

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 Hospital Outpatient and Ambulatory Surgical Center Services  
Effective March 1, 2020)

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 9789.30 through 9789.39, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, are adjusted to conform to CMS' hospital outpatient prospective payment system (HOPPS) final rule of November 12, 2019 and correction of January 3, 2020, to the final rule; and the wage index values in CMS' hospital inpatient prospective payment system (IPPS) final rule of August 16, 2019, and correction notice of October 8, 2019, to the IPPS final rule; and certain codes used, in part, to define surgical codes, in CMS' Ambulatory Surgical Center Payment Systems final rule of November 12, 2019 and correction of January 3, 2020, to the final rule.

For services rendered on or after March 1, 2020, section 9789.30, subdivisions (a) adjusted conversion factor, (f) APC payment rate, (g) APC relative weight, (s) labor-related share, (t) market basket inflation factor, and (aa) wage index, are adjusted to conform to the CMS' HOPPS CY 2020 final rule and correction to the final rule, and the wage index values in the CMS' IPPS FY 2020 final rule and correction to the IPPS final rule. The adjustments to these subdivisions are specified in section 9789.39 by date of service.

For services rendered on or after March 1, 2020, section 9789.31, subdivisions (a), (b), (c), (e), (f), and (g) are amended to incorporate by reference selected addenda, certain parts of selected addenda, tables, payment rules, and data files of the updated calendar year 2020 version of CMS' HOPPS and ASC and the updated fiscal year 2020 version of CMS' IPPS. The adjustments to these subdivisions are specified in section 9789.39 by date of service. Subdivision (h) is adjusted to incorporate by reference the 2020 revision of the American Medical Associations' Physician "Current Procedural Terminology;" and subdivision (i) is adjusted to incorporate by reference the 2020 revision of CMS' Alphanumeric "Healthcare Common Procedure Coding System."

Section 9789.32 is adjusted to conform to updated surgical procedures payable under CMS' 2020 CY HOPPS.

Section 9789.33 is adjusted to conform to CMS' CY 2020 HOPPS final rule. For services rendered on or after March 1, 2020, see Section 9789.39 for the APC relative weight and APC payment rate by date of service.

Amended section 9789.34 reflects the changes to the wage index value by county and an updated conversion factor. Amended section 9789.35 reflects the changes to the hospital-specific wage index and an updated conversion factor for the listed California Hospital Outpatient Departments. An explanation of the changes is attached.

Subdivision (a) of section 9789.39 specifies the sections of 42 C.F.R. part 419 that are added or amended and incorporated by reference by date of service. Subdivision (b) of section 9789.39 is amended to conform to the CMS' CY 2020 update to the HOPPS; wage index values published in the CMS' FY 2020 update to the IPPS; and certain codes used, in part, to define surgical codes, in CMS' CY 2020 update to the ASC payment system.

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after March 1, 2020. This Order, sections 9789.30 through 9789.39, and the explanation of the changes shall be published on the website for the Division of Workers' Compensation: <http://www.dir.ca.gov/DWC/OMFS9904.htm>

**IT IS SO ORDERED.**

Dated: January 31, 2020

ORIGINAL SIGNED BY \_\_\_\_\_  
GEORGE P. PARISOTTO  
Administrative Director of the  
Division of Workers' Compensation