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 Inpatient Hospital Services - Effective December 1, 2021)**

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 9789.23, 9789.24, and 9789.25 pertaining to Inpatient Hospital Fee Schedule in the Official Medical Fee Schedule, are adjusted to conform to the relevant provisions of the Centers for Medicare and Medicaid Services’ Acute Inpatient Prospective Payment System FY 2022 final rule of August 13, 2021 and correcting amendment of October 20, 2021, published in the Federal Register. Amended section 9789.23 reflects the changes to the Composite Rate, Hospital Specific Outlier Factor, and Cost to Charge Ratio for the listed California inpatient hospitals. Amended section 9789.24 reflects Medicare’s changes to the Relative Weights and Geometric Mean Length of Stay for the listed Medicare Severity diagnosis-related groups.

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, section 9789.25, federal regulations, federal register notices, and payment impact file by date of discharge for inpatient hospital fee schedule, is amended to conform to the final rule of August 13, 2021 and correcting amendment of October 20, 2021, published in the Federal Register.

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 9789.20 through 9789.25 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 notices, correction notices, and revisions) and Federal Regulations in effect as of the date this Order becomes effective, to be applied to discharges occurring on or after December 1, 2021.

Also, attached is an explanation of the changes. The effective date of the new rates is for inpatient hospital discharges occurring on or after December 1, 2021. This Order, the amended sections 9789.23, 9789.24, and 9789.25, and the explanation of changes shall be published on the Division of Workers’ Compensation [Inpatient Hospital Fee Schedule webpage](https://www.dir.ca.gov/dwc/OMFS9904.htm#4).

**IT IS SO ORDERED.**

Dated: October 25, 2021 /s/ GEORGE P. PARISOTTO\_\_  
GEORGE P. PARISOTTO  
Administrative Director of the  
Division of Workers’ Compensation