

N E W S L I N E

Newsline No.: 2014-36

Date: April 25, 2014

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DIR Releases Ambulatory Surgical Services Assessment Rand Report

The Department of Industrial Relations (DIR) has released the report “Ambulatory Surgical Services Provided Under California Workers’ Compensation: An Assessment of the Feasibility and Advisability of Expanding Coverage.” The report is posted on the DIR [website](#).

Senate Bill 863, which was signed into law in 2012, makes significant changes to California’s workers’ compensation system. SB 863 requires DIR to study the feasibility of establishing a facility fee for Medicare’s “inpatient only” procedures performed in Ambulatory Surgery Centers (ASCs) and report its finding to the legislative committees. At present, Medicare does not have a fee schedule for these procedures when performed in outpatient settings.

The DIR study prepared by Rand presents the following key findings:

- ASCs that are currently eligible for an Official Medical Fee Schedule (OMFS) facility fee are likely to be equipped to provide services that do not require a one-night stay. However, Medicare has several requirements for patient protection that are not found in the minimum accreditation requirements for physician-owned facilities that are not Medicare certified. These include accepting only patients who are likely to require less than a 24-hour stay, assuring appropriate post-discharge arrangements are made, and providing the patient with written disclosure of any financial interests between the ASC and the physician.
- Data analyses and review of the literature do not provide strong support for removing any procedures from the “inpatient only” list with the possible exception of procedures related to anterior cervical spinal fusions.
- Few “inpatient only” procedures are currently being performed in an ASC on either workers’ compensation or privately insured patients ages 18-64, with the exception of spinal instrumentation.

- Current OMFS policies of prior authorization process for performing an “inpatient only” procedure in an ASC setting, which allows for individual consideration of the anticipated services, other procedures that will be performed during the same encounter, and post-discharge services, before the services are provided are preferable to an across-the-board pricing methodology.

The study’s key recommendations are to: 1) Retain current OMFS policies with regard to “inpatient only” procedures performed in an ambulatory setting; and 2) Strengthen patient protections when procedures are performed in an ambulatory setting.

Information about the study is available on the DIR [website](#).

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