# State of California Department of Industrial Relations DIVISION OF WORKERS’ COMPENSATION



## Order of the Administrative Director of the Division of Workers’ Compensation

**(Additional OMFS Update for Hospital Outpatient Departments and Ambulatory Surgical Center Services - Effective April 1, 2020, and Effective Retroactive to March 1, 2020 for HCPCS C9803)**

On March 30, 2020, the Administrative Director of the Division of Workers’ Compensation issued an order that title 8, California Code of Regulations, section 9789.39, pertaining to the Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule portion of the Official Medical Fee Schedule, be adjusted to conform to changes in the Medicare system, effective for services rendered on or after April 1, 2020. Subsequently, on May 4, 2020, the Centers for Medicare and Medicaid Services (CMS) issued a corrected Addendum B to supersede the previous document, effective April 1, 2020.

On April 30, 2020, CMS issued the [Interim Final Rule with Comment Period [CMS-5531-IFC]](https://www.cms.gov/files/document/covid-medicare-and-medicaid-ifc2.pdf) “Medicare and Medicaid Programs, Basic Health Program, and Exchanges; Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency and Delay of Certain Reporting Requirements for the Skilled Nursing Facility Quality Reporting Program”. The Interim Final Rule with Comment Period [CMS-5531-IFC] adopts a wide variety of temporary emergency provisions to address the COVID-19 pandemic in order to increase access to needed care and appropriately reimburse medical providers. In the Interim Final Rule, CMS adopts a new COVID-19 specimen collection code, C9803, effective March 1, 2020, to be used by hospital outpatient departments during the public health emergency. The Interim Final Rule states in part as follows:

“… during this COVID-19 PHE, facilitating widespread testing requires recognizing such a service for the standalone work hospitals are undertaking to assess symptoms and collect specimens form a significant number of patients. In light of the tremendous need for testing created by this PHE and the resource needs to provide extensive symptom assessment for specimen collection, we are creating a new E/M code solely to support COVID-19 testing for the PHE, HCPCS code C9803 (Hospital outpatient clinic visit specimen collection for severe acute respiratory syndrome coronavirus 2 (sars-cov-2) (coronavirus disease [covid-19]), any specimen source).”

[Interim Final Rule with Comment Period [CMS-5531-IFC]](https://www.cms.gov/files/document/covid-medicare-and-medicaid-ifc2.pdf), page 189.

CMS explains the basis for the value it has set for the new HCPCS Code C9803:

“Because these payment amounts for APC 5731 Level 1 Minor Procedures approximates our best estimate of the resource cost for this service, and because HCPCS code C9803 for a clinic visit dedicated to specimen collection is similar to other services in APC 5731, we will assign HCPCS code C9803 to APC 5731 for the duration of the PHE. We established HCPCS code C9803 only to meet the need of the PHE, and we expect to retire this code once the PHE concludes.”

[Interim Final Rule with Comment Period [CMS-5531-IFC]](https://www.cms.gov/files/document/covid-medicare-and-medicaid-ifc2.pdf), page 189.

Pursuant to Labor Code section 5307.1(g)(1),(2), **Title 8, California Code of Regulations, section 9789.39, subdivision (b),** is amended to adopt and incorporate by reference CMS’ HOPPS addendum B found in the [April 2020 CORRECTION (ZIP) – updated 5/4/2020](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction) file, in place of the original file, for services rendered on or after April 1, 2020, except that HCPCS Code C9803 is effective for services on or after March 1, 2020. In addition, the section is amended to adopt and incorporate by reference the CMS’ Integrated Outpatient Code Editor Data Files version V21.1 R2 for services rendered on or after April 1, 2020. The revisions to the regulation made by this Order are shown in double strikethrough and double underline. This update includes changes identified in Centers for Medicare and Medicaid Services Interim Final Rule with Comment Period [[CMS-5531-IFC]](https://www.cms.gov/files/document/covid-medicare-and-medicaid-ifc2.pdf).

This Order adopts changes to the OMFS for the Hospital Outpatient Departments and Ambulatory Surgical Centers services to conform to Medicare changes as follows:

|  | Services Occurring On or After March 1, 2020 and Mid-year Updates |
| --- | --- |
| APC Payment Rate | [Omitted unchanged language]  For services on or after March 1, 2020, for HCPCS code C9803, [Addendum B, April 2020 Correction (ZIP) dated May 4, 2020](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction) (2020\_april\_web\_addendum\_b.05042020.xlsx)  For services occurring on or after April 1, 2020, Addendum B, [April 2020 CORRECTION (ZIP)](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction) dated ~~April~~ May 4, 2020 (2020\_april\_web\_addendum\_b.03262020 2020\_april\_web\_addendum\_b.05042020.xlsx) |
| APC Relative Weight | [Omitted unchanged language]  For services on or after March 1, 2020, for HCPCS code C9803, [Addendum B, April 2020 Correction (ZIP) dated May 4, 2020](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction) (2020\_april\_web\_addendum\_b.05042020.xlsx)  For services occurring on or after April 1, 2020, Addendum B, [April 2020 CORRECTION (ZIP)](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction) dated April 2020 (2020\_april\_web\_addendum\_b.03262020) May 4, 2020 (2020\_april\_web\_addendum\_b.05042020.xlsx) |
| Composite APCs (codes assigned status indicator “Q1,” “Q2,” “Q3,” or “Q4”) payment rules | [Omitted unchanged language]  For services occurring on or after April 1, 2020, payment rules are:  • Medicare Claims Processing Manual, Chapter 4, sections 10.2.1, 10.2.2, 10.4, and 10.4.1  • CMS 2020 OPPS Addendum D1  • CMS 2020 OPPS Addendum M  • IOCE Quarterly Data Files V21.1 R1 V21.1 R2 Apr 2020 [ZIP, 1.53MB], IntegOCEspecsV21.1 Apr 2020.pdf~~,~~ [IntegOCEspecsV21.1 R2 Apr 2020.pdf](https://www.cms.gov/Medicare/Coding/OutpatientCodeEdit/OCEQtrReleaseSpecs) sections 5.4.1, 5.4.3, 5.4.5, and 5.5 |
| Comprehensive APCs (codes assigned status indicator “J1” or “J2”) payment rules | [Omitted unchanged language]  For services occurring on or after April 1, 2020, payment rules are:  • Medicare Claims Processing Manual, Chapter 4, sections 10.2.3, 10.4, 290.5.2, and 290.5.3  • CMS 2020 OPPS Addendum D1  • CMS 2020 OPPS Addendum J  • IOCE Quarterly Data Files V21.1 R1 V21.1 R2 Apr 2020 [ZIP, 1.53MB], IntegOCEspecsV21.1 Apr 2020.pdf, [IntegOCEspecsV21.1 R2 Apr 2020.pdf](https://www.cms.gov/Medicare/Coding/OutpatientCodeEdit/OCEQtrReleaseSpecs) sections 5.6.1, 5.6.1.1, 5.6.2, 5.6.3, 5.6.4, 5.6.4.1, and 5.6.4.2 |
| HOPPS Addenda | [Omitted unchanged language]  For services on or after March 1, 2020, for HCPCS code C9803:   * B ([April 2020 CORRECTION (ZIP](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction)); 2020\_april\_web\_addendum\_b.05042020.xlsx)   For services occurring on or after April 1, 2020 addenda:   * A (April 2020 Addendum A; 2020\_april\_web\_addendum\_a.03262020.xlsx) * B (April 2020 Addendum B; 2020\_april\_web\_addendum\_b.03262020 ([April 2020 CORRECTION (ZIP](https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppsaddendum-and-addendum-b-updates/april-2020-correction)); (2020\_april\_web\_addendum\_b.05042020.xlsx) * D1 (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum D1.11012019.xlsx) * D2 (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum D2.11012019.xlsm) * E (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum E.11012019.xlsx) * J (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum J.1101201.xls) * L (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum L.11012019.xlsx) * M (CY2020 NFRM OPPS Addenda; CY2020 NFRM Addendum M.11012019.xlsx) * P (CY2020 CN Addendum P; CY2020 CN Addendum P.12202019.xlsx) |

This Order and the updated regulations are effective for services rendered on or after April 1, 2020, except that HCPCS Code C9803 is effective for services rendered on or after March 1, 2020. The Order and regulations shall be published on the website of the Division of Workers’ Compensation on the [Hospital Outpatient Departments and Ambulatory Surgical Centers Fee schedule](https://www.dir.ca.gov/dwc/OMFS9904.htm#6) webpage.

**IT IS SO ORDERED.**

Dated: May 15, 2020 /S/ GEORGE P. PARISOTTO

GEORGE P. PARISOTTO

Administrative Director of the

Division of Workers’ Compensation