

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 December 1, 2014)

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 December 10, 2013, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 19, 2013, and associated rules and notices to the IPPS final rule, and the relative values in the physician fee schedule final rule of November 27, 2013 published in the Federal Register which change the Medicare payment system.

For services rendered on or after December 1, 2014, section 9789.30, subsections (a) adjusted conversion factor, (e) APC payment rate, (f) APC relative weight, (j) Facility Only Services, (q) labor-related share, (r) market basket inflation factor, and (z) wage index, are adjusted to conform to the Medicare hospital outpatient prospective payment system (HOPPS) final rule of December 10, 2013, the relative values in the 2014 Medicare Physician fee schedule, and the wage index values in the Medicare IPPS final rule of August 19, 2013, and associated rules and notices to the IPPS final rule published 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 December 1, 2014, section 9789.31, subsections (a) and (b) are amended to incorporate by reference selected sections of the updated calendar year 2014 version of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on December 10, 2013, the updated fiscal year 2014 versions of CMS' IPPS Tables 2, 4A, 4B, 4C, and 4J in the final rule of August 19, 2013 and associated rules and notices to the IPPS final rule, respectively. The adjustments to these subsections are specified in section 9789.39 by date of service. Subsection (c) and (d) are adjusted to incorporate by reference the 2014 Fiscal Year IPPS Payment Impact File and the Medicare Physician Fee Schedule Relative Value File, respectively. The adjustments to these subsections are specified in section 9789.39 by date of service. Subsection (e) is adjusted to incorporate by reference the 2014 revision of the American Medical Associations' Physician "Current Procedural Terminology"; and subsection (f) is adjusted to incorporate by reference the 2014 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 December 10, 2013. For services rendered on or after December 1, 2014, see Section 9789.39 for the APC relative weight 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 2014 update to the hospital outpatient prospective payment system, wage index values published in the Medicare FY 2014 update to the hospital inpatient prospective payment system for acute care hospitals, and relative values published in the Medicare CY 2014 update to the physician fee schedule.

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 December 1, 2014. 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 December 10, 2013 in the Federal Register (Vol. 78 FR 74826) and is entitled "Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Hospital Value-Based Purchasing Program; Organ Procurement Organizations; Quality Improvement Organizations; Electronic Health Records (EHR) Incentive Program; Provider Reimbursement Determinations and Appeals" (CMS-1601-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 19, 2013 in the Federal Register (Vol. 78 FR 50496) and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Fiscal Year 2014 Rates; Quality Reporting Requirements for Specific Providers; Hospital Conditions of Participation; Payment Policies Related to Patient Status" (CMS-1599-F), and associated rules and notices to the final rule that were published on October 3, 2013, in the Federal Register (Vol. 78 FR 61197, CMS-1599-CN2), October 3, 2013, in the Federal Register (Vol. 78 FR 61191, CMS-1599-IFC), January 2, 2014 (Vol. 79 FR 61, CMS-1599-CN3), January 10, 2014 (Vol. 79 FR 1741, CMS-1599-CN4), March 14, 2014 (Vol. 79 FR 15022, CMS-1599-IFC2), and June 17, 2014 (Vol. 79 FR 34444, CMS-1599-N). To the extent a section makes reference to the CMS physician fee schedule final rule relative values, said section is amended to incorporate by reference the final rule published on December 10, 2013 in the Federal Register (Vol. 78 FR 74230) and is entitled "Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule, Clinical Laboratory Fee Schedule & Other Revisions to Part B for CY 2014" (CMS-1600-FC).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after December 1, 2014. 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: October 30, 2014

ORIGINAL ORDER SIGNED

DESTIE LEE OVERPECK
Acting Administrative Director of the
Division of Workers' Compensation