State of California

Department of Industrial Relations

DIVISION OF WORKERS’ COMPENSATION



**Order of the Administrative Director of the**

**Division of Workers’ Compensation**

**Official Medical Fee Schedule – Durable Medical Equipment,**

**Prosthetics, Orthotics, Supplies**

**(Adopted Retroactively for Services Rendered on or after March 6, 2020)**

On March 30, 2020, the Administrative Director of the Division of Workers’ Compensation issued an order adjusting the Durable Medical Equipment, Prosthetics, Orthotics, Supplies (“DMEPOS”) portion of the Official Medical Fee Schedule adopted in title 8, California Code of Regulations, section 9789.60, to conform to changes to the Medicare payment system that were adopted by the Centers for Medicare & Medicaid Services (CMS) for the second quarter of 2020. Thereafter, on April 30, 2020, CMS issued a revised DMEPOS file, retroactive to March 6, 2020 to implement a fee increase mandated by the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). This Order adopts a further update to the workers’ compensation DMEPOS fee schedule to conform to the revised Medicare DMEPOS fee schedule contained in the electronic file “[DME20-CARES (ZIP)](https://www.cms.gov/medicaremedicare-fee-service-paymentdmeposfeescheddmepos-fee-schedule/dme20-cares)”.

CMS has set forth a summary of the change as follows:

“*DMEPOS Payment Increases*: As required by section 3712(a) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, CMS will continue to adjust the fee schedule amounts for items and services furnished in rural and non-contiguous non-competitive bidding areas within the U.S. based on a 50/50 blend of adjusted and unadjusted rates for the remainder of 2020 and through the remainder of the public health emergency, which could mean that this fee schedule adjustment methodology continues into 2021 if the public health emergency is still in effect after December 31, 2020. Also, as required by section 3712(b) of the CARES Act, CMS will provide higher payments for certain DMEPOS items and services furnished in non-rural, non-competitive bidding areas within the contiguous U.S. with dates of service on or after March 6, 2020, through the remainder of the public health emergency. More information on these changes can be found on the [CMS DME Center website](https://www.cms.gov/Center/ProviderType/Durable-Medical-Equipment-DME-Center)…”

*(*CMS Fact Sheet *-* [*Durable Medical Equipment, Prosthetics, Orthotics and Supplies: CMS Flexibilities to Fight COVID-19*](https://www.cms.gov/files/document/covid-dme.pdf), page 3.)

In summary, the DME20-CARES file retains the current methodology and therefore fees for rural areas in California remain unchanged. The methodology for setting non-rural fees is revised, resulting in a fee increase for DMEPOS and Parenteral and Enteral Nutrition items supplied on or after March 6, 2020 to patients living in a non-rural area.

Pursuant to Labor Code section 5307.1, subdivision (g), the Administrative Director of the Division of Workers’ Compensation orders that the DMEPOS portion of the Official Medical Fee Schedule contained in title 8, California Code of Regulations, section 9789.60, is adjusted to conform to changes to the Medicare payment system that were adopted by the Centers for Medicare & Medicaid Services (CMS) for services rendered on or after March 6, 2020, except as set forth below.

Medicare Data Source and Incorporation by Reference

Effective for services rendered on or after March 6, 2020**,** the maximum reasonable fees for Durable Medical Equipment, Prosthetics, Orthotics, Supplies and Parenteral and Enteral Nutrition Items and Services shall not exceed 120% of the applicable California fees set forth in the Medicare fee schedule revised pursuant to the CARES Act, contained in the electronic file “[DME20-CARES (ZIP)](https://www.cms.gov/medicaremedicare-fee-service-paymentdmeposfeescheddmepos-fee-schedule/dme20-cares)”, excluding the “Former CBA Fee Schedule File”, “Former CBA National Mail-Order DTS Fee Schedule File”, and “Former CBA Zip Code File”.

The fee schedule data files (DMEPOS\_CARES and DMEPEN\_CARES) each set forth two columns for California labelled: “CA (NR)” [California Non-Rural] and “CA (R)” [California Rural]. For the services on or after March 6, 2020, payment shall not exceed 120% of the fee set forth for the HCPCS code in the CA (NR) column, except the fee shall not exceed 120% of the fee set forth in the CA (R) column if the injured worker’s residence zip code appears on the DMERuralZip\_Q22020 file. Where column CA (NR) sets forth a fee for a code, but CA (R) for the code is listed as “0.00” the fee shall not exceed 120% of the CA (NR) fee, regardless of whether the injured worker’s address zip code is rural or non-rural.

[DME20-CARES (ZIP)](https://www.cms.gov/medicaremedicare-fee-service-paymentdmeposfeescheddmepos-fee-schedule/dme20-cares) includes the following documents, which are incorporated by reference, except as indicated:

DMEBACK Mar2020

DMEREAD Mar2020

DMEPOS\_CARES

DMEPEN\_CARES

DMERuralZip\_Q22020

Excluding:

Former CBA Fee Schedule File

Former CBA National Mail-Order DTS Fee Schedule File

Former CBA ZIP Code File

The CMS Interim Final Rule with Comment Period [[CMS-5531-IFC](https://www.cms.gov/files/document/covid-medicare-and-medicaid-ifc2.pdf)] dated April 28, 2020, sets forth the CARES Act DMEPOS changes and is relied upon in adopting this update Order.

This Order shall be published on the Division of Workers’ Compensation [DMEPOS webpage](https://www.dir.ca.gov/dwc/OMFS9904.htm#3).

**IT IS SO ORDERED.**

Dated: May 4, 2020 /S/ GEORGE P. PARISOTTO\_\_\_\_\_\_\_

GEORGE P. PARISOTTO

Administrative Director of the

Division of Workers’ Compensation