

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



Order of the Administrative Director of the Division of Workers' Compensation
(OMFS Update for Outpatient Hospital and Ambulatory Surgical Center (ASC) Services
Effective March 1, 2007)

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, sections 9789.31, 9789.34 and 9789.35, 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 24, 2006, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 18, 2006, and the additional notice of October 11, 2006, published in the Federal Register which change the Medicare payment system. For services rendered on or after March 1, 2007, section 9789.31 is amended to incorporate by reference the updated calendar year 2007 versions of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on November 24, 2006, the updated fiscal year 2007 versions of CMS' IPPS wage index values published in the Federal Register on October 11, 2006, 2007 version of CMS' Alphanumeric "Healthcare Common Procedure Coding System", and the 2007 version of the American Medical Associations' Physician "Current Procedural Terminology". 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.

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 9789.30 through 9789.38 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 March 1, 2007. 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 24, 2006 in the Federal Register (Vol. 71 FR 67960) and is entitled "Medicare Program; Revisions to the Hospital Outpatient Prospective Payment System and Calendar Year 2007 Payment Rates; Final Rule" (CMS-1506-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 18, 2006, in the Federal Register (Vol.71 FR 47870) entitled "Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2007 Rates; Final Rule" (CMS-1488-F), and additional notice published on October 11, 2006, (Vol. 71 FR 59886) entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems

and Fiscal Year 2007 Rates: Final Fiscal Year 2007 Wage Indices and Payment Rates After Application of Revised Occupational Mix Adjustment to Wage Index” (CMS-1488-N).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after March 1, 2007. This Order, the amended sections 9789.31, 9789.34, and 9789.35, 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: January 18, 2007

ORIGINAL ORDER SIGNED
CARRIE NEVANS
Acting Administrative Director of the
Division of Workers’ Compensation