

N E W S L I N E

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DWC Posts Adjustments to Official Medical Fee Schedule (Physician Services / Non-Physician Practitioner Services)

The Division of Workers' Compensation (DWC) has posted an order adjusting the Physician Services/Non-Physician Practitioner Services section of the Official Medical Fee Schedule (OMFS) to conform to relevant 2016 changes in the Medicare payment system as required by Labor Code section 5307.1.

The Physician and Non-Physician Practitioner Fee Schedule based on the federal Resource Based Relative Value Scale (RBRVS) was adopted pursuant to the requirements of Senate Bill 863 (SB 863) and became effective for services rendered on or after January 1, 2014. As mandated by SB 863, the fee schedule starts with separate conversion factors for surgery, radiology, and "all other services" in 2014 and transitions to a single conversion factor (CF) beginning 2017, for all services except anesthesia, which has its own CF. The 2016 transition conversion factors reflect a blend of 25 percent pre-2014 OMFS CF and 75 percent 120% RBRVS Medicare CF.

The Physician and Non-Physician Practitioner Fee Schedule update order adopts revisions to section 9789.19 of Title 8 California Code of Regulations, including the following changes for services rendered on or after January 1, 2016:

- Adopts CMS' Medicare National Physician Fee Schedule Relative Value File (RVU file) RVU16A and related files
- Updates the Conversion Factors, applying the Medicare relative value scale adjustments and the Medicare Economic Index (MEI) inflation increase to the transitional conversion factors set forth in the regulation
- Adopts the 2016 National Correct Coding Initiative Edits Policy Manual
- Updates the California specific codes with the MEI inflation increase (+1.1%)

The administrative director update order adopting the OMFS adjustments effective for services rendered on or after January 1, 2016, can be found on the [DWC website](#). An

explanation of changes is attached to the order, identifying the basis for the changes included in the update. Some Medicare updates for 2016, such as the National Correct Coding Initiative Practitioner PTP Edits and Medically Unlikely Edits, have not yet been posted by Medicare. An additional administrative director order will be issued to adopt further 2016 updates as they become available.

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