

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 – Pathology and Clinical Laboratory Fee Schedule
Effective for Services Rendered on or after January 1, 2018)**

Pursuant to Labor Code section 5307.1, subdivision (g)(2), the Administrative Director of the Division of Workers' Compensation orders that the pathology and clinical laboratory portion of the Official Medical Fee Schedule adopted in title 8, California Code of Regulations, section 9789.50, is adjusted to conform to changes to the Medicare payment system that were adopted by the Centers for Medicare & Medicaid Services for calendar year 2018. The update includes fee schedule changes identified in Change Request 10409, which may be accessed on the Medicare website at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3934CP.pdf>. The Medicare Clinical Laboratory Fee Schedule methodology changes are adopted by the Clinical Laboratory Fee Schedule final rule, published in the Federal Register (Vol. 81 FR 41036), June 23, 2016, entitled "Medicare Program; Medicare Clinical Diagnostic Laboratory Tests Payment System."

Medicare Data Source and Incorporation by Reference

Effective for services rendered on or after January 1, 2018, the maximum reasonable fees for pathology and laboratory services shall not exceed 120% of the applicable fees set forth in the calendar year 2018 Medicare Clinical Laboratory Fee Schedule, contained in the electronic file "18CLAB" which is adopted and incorporated by reference. It is available on the Internet at the website of the [Centers for Medicare & Medicaid Services](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Clinical-Laboratory-Fee-Schedule-Files.html) at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Clinical-Laboratory-Fee-Schedule-Files.html>.

The update to the 2018 Medicare Clinical Laboratory Fee Schedule is based on change to federal law. Effective January 1, 2018, the Medicare Clinical Laboratory Fee Schedule rates will be based on weighted median private payer rates as required by the Protecting Access to Medicare Act (PAMA) of 2014, and crosswalking and gapfilling where the private payer rates were not established. The CMS' PAMA Regulations web page, which sets forth the final private payor rate-based payment rates, crosswalking/gapfilling determinations, and supporting documentation, can be accessed at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/PAMA-Regulations.html>. Under the new Clinical Laboratory Fee Schedule methodology, there will be no

geographic adjustments to the payment amount. The Medicare Learning Network article # MM10409, which explains the Medicare changes, is available on the Medicare website:

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017-Transmittals-Items/R3934CP.html?DLPage=1&DLEntries=10&DLFilter=10409&DLSort=0&DLSortDir=descending>

This Order shall be published on the website of the Division of Workers' Compensation:

<http://www.dir.ca.gov/DWC/OMFS9904.htm>.

IT IS SO ORDERED.

Dated: December 20, 2017

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