

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 September 15, 2011)

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 9789.30, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, 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, 2010 and correction to the final rule on March 11, 2011, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 16, 2010, and correction to the IPPS final rule published on October 1, 2010 in the Federal Register which change the Medicare payment system.

For services rendered on or after September 15, 2011, section 9789.30, subsections (a) adjusted conversion factor, (e) APC payment rate, (f) APC relative weight, (p) market basket inflation factor, and (t) wage index, are amended to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 24, 2010 and correction to the final rule on March 11, 2011, and the updated fiscal year 2011 versions of CMS' IPPS final rule of August 16, 2010, and correction to the IPPS final rule published on October 1, 2010 in the Federal Register.

For services rendered on or after September 15, 2011, section 9789.31 is amended to incorporate by reference the updated calendar year 2011 versions of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on November 24, 2010 and correction to the final rule on March 11, 2011, and the updated fiscal year 2011 versions of CMS' IPPS Tables 2, 4A, 4B, 4C, and 4J in the final rule of August 16, 2010, and the Fiscal Year 2011 IPPS Payment Impact File, 2011 version of CMS' Alphanumeric "Healthcare Common Procedure Coding System", and the 2011 version of the American Medical Associations' Physician "Current Procedural Terminology".

Amended section 9789.33 is adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 24, 2010 and correction to the final rule on March 11, 2011. For services rendered on or after September 15, 2011, Section 9789.33 updates the unadjusted conversion factor and outlier factor.

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 amended to reflect additions and revisions to 42 C.F.R. part 419.

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 September 15, 2011. 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, 2010 in the Federal Register (Vol. 75 FR 71800) and is entitled "Medicare Program: Hospital Outpatient Prospective Payment System and CY 2011 Payment Rates; Ambulatory Surgical Center Payment System and CY 2011 Payment Rates; Payments to Hospitals for Graduate Medical Education Costs; Physician Self-Referral Rules and Related Changes to Provider Agreement Regulations; Payment for Certified Registered Nurse Anesthetist Services Furnished in Rural Hospitals and Critical Access Hospitals" (CMS-1504-FC); and correction of the final rule published on March 11, 2011 in the Federal Register (Vol. 76 FR 13292) and is entitled "Medicare Program: Changes to the Hospital Outpatient Prospective Payment System and CY 2011 Payment Rates; Changes to the Ambulatory Surgical Center Payment System and CY 2011 Payment Rates; Changes to Payments to Hospitals for Graduate Medical Education Costs; Corrections" (CMS-1504-CN). 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 16, 2010 in the Federal Register (Vol. 75 FR 50042) and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System Changes and FY2011 Rates; Provider Agreements and Supplier Approvals; and Hospital Conditions of Participation for Rehabilitation and Respiratory Care Services; Medicaid Program: Accreditation for Providers of Inpatient Psychiatric Services" (CMS-1498-F), and correction to the final rule published on October 1, 2010, in the Federal Register (Vol. 75 FR 60640), and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System Changes and FY 2011 Rates; Provider Agreements and Supplier Approvals; and Hospital Conditions of Participation for Rehabilitation and Respiratory Care Services; Medicaid Program: Accreditation for Providers of Inpatient Psychiatric Services; Corrections" (CMS-1498-F).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after September 15, 2011. This Order, the amended sections 9789.30, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, 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: August 15, 2011

ORIGINAL ORDER SIGNED
ROSA MORAN
Administrative Director of the
Division of Workers' Compensation