

State of California
Department of Industrial Relations
DIVISION OF WORKERS' COMPENSATION



Order of the Acting Administrative Director of the Division of Workers' Compensation
(OMFS Update for Hospital Outpatient and Ambulatory Surgical Center Services
Effective June 1, 2017)

Pursuant to Labor Code section 5307.1(g)(2), the Acting 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 14, 2016, and correction of January 3, 2017, to the final rule; and the wage index values in CMS' hospital inpatient prospective payment system (IPPS) final rule of August 22, 2016, and correction notice of October 5, 2016, 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 14, 2016, and correction of January 3, 2017, to the final rule.

For services rendered on or after June 1, 2017, section 9789.30, subsections (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 2017 final rule and correction to the final rule, and the wage index values in the CMS' IPPS FY 2017 final rule and correction to the IPPS final rule. The adjustments to these subsections are specified in section 9789.39 by date of service.

For services rendered on or after June 1, 2017, section 9789.31, subsections (a), (b), (c), and (e) are amended to incorporate by reference selected addenda, certain parts of selected addenda, tables, and data files of the updated calendar year 2017 version of CMS' HOPPS and ASC and the updated fiscal year 2017 version of CMS' IPPS. The adjustments to these subsections are specified in section 9789.39 by date of service. Subsection (f) is adjusted to incorporate by reference the 2017 revision of the American Medical Associations' Physician "Current Procedural Terminology"; and subsection (g) is adjusted to incorporate by reference the 2017 revision of CMS' Alphanumeric "Healthcare Common Procedure Coding System".

Section 9789.32 is adjusted to conform to updated surgical procedures payable under CMS' 2017 CY HOPPS.

Section 9789.33 is adjusted to conform to CMS' CY 2017 HOPPS final rule. For services rendered on or after June 1, 2017, 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.

Section 9789.38 is adjusted to reflect additions and revisions to 42 C.F.R. part 419. Section 9789.39 specifies the sections to 42 C.F.R. part 419 that are amended by date of service.

Section 9789.39 is amended to conform to the CMS' CY 2017 update to the HOPPS, wage index values published in the CMS' FY 2017 update to the IPPS, and certain codes used, in part, to define surgical codes, in CMS' CY 2017 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 June 1, 2017. 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: April 28, 2017

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