 9789.39 by date of service.

For services rendered on or after April 1, 2013, section 9789.31, subsections (a) and (b) are amended to incorporate by reference the updated calendar year 2013 version of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on November 15, 2012, and the updated fiscal year 2013 versions of CMS' IPPS Tables 2, 4A, 4B, 4C, and 4J in the final rule of August 31, 2012 and October 3rd and 29th 2012 corrections to the final rule, respectively. The adjustments to these subsections are specified in section 9789.39 by date of service. Subsection (c) is adjusted to incorporate by reference the 2013 Fiscal Year IPPS Payment Impact File; subsection (d) is adjusted to incorporate by reference the 2013 revision of the American Medical Associations' Physician "Current Procedural Terminology"; and subsection (e) is adjusted to incorporate by reference the 2013 revision of CMS' Alphanumeric "Healthcare Common Procedure Coding System".

Section 9789.33 is adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 15, 2012. For services rendered on or after April 1, 2013, see Section 9789.39 for the APC relative weight and outlier threshold by date of service.

Amended section 9789.34 reflects the changes to the wage index value by county and an updated conversion factor. Amended section 9789.35 reflects the changes to the hospital-specific wage index and an updated conversion factor for the listed California Hospital Outpatient Departments. An explanation of the changes is attached.

Section 9789.38 is adjusted to reflect additions and revisions to 42 C.F.R. part 419. Section 9789.39 specifies the sections to 42 C.F.R. part 419 that are amended by date of service.

Section 9789.39 is amended to conform to the Medicare CY 2013 update to the hospital outpatient prospective payment system and wage index values published in the Medicare FY 2013 update to the hospital inpatient prospective payment system for acute care hospitals.

Pursuant to Labor Code section 5307.1(g)(2), the Acting 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 9789.30 through 9789.39 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 additional notices, correction notices, and revisions) and Federal Regulations in effect as of the date this Order becomes effective, to be applied to services rendered on or after April 1, 2013. In particular, to the extent a section makes reference to the CMS hospital outpatient prospective payment system final rule, said section is amended to incorporate by reference the final rule published on November 15, 2012 in the Federal Register (Vol. 77 FR 68210) and is entitled "Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Electronic Reporting Pilot; Inpatient Rehabilitation Facilities Quality Reporting Program; Revision to Quality Improvement Organization Regulations" (CMS-1589-FC). To the extent a section makes reference to the CMS hospital inpatient prospective payment system final rule wage index values, said section is amended to incorporate by reference the final rule published on August 31, 2012 in the Federal Register (Vol. 77 FR 53258) and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and FY2013 Rates; Hospitals' Resident Caps for Graduate Medical Education Payment Purposes; Quality Reporting Requirements for Specific Providers and for Ambulatory Surgical Centers; Final Rule" (CMS-1588-F); and corrections to the final rule published on October 3, 2012, in the Federal Register (Vol. 77 FR 60315, CMS-1588-CN2), and October 29, 2012, in the Federal Register (Vol. 77 FR 65495, CMS-1588-CN3).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after April 1, 2013. This Order, sections 9789.30 through 9789.39, and the explanation of the changes shall be published on the website for the Division of Workers' Compensation: <http://www.dir.ca.gov/DWC/OMFS9904.htm>

IT IS SO ORDERED.

Dated: February 22, 2013

ORIGINAL ORDER SIGNED

DESTIE LEE OVERPECK

Acting Administrative Director of the
Division of Workers' Compensation