State of California

Department of Industrial Relations

DIVISION OF WORKERS’ COMPENSATION



**Supplemental Order of the Administrative Director of the**

**Division of Workers’ Compensation**

**(OMFS Update for Inpatient Hospital Services - Effective December 1, 2022)**

On October 31, 2022, pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers’ Compensation issued an order 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, be adjusted to conform to the final rule of August 10, 2022, published in the Federal Register, which changes the Medicare payment system. On November 4, 2022, Medicare published in the Federal Register, a correction to the final rule. Thereafter, on December 13, 2022, Medicare published in the Federal Register, a correction notice to the correction and to the final rule.

Title 8, California Code of Regulations, section 9789.23 is amended to adopt changes which reflect corrections made by the CMS to the Impact File [FY 2023 IPPS FR and CA Impact File.xlsx], in place of the original file, for discharges on or after December 1, 2022. The fixed-cost outlier threshold was corrected in the CMS-1771-F2 Correcting Amendment and it was utilized in calculating section 9789.23.

Section 9789.25(b), Federal Register Notices by Date of Discharge and section 9789.25(c), Payment Impact File by Date of Discharge, are amended to reflect CMS corrections made to the final rule, data files, and tables, for discharges on or after December 1, 2022. The revisions made by this Order, to section 9789.25, are shown in strikethrough and double underline.

This Order also corrects a clerical error in the reference to Title 42, Code of Federal Regulations, Section 412.106.

The Order dated October 31, 2022 remains in effect for discharges on or after December 1, 2022, except as modified by this Order.

The effective date of this Order is for inpatient hospital discharges on or after December 1, 2022. This Order and the regulations shall be published on the website of the Division of Workers’ Compensation:[*http://www.dir.ca.gov/DWC/OMFS9904.htm*](http://www.dir.ca.gov/DWC/OMFS9904.htm)

**IT IS SO ORDERED.**

Dated: December 19, 2022 /s/ GEORGE P. PARISOTTO\_\_
GEORGE P. PARISOTTO
Administrative Director of the
Division of Workers’ Compensation