Title 8, California Code of Regulations §9789.33(a)-(b)

(Subsections (c)-(i) of §9789.33 are not amended and are not reprinted herein)
(Effective March 1, 2009)

(a) For Services rendered on or after July 1, 2004, the maximum allowable payment for outpatient facility fees for hospital emergency room services or for surgical services performed at a hospital outpatient department or at an ambulatory surgical center shall be determined based on the following. The 1.22 factor shall be used in lieu of an additional payment for high cost outlier cases.

(1) CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators "S", "T", "X" or "V":

(APC relative weight x $52.151) x (.40 + .60 x applicable wage index) x inflation factor of 1.034 x 1.22

For services rendered on or after July 15, 2005, use: (APC relative weight x unadjusted conversion factor) x (.40 + .60 x applicable wage index) x 1.22

For services rendered on or after March 1, 2008, use: CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators "S", "T", "X", "V", or "Q". Status code indicator "Q" must qualify for separate payment.

<u>For services rendered on or after March 1, 2009, use: CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators "S", "T", "X", "V", "Q1", "Q2", or "Q3". Status code indicators "Q1","Q2", and "Q3" must qualify for separate payment.</u>

(A) Table A in Section 9789.34 contains an "adjusted conversion factor" which incorporates the standard conversion factor, wage index and inflation factor. The maximum payment rate for ASCs and non-listed hospitals can be determined as follows:

APC relative weight x adjusted conversion factor x 1.22

(B) Table B in Section 9789.35 contains an "adjusted conversion factor" which incorporates the standard conversion factor, wage index, rural SCH adjustment factor, and inflation factor. The maximum payment rate for the listed hospitals can be determined as follows:

APC relative weight x adjusted conversion factor x 1.22

(2) Procedure codes for drugs and biologicals with status code indicator "G":

APC payment rate x 1.22

(3) Procedure codes for devices with status code indicator "H":

Documented paid costs, net of discounts and rebates, plus 10% not to exceed $250.00, plus any sales tax and/or shipping and handling charges actually paid.

(4) Procedure codes for drugs and biologicals with status code indicator “K”:

APC payment rate x 1.22

(5) For services rendered on or after March 1, 2009: Procedure codes for blood and blood products with status code indicator “R”:

APC payment x 1.22

(6) For services rendered on or after March 1, 2009: Procedure codes for brachytherapy services with status code indicator “U”:

Documented paid costs, net of discounts and rebates, plus 10% not to exceed $250.00, plus any sales tax and/or shipping and handling charges actually paid.

(b) Alternative payment methodology. In lieu of the maximum allowable fees set forth under (a), the maximum allowable fees for a facility meeting the requirements in subdivisions (c)(1) through (c)(5) will be determined as follows:

(1) Standard payment:

(A) CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators “S”, “T”, “X” or “V”:

(APC relative weight x $52.151) x (.40 + .60 x applicable wage index) x inflation factor of 1.034 x 1.20

For services rendered on or after July 15, 2005, use: (APC relative weight x unadjusted conversion factor) x (.40 + .60 x applicable wage index) x 1.20

For services rendered on or after February 15, 2006, by rural SCH hospitals, use: (APC relative weight x unadjusted conversion factor x 1.071) x (.40 + .60 x applicable wage index) x 1.20

For services rendered on or after March 1, 2008, use: CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators “S”, “T”, “X”, “V”, or “Q”. Status code indicator “Q” must qualify for separate payment.

For services rendered on or after March 1, 2009, use: CPT codes 99281-99285 and CPT codes 10040-69990 with status code indicators “S”, “T”, “X”, “V”, “Q1”, “Q2”, or “Q3”. Status code indicators “Q1”, “Q2”, and “Q3” must qualify for separate payment.

(B) Procedure codes for drugs and biologicals with status code indicator “G”:

APC payment rate x 1.20

(C) Procedure codes for devices with status code indicator “H”:

Documented paid costs, net of discounts and rebates, plus 10% not to exceed $250.00, plus any sales tax and/or shipping and handling charges actually paid.

(D) Procedure codes for drugs and biologicals with status code indicator “K”

APC payment rate x 1.20

(E) For services rendered on or after March 1, 2009: Procedure codes for blood and blood products with status code indicator “R”:

APC payment x 1.20

(F) For services rendered on or after March 1, 2009: Procedure codes for brachytherapy services with status code indicator “U”:

Documented paid costs, net of discounts and rebates, plus 10% not to exceed $250.00, plus any sales tax and/or shipping and handling charges actually paid.

(2) Additional payment for high cost outlier services:

For services rendered on or after July 1, 2004: [(Facility charges x cost-to-charge ratio) - (standard payment x 2.6)] x .50

For services rendered on or after July 15, 2005, if (Facility charges x cost-to-charge ratio) > (standard payment + $1,175), additional payment = [(Facility charges x cost-to-charge ratio) - (standard payment x 1.75)] x .50

For services rendered on or after February 15, 2006, if (Facility charges x cost-to-charge ratio) > (standard payment + outlier threshold), additional payment = [(Facility charges x cost-to-charge ratio) - (standard payment x 1.75)] x .50

(3) In determining the additional payment, the facility's charges and payment for devices with status code indicator “H” shall be excluded from the computation.

For services rendered on or after March 1, 2009: In determining the additional payment, the facility's charges and payment for devices with status code indicator “H” and for brachytherapy services with status code indicator “U” shall be excluded from the computation.