

**OMFS Update for Physician and Non-Physician Practitioner Services  
Explanation of Changes  
(Effective January 1, 2020)**

**1. Data Sources**

The Center for Medicare and Medicaid Services' CY 2020 update to the Medicare physician fee schedule was published in the Federal Register on November 15, 2019 (84 Fed. Reg. 62568). It is entitled "Medicare Program; CY 2020 Revisions to Payment Policies Under the Physician Fee Schedule and Other Changes to Part B Payment Policies; Medicare Shared Savings Program Requirements; Medicaid Promoting Interoperability Program Requirements for Eligible Professionals; Establishment of an Ambulance Data Collection System; Updates to the Quality Payment Program; Medicare Enrollment of Opioid Treatment Programs and Enhancements to Provider Enrollment Regulations Concerning Improper Prescribing and Patient Harm; and Amendments to Physician Self-Referral Law Advisory Opinion Regulations Final Rule; and Coding and Payment for Evaluation and Management, Observation and Provision of Self-Administered Esketamine Interim Final Rule" [CMS-1715-F and IFC]. Hereafter, the final rule will be referenced as "CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F."

The [CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F, and supporting download files](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices) are available at:  
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices>

**2. Revisions Adopted by Update Order to Conform to Medicare**

**Update Table**

**Title 8 CCR §9789.19:** A new subdivision (g) is added, adopting updates for services rendered on or after January 1, 2020, to conform to Medicare changes, as follows:

Adjustment Factors-Services Other than Anesthesia	Updated for 2020, to include the relevant 2020 Medicare adjustment factors:  From CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F:  2020 Relative Value Unit budget neutrality adjustment factor: 1.0014 [84 Fed. Reg. 63152, Table 117]
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	<p>2020 Annual increase in the MEI: 1.019 [84 Fed. Reg. 62629]</p> <p>[See detailed explanation set forth below this table.]</p>
Adjustment Factors - Anesthesia	<p>Updated for 2020, to include the relevant 2020 Medicare adjustment factors:</p> <p>From CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F:</p> <p>2020 Relative Value Unit budget neutrality adjustment factor: 1.0014 [84 Fed. Reg. 63152, Table 118]</p> <p>2020 Anesthesia practice expense and malpractice adjustment factor: 0.9954 [84 Fed. Reg. 63152, Table 118]</p> <p>2020 Annual increase in the MEI: 1.019 [84 Fed. Reg. 62629]</p> <p>[See detailed explanation set forth below this table.]</p>
Anesthesia Base Units by CPT Code	<p>The anesthesia base units are unchanged for 2020, and are found in <a href="#">cms1676f_cy_2018_anesthesia_base_units.xlsx</a>.</p>
California-Specific Codes	<p>The maximum fee for each of these codes has been updated by the MEI 1.9% increase (1.019) pursuant to section 9789.12.14.</p>
CCI Edits: Medically Unlikely Edits	<p>Updated for services rendered on or after January 1, 2020, use: "Practitioner Services MUE Table – Effective 01-01-2020 (ZIP), excluding all codes listed with Practitioner Services MUE Value of "0" (zero)."</p>
CCI Edits: National Correct Coding Initiative Policy Manual for Medicare Services	<p>Updated to the CMS' 2020 annual manual.</p>
CCI Edits: Practitioner Procedure to Procedure (PTP) Edits	<p>Updated to January 1, 2020 Practitioner PTP Edits.</p>

CMS' Medicare National Physician Fee Schedule Relative Value File [Zip]	Updated to the CMS' 2020 RVU20A.
Conversion Factors adjusted for MEI and Relative Value Scale adjustment factor	<p>Updated the conversion factors in accordance with subdivision (c) of title 8, California Code of Regulations, § 9789.12.5. The 2020 Adjusted Conversion Factor for services other than Anesthesia is the Conversion Factor used to determine the maximum fees.</p> <p>The Conversion Factor for anesthesia is adjusted for the relative value scale budget neutrality adjustment, the practice expense and malpractice adjustment and the MEI to calculate the updated anesthesia conversion factor for 2020. The anesthesia conversion factor is further adjusted to calculate the 2020 GPCI-Adjusted Anesthesia Conversion Factors in Table A that are used to determine the maximum fees.</p> <p>[See detailed explanation set forth below this table.]</p>
Current Procedural Terminology (CPT®)	Updated to CPT® 2020. CPT® can be purchased through the <a href="#">American Medical Association online store</a> .
Current Procedural Terminology CPT codes that shall not be used	Unchanged, except for deletion of "97127 (Use G0515)." The deletion is due to the fact that CPT 97127 and HCPCS Code G0515 have been deleted, and are replaced by CPT codes CPT 97129 and CPT 97130. See the Medicare Physician Fee Schedule final rule, CMS-1715-F, 84 Federal Register, pages 62792-62793.
Diagnostic Cardiovascular Procedure CPT codes subject to the MPPR	Updated to 2020.
Diagnostic Imaging Family Indicator Description	Unchanged.

Diagnostic Imaging Family Procedures Subject to the MPPR	Updated to 2020.
Diagnostic Imaging Multiple Procedures Subject to the MPPR	Updated to 2020.
DWC Pharmaceutical Fee Schedule	Sets forth reference to DWC pharmaceutical fee schedule web page, which is unchanged from 2019.
Geographic Practice Cost Index (GPCI) by locality (Other than anesthesia services)	<p>Adopted and incorporated by reference specified columns of files from the 2020 CMS' Medicare National Physician Fee Schedule Relative Value File RVU20A:</p> <ul style="list-style-type: none"> <li>• GPCI2020 (Column B ("Locality Number"), column C ("Locality Name"), column D ("2020 PW GPCI"), column E ("2020 PE GPCI"), and column F ("2020 MP GPCI") for the State of California ("CA")) [Based on <a href="#">Addendum E to CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F</a>]</li> <li>• 20LOCCO – Column B ("Locality Number"), column C ("State"), column D ("Fee Schedule Area"), and column E ("Counties") for the State of California ("CA")</li> </ul>
Geographic Practice Cost Index (GPCIs) by locality and anesthesia shares (Anesthesia)	<p>The Medicare 2020 locality GPCIs and Medicare 2020 Anesthesia Shares are utilized to update the workers' compensation Anesthesia Conversion Factor for 2020, as set forth on Table A, title 8 CCR, section 9789.19.1.</p> <p>Medicare data utilized is as follows. <a href="#">2020 Anesthesia Conversion Factors [ZIP]</a></p> <ul style="list-style-type: none"> <li>• Locality-specific 2020 Work GPCI, 2020 PE GPCI, 2020 MP GPCI for California as a result of the CY 2020 Final Rule, columns B, C, D, E, and F, excluding</li> </ul>

	<p>columns A and G labeled “Contractor” and “National Anes CF of 22.2016” [excel sheet: Locality Adjusted CFs]</p> <ul style="list-style-type: none"> <li>Anesthesia Shares [excel sheet: Anesthesia Shares]</li> </ul> <p>Locality for anesthesia services determined by Medicare county to locality index.</p> <p><b>RVU20A</b> (County to locality index)</p> <ul style="list-style-type: none"> <li>20LOCCO – Column B (“Locality Number”), column C (“State”), column D (“Fee Schedule Area”), and column E (“Counties”) for the State of California (“CA”)</li> </ul>
<p>Geographic Practice Cost Index (GPCI) locality mapping</p> <p>Zip Code files mapping zip codes to GPCI locality (for “other than anesthesia services” and anesthesia services)</p>	<p>Updated to the 2020 files for services rendered on or after January 1, 2020:</p> <p>Zip Code to Carrier Locality File – Revised 11/19/2019 [ZIP], Column A (“STATE”), column B (“ZIP CODE”), and column D (“LOCALITY”) for the State of California (“CA”)</p> <p>Zip Codes requiring 4 extension – Revised 11/19/2019 [ZIP], for the State of California (“CA”)</p> <p>The current <a href="https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/FeeScheduleGenInfo/index">CMS Zip Code to Carrier Locality files</a> can be accessed on the CMS website: <a href="https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/FeeScheduleGenInfo/index">https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/FeeScheduleGenInfo/index</a></p>
<p>Geographic Health Professional Shortage Area zip code data files</p>	<p>Updated to 2020 files for the Primary Care Geographic HPSA and the Mental Health Geographic HPSA.</p>
<p>Health Resources and Services Administration: Geographic HPSA shortage area query (By State &amp; County)</p>	<p>Sets forth reference to the HRSA Geographic HPSA shortage area web page query by state/county.</p>
<p>Health Resources and Services Administration:</p>	<p>Sets forth reference to the HRSA Geographic HPSA shortage web page query by address.</p>

Geographic HPSA shortage area query (By Address)	
Incident To Codes	Updated to 2020.
Medi-Cal Rates – DHCS	Updated for services rendered on or after January 1, 2020, use: Medi-Cal Rates file – Updated 12/15/2019. [The 12/15/2019 Medi-Cal rates file will be available on approximately December 16, 2019.] The Medi-Cal rates file will be updated monthly by Administrative Director’s posting order. Medi-Cal rates are updated as of the 15 <sup>th</sup> of each month, posted to the Medi-Cal website on the 16 <sup>th</sup> of each month, and posted to the DWC website as soon as feasible.
Ophthalmology Procedure CPT codes subject to the MPPR	Updated to 2020.
Physical Therapy Multiple Procedure Payment Reduction: “Always Therapy” Codes; and Acupuncture and Chiropractic Codes	Updated to 2020 Medicare list of “Always Therapy Codes”. In addition, retain the acupuncture codes and chiropractic manipulation codes, which are unchanged from 2019.
Physician Time	Updated to 2020.
Splints and Casting Supplies	Sets forth reference to the Durable Medical Equipment, Prosthetics, Orthotics, Supplies fee schedule applicable to the date of service; reference is unchanged from 2019.
The 1995 Documentation Guidelines for Evaluation & Management Services	Sets forth reference to the 1995 Documentation Guidelines web page, which is unchanged from 2019.
The 1997 Documentation	Sets forth reference to the 1997 Documentation Guidelines web page, which is unchanged from

Guidelines for Evaluation and Management Services	2019.
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## Adjustment Factors – Updating the Conversion Factors

### Conversion Factor for Services Other than Anesthesia

The 2020 conversion factor for services other than anesthesia is updated pursuant to Labor Code section 5307.1, subdivision (g)(1)(A)(iii) and title 8, CCR, section 9789.12.5, subdivision (c). Title 8, CCR, section 9789.12.5, subdivision (c) states:

“(c) For calendar year 2018, and annually thereafter, the Anesthesia conversion factor and the Other Services conversion factor in effect in the prior calendar year shall be updated by the Medicare Economic Index inflation rate and by the Relative Value Scale Adjustment Factor, if any.”

The 2020 annual increase in the Medicare Economic Index (MEI) is 1.9%. (CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F (84 Fed. Reg. 62629.)) The MEI is an input price index that accounts for annual changes in the various resources involved in providing physician services.

The 2020 Relative Value Scale (RVS) adjustment factor for all services other than anesthesia for 2020 is the Medicare 2020 RVU budget neutrality adjustment (1.0014) (CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F, Table 117).

The “Statutory Update Factor” of 0.00 percent in Table 117 of CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F is not applicable because Labor Code §5307.1(g)(1)(A)(iii) specifies that the physician fee schedule annual updates are to be based upon the Medicare Economic Index and any relative value scale adjustment factor.

The 2020 CF for Services Other than Anesthesia is calculated as follows:  
 $\$45.8513$  (2019 CF) \* 1.019 (MEI) \* 1.0014 (RVU Budget Neutrality Adjustment) =  $\$46.7879$

### Conversion Factor for Anesthesia Services

The 2020 conversion factor for anesthesia services (before Geographic Practice Cost Index adjustment) is updated pursuant to Labor Code section 5307.1, subdivision (g)(1)(A)(iii) and title 8, CCR, section 9789.12.5, subdivision (c). Title 8, CCR, section 9789.12.5, subdivision (c) states:

“(c) For calendar year 2018, and annually thereafter, the Anesthesia conversion factor and the Other Services conversion factor in effect in the prior calendar year shall be updated by the Medicare Economic Index inflation rate and by the Relative Value Scale Adjustment Factor, if any.”

The 2020 annual increase in the Medicare Economic Index (MEI) is 1.9%. (CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F (84 Fed. Reg. 62629.)) The MEI is an input price index that accounts for annual changes in the various resources involved in providing physician services.

The 2020 Relative Value Scale (RVS) adjustment factors for anesthesia services for 2020 are the Medicare 2020 RVU budget neutrality adjustment (1.0014) and the 2020 Anesthesia Fee Schedule Practice Expense and Malpractice Adjustment (0.9954) (CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F, Table 118).

The “Statutory Update Factor” of 0.00 percent in Table 118 of CY 2020 Medicare Physician Fee Schedule Final Rule, CMS-1715-F is not applicable because Labor Code §5307.1(g)(1)(A)(iii) specifies that the physician fee schedule annual updates are to be based upon the Medicare Economic Index and any relative value scale adjustment factor.

The 2020 CF for Anesthesia Services (before Geographic Practice Cost Index adjustment) is calculated as follows:  
\$27.6859 (2019 CF) \* 1.019 (MEI) \* 1.0014 (RVU Budget Neutrality Adjustment) \* 0.9954 = \$28.1215.

### **GPCI-Adjusted Conversion Factors for Anesthesia Services – Section 9789.19.1 Table A for services on or after January 1, 2020**

For anesthesia services the GPCI adjustments are incorporated into the anesthesia conversion factors. Table A adopted pursuant to section 9789.19.1 contains the anesthesia conversion factors adjusted by Medicare locality GPCIs and anesthesia shares for anesthesia services rendered on or after January 1, 2020. The workers' compensation 2020 Anesthesia Conversion Factor is 28.1215, adjusted for Medicare Economic Index inflation rate and Relative Value Scale Adjustment factors. The 2020 Medicare Anesthesia Shares are applied to the Work GPCI, Practice Expense GPCI, and Malpractice GPCI to derive the GPCI-Adjusted Anesthesia Conversion Factors by locality. The formula is as follows.

$$[(\text{Work GPCI by locality} * \text{Anesthesia Work Share}) + (\text{Practice Expense GPCI by locality} * \text{Anesthesia Practice Expense Share}) + (\text{Malpractice GPCI by locality} * \text{Anesthesia Malpractice Share})] * \text{Anesthesia Conversion Factor}].$$

The 2020 Work GPCI, 2020 Practice Expense GPCI, 2020 Malpractice GPCI, and the anesthesia shares are obtained from the Medicare anesthesia document adopted in the Medicare Physician Fee Schedule Final Rule: CMS-1715-F\_CY2020\_ANES\_locality adjusted CF ([2020 Anesthesia Conversion Factors \[ZIP\]](#).)

The anesthesia shares for 2020 are as follows.

<b>Work</b>	<b>PE</b>	<b>MP</b>
0.785	0.154	0.061