

8 CCR 9789.30 (As of April 15, 2010)

(The underlined text reflects amendments made in accordance with the administrative director Orders effective July 15, 2005, February 15, 2006, March 1, 2007, April 1, 2007, March 1, 2008; acting administrative director Order effective March 1, 2009; acting chief deputy administrative director Order effective March 1, 2009; and acting administrative director Order effective April 15, 2010.)

(a) "Adjusted Conversion Factor" means the CMS' conversion factor for 2003 of $\$52.151 \times$ the market basket inflation factor of $1.034 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after July 15, 2005, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2004 of $\$53.924 \times$ the market basket inflation factor $1.033 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after February 15, 2006, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2005 of $\$55.703 \times$ the market basket inflation factor $1.037 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after March 1, 2007, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2006 of $\$57.764 \times$ the market basket inflation factor $1.034 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after March 1, 2008, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2007 of $\$59.728 \times$ the market basket inflation factor $1.033 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after March 1, 2009, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2008 of $\$61.699 \times$ the market basket inflation factor $1.036 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after April 15, 2010, "Adjusted Conversion Factor" means the OMFS' conversion factor for 2009 of $\$63.920 \times$ the market basket inflation factor $1.021 \times (0.4 + (0.6 \times \text{wage index}))$.

For services rendered on or after February 15, 2006, in accordance with section 411 of Pub. L. 108-173 and the final rule published in the Federal Register of November 10, 2005 (CMS-1501-FC, 70 FR 68516) at page 68556, the "Adjusted Conversion Factor" for a rural Sole Community Hospital (SCH) includes an adjustment factor of 1.071.

(b) "Ambulatory Payment Classifications (APC)" means the Centers for Medicare & Medicaid Services' (CMS) list of ambulatory payment classifications of hospital outpatient services.

(c) "Ambulatory Surgical Center (ASC)" means any surgical clinic as defined in the California *Health and Safety Code Section 1204*, subdivision (b)(1), any ambulatory surgical center that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. SEC. 1395 et seq.) of the federal Social Security Act, or any surgical clinic accredited by an accrediting agency as approved by the Licensing Division of the Medical Board of California pursuant to *Health and Safety Code Sections 1248.15 and 1248.4*.

(d) "Annual Utilization Report of Specialty Clinics" means the Annual Utilization Report of Clinics that is filed by February 15 of each year with the Office of Statewide Health Planning and Development by the ASCs as required by Section 127285 and *Section 1216 of the Health and Safety Code*.

(e) "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2004 as set forth in the Federal Register on November 7, 2003, Volume 68, No. 216, Addendum B, pages 63488 through 63655 conformed to comply with CMS-1471-CN, Federal Register, Volume 68, No. 250 (December 31, 2003), pages 75442 through 75445, and CMS-1371-IFC, Federal Register, Volume 69, No. 3 (January 6, 2004), pages 820 through 844.

For services rendered on or after July 15, 2005, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2005 as set forth in the Federal Register on November 15, 2004 (CMS-1427-FC, 69 FR 65682) Addendum B, pages 65887 through 66182.

For services rendered on or after February 15, 2006, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2006 as set forth in the Federal Register on November 10, 2005 (CMS-1501-FC, 70 FR 68516), Addendum B, pages 68752 through 68913.

For services rendered on or after March 1, 2007, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2007 as set forth in the Federal Register on November 24, 2006 (CMS-1506-FC, 71 FR 67960), Addendum B, pages 68283 through 68384.

For services rendered on or after March 1, 2008, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2008 as set forth in the Federal Register on November 27, 2007 (CMS-1392-FC, 72 FR 66580), Addendum B, pages 66993 through 67165 conformed to comply with the correction of the final rule published on February 22, 2008 (CMS-1392-CN, 73 FR 9860), pages 9863 through 9864.

For services rendered on or after March 1, 2009, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2009 as set forth in the Federal Register on November 18, 2008 (CMS-1404-FC, 73 FR 68502), Addendum B, pages 68934 through 69269 conformed to comply with correction of the final rule published on January 26, 2009 (CMS-1404-CN, 74 FR 4343), page 4344.

For services rendered on or after April 15, 2010, "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate for Calendar Year 2010 as set forth in the Federal Register on November 20, 2009 (CMS-1414-FC), 74 FR 60316, Addendum B, pages 60752 through 60918 conformed to comply with correction of the final rule published on December 31, 2009 (CMS-1414-CN, 74 FR 69502), page 69503.

(f) "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2004 as set forth in the Federal Register on November 7, 2003, Volume 68, No. 216, Addendum B, pages 63488 through 63655 conformed to comply with CMS-1471-CN, Federal Register, Volume 68, No. 250 (December 31, 2003), pages 75442 through 75445, and CMS-1371-IFC, Federal Register, Volume 69, No. 3 (January 6, 2004), pages 820 through 844.

For services rendered on or after July 15, 2005, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2005 as set forth in the Federal Register on November 15, 2004 (CMS-1427-FC, 69 FR 65682) Addendum B, pages 65887 through 66182.

For services rendered on or after February 15, 2006, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2006 as set forth in the Federal Register on November 10, 2005 (CMS-1501-FC, 70 FR 68516), Addendum B, pages 68752 through 68913.

For services rendered on or after March 1, 2007, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2007 as set forth in the Federal Register on November 24, 2006 (CMS-1506-FC, 71 FR 67960), Addendum B, pages 68283 through 68384.

For services rendered on or after March 1, 2008, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2008 as set forth in the Federal Register on November 27, 2007 (CMS-1392-FC, 72 FR 66580), Addendum B, pages 66993 through 67165 conformed to comply with the correction of the final rule published on February 22, 2008 (CMS-1392-CN, 73 FR 9860), pages 9863 through 9864.

For services rendered on or after March 1, 2009, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2009 as set forth in the Federal Register on November 18, 2008 (CMS-1404-FC, 73 FR 68502), Addendum B, pages 68934 through 69269 conformed to comply with correction of the final rule published on January 26, 2009 (CMS-1404-CN, 74 FR 4343), page 4344.

For services rendered on or after April 15, 2010, "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system for the Calendar Year 2010 as set forth in the Federal Register on November 20, 2009 (CMS-1414-FC), 74 FR 60316, Addendum B, pages 60752 through 60918 conformed to comply with correction of the final rule published on December 31, 2009 (CMS-1414-CN, 74 FR 69502), page 69503.

(g) "CMS" means the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services.

(h) "Cost to Charge Ratio for ASC" means the ratio of the facility's total operating costs to total gross charges during the preceding calendar year.

(i) "Cost to Charge Ratio for Hospital Outpatient Department" means the hospital cost-to-charge used by the Medicare fiscal intermediary to determine high cost outlier payments.

(j) "HCPCS" means CMS' Healthcare Common Procedure Coding System, which describes products, supplies, procedures and health professional services and includes, the American Medical Associations (AMA's) Physician "Current Procedural Terminology", Fourth Edition (CPT-4) codes, alphanumeric codes, and related modifiers.

(k) "HCPCS Level I Codes" are the AMA's CPT-4 codes and modifiers for professional services and procedures.

(l) "HCPCS Level II Codes" are national alphanumeric codes and modifiers maintained by CMS for health care products and supplies, as well as some codes for professional services not included in the AMA's CPT-4.

(m) "Health facility" means any facility as defined in *Section 1250 of the Health and Safety Code*.

(n) "Hospital Outpatient Department" means any hospital outpatient department of a health facility as defined in the *California Health and Safety Code Section 1250* and any hospital outpatient department that is certified to participate in the Medicare program under Title XVIII (*42 U.S.C. SEC. 1395 et seq.*) of the federal Social Security Act.

(o) "Hospital Outpatient Department Services" means services furnished by any health facility as defined in the *California Health and Safety Code Section 1250* and any hospital that is certified to participate in the Medicare program under Title XVIII (*42 U.S.C. SEC. 1395 et seq.*) of the federal Social Security Act to a patient who has not been admitted as an inpatient but who is registered as an outpatient in the records of the hospital.

(p) "Market Basket Inflation Factor" means 3.4%, the market basket percentage increase determined by CMS for FY 2004, as set forth in the Federal Register on August 1, 2003, Volume 68, at page 45346.

For services rendered on or after July 15, 2005, "Market Basket Inflation Factor" means 3.3%, the market basket percentage increase determined by CMS for FY 2005, as set forth in the Federal Register on August 11, 2004 (CMS-1428-F, 69 FR 48916), at page 49274.

For services rendered on or after February 15, 2006, "Market Basket Inflation Factor" means 3.7%, the market basket percentage increase determined by CMS for FY 2006, as set forth in the Federal Register on August 12, 2005 (CMS-1500-F, 70 FR 47278), at page 47492.

For services rendered on or after March 1, 2007, "Market Basket Inflation Factor" means 3.4%, the market basket percentage increase determined by CMS for FY 2007, as set forth in the Federal Register on August 18, 2006 (CMS-1488-F, 71 FR 47870), at page 48146.

For services rendered on or after March 1, 2008, "Market Basket Inflation Factor" means 3.3%, the market basket percentage increase determined by CMS for FY 2008, as set forth in the Federal Register on August 22, 2007 (CMS-1533-FC, 72 FR 47130), at page 47415.

For services rendered on or after March 1, 2009, "Market Basket Inflation Factor" means 3.6%, the market basket percentage increase determined by CMS for FY 2009, as set forth in the Federal Register on August 19, 2008 (CMS-1390-F, 73 FR 48434), at page 48759.

For services rendered on or after April 15, 2010, "Market Basket Inflation Factor" means 2.1%, the market basket percentage increase determined by CMS for FY 2010, as set forth in the Federal Register on August 27, 2009 (CMS-1406-F, 74 FR 43754), at page 44002.

(q) "Outpatient Prospective Payment System (OPPS)" means Medicare's payment system for outpatient services at hospitals. These outpatient services are classified according to a list of ambulatory payment classifications (APCs).

(r) "Total Gross Charges" means the facility's total usual and customary charges to patients and third-party payers before reductions for contractual allowances, bad debts, courtesy allowances and charity care.

(s) "Total Operating Costs" means the direct cost incurred in providing care to patients. Included in operating cost are: salaries and wages, rent or mortgage, employee benefits, supplies, equipment purchase and maintenance, professional fees, advertising, overhead, etc. It does not include start up costs.

(t) "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2004 Hospital Outpatient Prospective Payment System (HOPPS), adopted for the Calendar Year 2004, published in the Federal Register on November 7, 2003, Volume 68, No. 216, Addenda H through J, pages 63682 through 63690.

For services rendered on or after July 15, 2005, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2005 Hospital Outpatient Prospective Payment System (HOPPS) correction to

the final rule of November 15, 2004, adopted for the Calendar Year 2005, published in the Federal Register on December 30, 2004 (CMS-1427-CN, 69 FR 78315), Addenda H through J, pages 78316 through 78317. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register on December 30, 2004 at Vol. 69 FR 78526 (CMS-1428-F2)(correcting the final rule published on August 11, 2004 (CMS-1428-F; 69 FR 48916) and correcting the correction to the final rule published on October 7, 2004 (CMS-1428-CN2; 69 FR 60242)), Table 4A₁ beginning on page 78619 for urban areas by MSA, Table 4A₂ beginning on page 78637 for urban areas by CBSA; Table 4B₁ beginning on page 78660 for rural areas by MSA and Table 4B₂ beginning on page 78661 for rural areas by CBSA; and Table 4C₁ beginning on page 78662 for reclassified hospitals by MSA and Table 4C₂ beginning on page 78665 for reclassified hospitals by CBSA.

For services rendered on or after February 15, 2006, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2006 Hospital Outpatient Prospective Payment System (HOPPS) final rule of November 10, 2005, adopted for the Calendar Year 2006, published in the Federal Register (CMS-1501-FC, 70 FR 68516), at pages 68551 through 68552. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register on September 30, 2005 at Vol. 70 FR 57161 (CMS-1500-CN) (correcting the final rule published on August 12, 2005 at Vol. 70 FR 47278 (CMS-1500-F)), on page 57163 for Table 4A for certain urban areas by CBSA, Table 4B for certain rural areas by CBSA, and Table 4C for certain reclassified hospitals by CBSA; and as specified in the final rule published on August 12, 2005 (CMS-1500-F; 70 FR 47278), Table 4A beginning on page 47580 for urban areas by CBSA; Table 4B beginning on page 47603 for rural areas by CBSA; and Table 4C beginning on page 47604 for reclassified hospitals by CBSA.

For services rendered on or after March 1, 2007, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2007 Hospital Outpatient Prospective Payment System (HOPPS) final rule of November 24, 2006, adopted for the Calendar Year 2007, published in the Federal Register (CMS-1506-FC, 71 FR 67960), at pages 68003 through 68004. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register on October 11, 2006 at Vol. 71 FR 59886 (CMS-1488-N) (additional notice to the final rule published on August 18, 2006 (CMS-1488-F; 71 FR 47870)), Table 4A-1 beginning on page 59975 for urban areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4A-2 beginning on page 59998 for certain urban areas by CBSA for discharges effective April 1, 2007; Table 4B-1 beginning on page 59998 for rural areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4B-2 beginning on page 59999 for certain rural areas by CBSA for discharges effective April 1, 2007; and Table 4C-1 beginning on page 59999 for reclassified hospitals by CBSA for discharges effective December 1, 2006 through March 31, 2007, and Table 4C-2 beginning on page 60003 for certain reclassified hospitals by CBSA for discharges effective April 1, 2007.

For services rendered on or after March 1, 2008, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2008 Hospital Outpatient Prospective Payment System (HOPPS) final rule of November 27, 2007, adopted for the Calendar Year 2008, published in the Federal Register (CMS-1392-FC, 72 FR 66580), at page 66678. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register on October 10, 2007 at Vol. 72 FR 57634 (CMS-1533-CN2) (correcting the final rule published on August 22, 2007 (CMS-1533-FC; 72 FR 47130)), Table 4A beginning on page 57698 for urban areas by CBSA; Table 4B beginning on page 57721 for rural areas by CBSA; and Table 4C beginning on page 57722 for reclassified hospitals by CBSA.

For services rendered on or after March 1, 2009, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2009 Hospital Outpatient Prospective Payment System (HOPPS) final rule of November 18, 2008, adopted for the Calendar Year 2009, published in the Federal Register (CMS-1404-FC, 73 FR 68502), at pages 68585 through 68586. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register on October 3, 2008 at Vol. 73 FR 57888 (CMS-1390-N) (notice to the final rule published on August 19, 2008 (CMS-1390-F; 73 FR 48434)), Table 4A beginning on page 57956 for urban areas by CBSA and by state; Table 4B beginning on page 57961 for rural areas by CBSA and by state; and Table 4C beginning on page 57962 for reclassified hospitals by CBSA and by state.

For services rendered on or after April 15, 2010, "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' 2010 Hospital Outpatient Prospective Payment System (HOPPS) final rule of November 20, 2009, adopted for Calendar Year 2010, published in the Federal Register (CMS-1414-FC, 74 FR 60316), at pages 60419 through 60420. The wage index values are specified in the Hospital Inpatient Prospective Payment Systems published in the Federal Register of October 7, 2009 at Vol. 74 FR 51496 (CMS-1406-CN) (correcting the final

rule published on August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F)), Table 4A beginning on page 51505 for certain urban areas by CBSA and by state, Table 4B on page 51506 for certain rural areas by CBSA and by state, and Table 4C on page 51506 for certain reclassified hospitals by CBSA and state; and as specified in the Federal Register of August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F), Table 4A beginning on page 44085 for urban areas by CBSA and by state; Table 4B beginning on page 44091 for rural areas by CBSA and by state; and Table 4C beginning on page 44091 for reclassified hospitals by CBSA and by state.

(u) "Workers' Compensation Multiplier" means the 120% Medicare multiplier required by *Labor Code Section 5307.1*, or the 122% multiplier that includes an extra 2% reimbursement for high cost outlier cases.