

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 Outpatient Hospital and Ambulatory Surgical Center (ASC) Services
Effective April 15, 2010)

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, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, are adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 20, 2009 and correction to the final rule on December 31, 2009, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 27, 2009, and correction to the IPPS final rule published on October 7, 2009 in the Federal Register which change the Medicare payment system.

For services rendered on or after April 15, 2010, section 9789.30, subsections (a) adjusted conversion factor, (e) APC payment rate, (f) APC relative weight, (p) market basket inflation factor, and (t) wage index, are amended to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 20, 2009 and correction to the final rule on December 31, 2009, and the updated fiscal year 2010 versions of CMS' IPPS final rule of August 27, 2009, and correction to the IPPS final rule published on October 7, 2009 in the Federal Register.

For services rendered on or after April 15, 2010, section 9789.31 is amended to incorporate by reference the updated calendar year 2010 versions of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on November 20, 2009 and correction to the final rule on December 31, 2009, and the updated fiscal year 2010 versions of CMS' IPPS Tables 2, 4A, 4B, 4C, and 4J in the final rule of August 27, 2009, and as changed by the correction to the IPPS final rule published on October 7, 2009 in the Federal Register, and the Fiscal Year 2010 IPPS Payment Impact File, 2010 version of CMS' Alphanumeric "Healthcare Common Procedure Coding System", and the 2010 version of the American Medical Associations' Physician "Current Procedural Terminology".

Amended section 9789.33 is adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 20, 2009 and correction to the final rule on December 31, 2009. For services rendered on or after April 15, 2010, Section 9789.33 updates status code indicator "U", the unadjusted conversion factor, and outlier factor.

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 amended to reflect additions and revisions to 42 C.F.R. section 419.2.

Pursuant to Labor Code section 5307.1(g)(2), the Acting Administrative Director of the Division of Workers' Compensation orders that to the extent references to the Federal Register or Code of Federal Regulations are made in any sections starting from section 9789.30 through 9789.38 of Title 8 of the California Code of Regulations, said section is hereby amended to incorporate by reference the applicable Federal Register final rule (including additional notices, correction notices, and revisions) and Federal Regulations in effect as of the date this Order becomes effective, to be applied to services rendered on or after April 15, 2010. In particular, to the extent a section makes reference to the CMS hospital outpatient prospective payment system final rule, said section is amended to incorporate by reference the final rule published on November 20, 2009 in the Federal Register (Vol. 74 FR 60316) and is entitled "Medicare Program: Changes to the Hospital Outpatient Prospective Payment System and CY 2010 Payment Rates; Changes to the Ambulatory Surgical Center Payment System and CY 2010 Payment Rates" (CMS-1414-FC) and correction of the final rule published on December 31, 2009 in the Federal Register (Vol. 74 FR 69502) and is entitled "Medicare Program: Changes to the Hospital Outpatient Prospective Payment System and CY 2010 Payment Rates; Changes to the Ambulatory Surgical Center Payment System and CY 2010 Payment Rates" (CMS-1414-CN). To the extent a section makes reference to the CMS hospital inpatient prospective payment system final rule wage index values, said section is amended to incorporate by reference the final rule published on August 27, 2009 in the Federal Register (Vol. 74 FR 43754) and is entitled "Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and Fiscal Year 2010 Rates; and Changes to the Long-Term Care Hospital Prospective Payment System and Rate Years 2010 and 2009 Rates" (CMS-1406-F), and correction to the final rule published on October 7, 2009, in the Federal Register (Vol. 74 FR 51496), and is entitled "Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and Fiscal Year 2010 Rates and to the Long-Term Care Prospective Payment System and Rate Year 2010 Rates; Corrections" (CMS-1406-CN).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after April 15, 2010. This Order, the amended sections 9789.30, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, 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: March 15, 2010

ORIGINAL ORDER SIGNED
CARRIE NEVANS
Acting Administrative Director of the
Division of Workers' Compensation