State of California
Office of Administrative Law

In re:
Division of Workers' Compensation

Regulatory Action:

Title 08, California Code of Regulations

Adopt sections:
Amend sections: 9789.30, 9789.31, 9789.32, 9789.33, 9789.39
Repeal sections:

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

OAL Matter Number: 2016-1114-01

OAL Matter Type: File and Print Only (FP)

The Department of Industrial Relations, Division of Workers' Compensation submitted this file and print action to amend five sections in title 8 of the California Code of Regulations that are under the Official Medical Fee Schedule and that pertain to the Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule. This action is exempt from the Administrative Procedure Act pursuant to Government Code section 11340.9(g).

OAL filed these regulations with the Secretary of State and will publish the regulations in the California Code of Regulations. These regulations are effective December 15, 2016.

Date: December 15, 2016

Richard L. Smith
Richard L. Smith
Senior Attorney

For: Debra M. Cornez
Director

Original: George Parisotto
Copy: Jarvia Shu

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW

NOTICE PUBLICATION/REGULATIONS SUBMISSION FILE PRINT

(See instructions on reverse)

STD. 400 (REV. 01-2013)

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2016-1114-01FP	

ENDORSED - FILED
in the office of the Secretary of State
of the State of California
DEC 15 2016
3:59 pm

For use by Office of Administrative Law (OAL) only

2016 NOV 14 A 9:04
OFFICE OF ADMINISTRATIVE LAW

NOTICE | REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Division of Workers' Compensation, within Dept. of Industrial Relations

AGENCY FILE NUMBER (If any)
None

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE

3. NOTICE TYPE	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
☐ Notice re Proposed Regulatory Action ☐ Other			

OAL USE ONLY	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE
	☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn		

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)
Workers' Compensation-Official Medical Fee Schedule

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) **(Including title 26, if toxics related)**

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)

ADOPT

AMEND
9789.30, 9789.31, 9789.32, 9789.33,9789.39

TITLE(S)
8

REPEAL

3. TYPE OF FILING

- ☐ Regular Rulemaking (Gov. Code §11346)
- ☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)
- ☐ Emergency (Gov. Code, §11346.1(b))
- ☐ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
- ☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
- ☐ Emergency Readopt (Gov. Code, §11346.1(h))
- ☒ File & Print
- ☐ Print Only
- ☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
- ☒ Other (Specify) Exempt-Gov't Code Section 11340.9(g)

per agency request

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

- ☐ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))
- ☒ Effective on filing with Secretary of State
- ☐ §100 Changes Without Regulatory Effect
- ☐ Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

- ☐ Department of Finance (Form STD. 399) (SAM §6660)
- ☐ Fair Political Practices Commission
- ☐ State Fire Marshal
- ☐ Other (Specify)

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Jarvia Shu	(510) 286-0646	(510) 286-0687	jshu@dir.ca.gov

8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE 11/9/2016

TYPED NAME AND TITLE OF SIGNATORY
George Parisotto, Acting Administrative Director

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED
DEC 15 2016
Office of Administrative Law

Title 8, California Code of Regulations
Chapter 4.5, Division of Workers' Compensation
Subchapter 1
Administrative Director-Administrative Rules
Article 5.3
Official Medical Fee Schedule

Plain text is the current codified language.
Language deleted from the codified text is displayed in strikeout type.
New language adopted is displayed in underscore type.

Section 9789.30. Hospital Outpatient Departments and Ambulatory Surgical Centers — Definitions.

(a) "Adjusted Conversion Factor" is determined as follows: unadjusted conversion factor x (1-labor-related share + (labor-related share x wage index)). For each update, the unadjusted conversion factor for the preceding period is adjusted by the rate of change in the market basket inflation factor. The market basket inflation factor and labor-related share are specified in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the unadjusted conversion factor, market basket inflation factor, and labor-related share by date of service.

For services rendered on or after February 15, 2006, in accordance with Section 411 of Pub. L. 108-173 and the final rule published in the Federal Register of November 10, 2005 (CMS-1501-FC, 70 FR 68516) at page 68556, the "Adjusted Conversion Factor" for a rural Sole Community Hospital (SCH) includes an adjustment factor of 1.071, which document is incorporated by reference and will be made available upon request to the Administrative Director.

(b) "Ambulatory Payment Classifications (APC)" means the Centers for Medicare & Medicaid Services' (CMS) list of ambulatory payment classifications of hospital outpatient services.

(c) "Ambulatory Surgical Center (ASC)" means any surgical clinic as defined in the California Health and Safety Code Section 1204, subdivision (b)(1), any ambulatory surgical center that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. SEC. 1395 et seq.) of the federal Social Security Act, or any surgical clinic accredited by an accrediting agency as approved by the Licensing Division of the Medical Board of California pursuant to Health and Safety Code Sections 1248.15 and 1248.4 to use anesthesia, except local anesthesia or peripheral nerve blocks, or both, in compliance with the community standard of practice, in doses that, when administered have the probability of placing a patient at risk for loss of the patient's life-preserving protective reflexes.

(d) "Ambulatory Surgical Center Payment System" means Medicare's payment system for specific ambulatory surgical center covered surgical procedures published in the Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems final rule for the relevant payment year.

(~~d~~e) "Annual Utilization Report of Specialty Clinics" means the Annual Utilization Report of Clinics that is filed by February 15 of each year with the Office of Statewide Health Planning and Development by the ASCs as required by Section 127285 and Section 1216 of the Health and Safety Code.

(ef) "APC Payment Rate" means CMS' hospital outpatient prospective payment system rate. The APC payment rate is specified in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference to the APC payment rate by date of service.

(fg) "APC Relative Weight" means CMS' APC relative weight as set forth in CMS' hospital outpatient prospective payment system. The APC relative weight is specified in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference to the APC relative weight by date of service.

(gh) "CMS" means the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services.

(hi) "Cost to Charge Ratio for ASC" means the ratio of the facility's total operating costs to total gross charges during the preceding calendar year.

(ij) "Cost to Charge Ratio for Hospital Outpatient Department" means the hospital cost-to-charge used by the Medicare fiscal intermediary to determine high cost outlier payments.

(jk) "Facility Only Services" means services, defined by Medicare, that rarely or are never performed in the non-facility setting, and are not: 1. emergency room visits; 2. Surgical procedures; or 3. An integral part of the emergency room visit or surgical procedure, in accordance with section 9789.32. See section 9789.39(b) for the CMS Physician Fee Schedule Relative Value File which contains the description of the Facility Only Services by date of service.

(kl) "HCPCS" means CMS' Healthcare Common Procedure Coding System, which describes products, supplies, procedures and health professional services and includes, the American Medical Associations (AMA's) Physician "Current Procedural Terminology", Fourth Edition (CPT-4) codes, alphanumeric codes, and related modifiers.

(lm) "HCPCS Level I Codes" are the AMA's CPT-4 codes and modifiers for professional services and procedures.

(mn) "HCPCS Level II Codes" are national alphanumeric codes and modifiers maintained by CMS for health care products and supplies, as well as some codes for professional services not included in the AMA's CPT-4.

(no) "Health facility" means any facility as defined in Section 1250 of the Health and Safety Code.

(op) "Hospital Outpatient Department" means any hospital outpatient department of a health facility as defined in the California Health and Safety Code Section 1250 and any hospital outpatient department that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. SEC. 1395 et seq.) of the federal Social Security Act.

(pq) "Hospital Outpatient Department Services" means services furnished by any health facility as defined in the California Health and Safety Code Section 1250 and any hospital that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. SEC. 1395 et seq.) of the federal Social Security Act to a patient who has not been admitted as an inpatient but who is registered as an outpatient in the records of the hospital.

(r) "Hospital Outpatient Prospective Payment System (HOPPS)" means Medicare's payment system for outpatient services at hospitals. These outpatient services are classified according to a list of ambulatory payment classifications (APCs).

(~~q~~s) "Labor-related Share" means the portion of the payment rate that is attributable to labor and labor-related cost determined by CMS, pursuant to Section 1833(t)(2)(D) of the Social Security Act and as specified in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference that references the labor-related share by date of service.

(~~r~~t) "Market Basket Inflation Factor" means the market basket percentage change determined by CMS as set forth in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference to the market basket inflation factor by date of service.

(~~s~~u) "Other Services" means Hospital Outpatient Department ~~s~~Services rendered on or after September 1, 2014, but before December 15, 2016, to hospital outpatients and payable under the CMS hospital outpatient prospective payment system that are not: 1. Surgical procedures; 2. Emergency room visits; 3. Facility Only Services; or 4. An integral part of the surgical procedure, emergency room visit or Facility Only Service.

For services rendered on or after December 15, 2016, "Other Services" means Hospital Outpatient Department Services rendered to hospital outpatients and payable under the CMS hospital outpatient prospective payment system that are not: 1. Surgical procedures; 2. Emergency room visits; or 3. An integral part of the surgical procedure or emergency room visit.

(~~t~~v) "Outlier Threshold" means the Medicare outlier threshold used in determining high cost outlier payments.

~~(u) "Hospital Outpatient Prospective Payment System (HOPPS)" means Medicare's payment system for outpatient services at hospitals. These outpatient services are classified according to a list of ambulatory payment classifications (APCs).~~

(~~v~~w) "Price adjustment" means any and all price reductions, offsets, discounts, rebates, adjustments, and or refunds which accrue to or are factored into the final net cost to the hospital outpatient department or ambulatory surgical center.

(~~w~~x) "OMFS RBRVS" means the Official Medical Fee Schedule for physician and non-physician practitioner services in accordance with sections 9789.12 through 9789.19.

(~~x~~y) "Total Gross Charges" means the facility's total usual and customary charges to patients and third-party payers before reductions for contractual allowances, bad debts, courtesy allowances and charity care.

(~~y~~z) "Total Operating Costs" means the direct cost incurred in providing care to patients. Included in operating cost are: salaries and wages, rent or mortgage, employee benefits, supplies, equipment purchase and maintenance, professional fees, advertising, overhead, etc. It does not include start up costs.

(~~z~~aa) "Wage Index" means CMS' wage index for urban, rural and hospitals that are reclassified as described in CMS' Hospital Outpatient Prospective Payment System (HOPPS) and wage index values as specified in the Hospital Inpatient Prospective Payment Systems set forth in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference that contains description of the wage index and wage index values by date of service.

(~~aa~~ab) For services payable under Sections 9789.30 through 9789.39, "Workers' Compensation Multiplier" means the multiplier to the Medicare rate adopted by the AD in accordance with Labor

Code Section 5307.1, or the multiplier that includes an extra percentage reimbursement for high cost outlier cases, by date of service.

Date of Service	Hospital Outpatient Department Services that are: Surgical Procedures; Emergency Room visits; or services that are an integral part of the surgical procedure or emergency room visit Multipliers (A) Medicare multiplier; (B) multiplier that includes an extra percentage reimbursement for high cost outlier cases	Ambulatory Surgical Centers Surgical Procedures Multipliers (A) Medicare multiplier; (B) multiplier that includes an extra percentage reimbursement for high cost outlier cases	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Facility Only Services (as defined in Section 9789.30(k)) Multiplier ~~(A) Medicare multiplier;~~ (B) multiplier that includes an extra percentage reimbursement for high cost outlier cases	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Other Services (as defined in Section 9789.30(u)) Multiplier (B) multiplier that includes an extra percentage reimbursement for high cost outlier cases
Before January 1, 2013	(A) 120%; (B) 122%	(A) 120%; (B) 122%	Not applicable. Payable under Sections 9789.10 and 9789.11	Not applicable. Payable under Sections 9789.10 and 9789.11
On or after January 1, 2013, but before September 1, 2014	(A) 120%; (B) 122%	(A) 80%; (B) 82%	Not applicable. Payable under Sections 9789.10 and 9789.11	Not applicable. Payable under Sections 9789.10 and 9789.11
On or after September 1, 2014, but before December 15, 2016	(B) 121.2%	(B) 80.81%	(B) 101.01%	Not applicable. Payable under Section 9789.32(c)
On or after December 15, 2016	(B) 117.8%	(B) 80.81%	Not applicable. These services are payable as "Other Services".	(B) 101.01%

Authority: Sections 133, 4603.5, 5307.1 and 5307.3, Labor Code.
Reference: Sections 4600, 4603.2 and 5307.1, Labor Code.

Section 9789.31. Hospital Outpatient Departments and Ambulatory Surgical Centers — Adoption of Standards.

(a) The Administrative Director incorporates by reference, the Centers for Medicare and Medicaid Services' (CMS) Hospital Outpatient Prospective Payment System (HOPPS) certain addenda published in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the adopted payment system addenda by date of service.

(b) For services rendered on or after July 15, 2005, the Administrative Director incorporates by reference, the Centers for Medicare and Medicaid Services' (CMS) Hospital Inpatient Prospective Payment Systems (IPPS) certain tables published in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the adopted payment system tables by date of service.

(c) For services rendered on or after July 15, 2005, the Administrative Director incorporates by reference, the Hospital Inpatient Prospective Payment Systems (IPPS) "Payment Impact File" published by the federal Centers for Medicare & Medicaid Services (CMS) in effect as of the date the Administrative Director Order becomes effective, which document is found at http://www.cms.hhs.gov/AcuteInpatientPPS/.

(d) For services rendered on or after September 1, 2014, but before December 15, 2016, the Administrative Director incorporates by reference, the Medicare Physician Fee Schedule "Relative Value File" published by the federal Centers for Medicare & Medicaid Services (CMS), which document is found at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html?redirect=/PhysicianFeeSched/. See Section 9789.39(b) for the adopted Relative Value File by date of service.

(e) For services rendered on or after December 15, 2016, the Administrative Director incorporates by reference the Centers for Medicare and Medicaid Services' (CMS) Ambulatory Surgical Centers Payment System particular columns of certain addenda published in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the adopted payment system addenda by date of service.

(ef) The Administrative Director incorporates by reference the American Medical Associations' "Current Procedural Terminology," 4th Edition, annual revision in effect as of the date the Administrative Director Order becomes effective. Copies of the Current Procedural Terminology may be purchased from the American Medical Association:

Order Department
American Medical Association
P.O. Box 930876
Atlanta, GA 31193-0876

Or over the internet at: www.amapress.com
Or through the American Medical Association's toll free order line: (800) 621-8335.

(fg) The Administrative Director incorporates by reference CMS' Alphanumeric "Healthcare Common Procedure Coding System (HCPCS)" annual revision in effect as of the date the Administrative Director Order becomes effective. Copies of the Healthcare Common Procedure Coding System (HCPCS) may be purchased from the American Medical Association:

Order Department
American Medical Association
P.O. Box 930876
Atlanta, GA 31193-0876

Or over the internet at: www.amapress.com
Or through the American Medical Association's toll free order line: (800) 621-8335.

Authority: Sections 133, 4603.5, 5307.1 and 5307.3, Labor Code.
Reference: Sections 4600, 4603.2 and 5307.1, Labor Code.

Section 9789.32. Outpatient Hospital Departments and Ambulatory Surgical Centers Fee Schedule — Applicability.

(a) Sections 9789.30 through 9789.39 shall be applicable to the maximum allowable fees for emergency room visits and surgical procedures provided on an outpatient basis rendered on or after July 1, 2004, ~~and~~ but before September 1, 2014. Sections 9789.30 through 9789.39 shall be applicable to the maximum allowable fees for emergency room visits, surgical procedures, and Facility Only Services provided on an outpatient basis rendered on or after September 1, 2014, but before December 15, 2016. Sections 9789.30 through 9789.39 shall be applicable to the maximum allowable fees for services provided on an outpatient basis and payable under the Medicare (CMS) HOPPS rendered on or after December 15, 2016. For purposes of this section, emergency room visits and surgical procedures shall be defined by HCPCS codes set forth in section 9789.39(b) by date of service. ~~A facility fee is payable only for the specified emergency room, surgical codes, Facility Only Services, and for supplies, drugs, devices, blood products and biologicals that are an integral part of the emergency room visit, surgical procedure, or Facility Only Service.~~ A supply, drug, device, blood product and biological is considered an integral part of an emergency room visit, or surgical procedure, or, if applicable, Facility Only Service, or if applicable and only if rendered on or after December 15, 2016, Other Service if:

(1)

Date of Service	Supply, Drug, Device, Blood Product, or Biological
For services rendered before March 1, 2008	The item has a status code N and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable).
For services rendered on or after March 1, 2008 but before March 1, 2009	The item has a status code N or Q and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable).
For services rendered on or after March 1, 2009 but before September 1, 2014	The item has a status code N, Q1, Q2, or Q3 and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable).
For services rendered on or after September 1, 2014 but before December 15, 2016	The item has a status code N, Q1, Q2, or Q3 and is packaged into the APC payment for the emergency room visit, surgical procedure, or Facility Only Service (in which case no additional fee is allowable).
For services rendered	The item has a status code N, Q1, Q2, Q3, or Q4, and is packaged into

on or after December 15, 2016	the APC payment for the emergency room visit, surgical procedure, or Other Service (in which case no additional fee is allowable).

~~the item has a status code N and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable) or,~~

~~For services rendered on or after March 1, 2008: the item has a status code N or Q and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable) or,~~

~~For services rendered on or after March 1, 2009: the item has a status code N, Q1, Q2, or Q3 and is packaged into the APC payment for the emergency room visit or surgical procedure (in which case no additional fee is allowable) or,~~

~~For services rendered on or after September 1, 2014: the item has a status code N, Q1, Q2, or Q3 and is packaged into the APC payment for the emergency room visit, surgical procedure, or Facility Only Service (in which case no additional fee is allowable).~~

(2)

Date of Service	**Supply, Drug, Device, Blood Product, or Biological**
For services rendered before March 1, 2009	The item is furnished in conjunction with an emergency room visit or surgical procedure and has been assigned Status Code G, H or K.
For services rendered on or after March 1, 2009 but before September 1, 2014	The item is furnished in conjunction with an emergency room visit or surgical procedure and has been assigned status code G, H, K, R, or U.
For services rendered on or after September 1, 2014 but before December 15, 2016	The item is furnished in conjunction with an emergency room visit, surgical procedure, or Facility Only Service, and has been assigned status code G, H, K, R, or U.
For services rendered on or after December 15, 2016	The item is furnished in conjunction with an emergency room visit, surgical procedure, or Other Service and has been assigned status code G, H, K, R, or U.

~~the item is furnished in conjunction with an emergency room visit or surgical procedure and has been assigned Status Code G, H or K.~~

~~For services rendered on or after March 1, 2009: the item is furnished in conjunction with an emergency room visit or surgical procedure and has been assigned status code G, H, K, R, or U.~~

~~For services rendered on or after September 1, 2014: the item is furnished in conjunction with an emergency room visit, surgical procedure, or Facility Only Service, and has been assigned status code G, H, K, R, or U.~~

~~Depending on date of service, payment for other services furnished in conjunction with a surgical procedure, emergency room visit, or Facility Only Service, shall be in accordance with subdivision (c) of this Section.~~

(b) Sections 9789.30 through 9789.39 apply to any hospital outpatient department as defined in Section 9789.30(~~o~~p) and any ASC as defined in Section 9789.30(c).

(c) This subsection (c) is inapplicable for dates of services on or after December 15, 2016. Depending on date of service, ~~T~~the maximum allowable fees for services, drugs and supplies furnished by hospitals ~~and ambulatory surgical centers~~ that do not meet the requirements in (a) for a facility fee payment and are not bundled in the APC payment rate for services in (a) will be determined as follows:

(1)(A) For services rendered before September 1, 2014, the maximum allowable hospital outpatient facility fees for professional medical services which are performed by physicians and other licensed health care providers to hospital outpatients shall be paid according to Section 9789.10 and Section 9789.11.

(B) For Other Services rendered on or after September 1, 2014, but before December 15, 2016, to hospital outpatients, the maximum allowable hospital outpatient facility fees shall be paid according to the OMFS RBRVS.

(i) If the Other Service has a Professional Component/Technical Component under the OMFS RBRVS, the hospital outpatient facility fee shall be the Technical Component amount determined according to the OMFS RBRVS.

(ii) For Other Services, which do not meet the requirement in (i), the hospital outpatient facility fee shall be determined based solely on the non-facility practice expense relative value units applicable under the OMFS RBRVS.

The base facility fee is calculated as follows: Non-Facility Site of Service Practice Expense (PE) Relative Value Unit (RVU) * Statewide Geographic Adjustment Factor (GAF) for PE * RBRVS Conversion Factor (CF) = Base facility fee.

(~~iii~~ d) Hospital Outpatient Departments and ASCs should utilize other applicable parts of the OMFS to determine maximum allowable fees for services or goods not covered by the Hospital Outpatient Departments and Ambulatory Surgical Centers fee schedule (Sections 9789.30 through 9789.39).

(1) The fees for any physician and non-physician practitioner professional services ~~billed by the hospital~~ shall be ~~calculated~~ determined in accordance with the OMFS RBRVS~~, using the OMFS RBRVS total facility relative value units~~.

(2) The maximum allowable fees for organ acquisition costs and corneal tissue acquisition costs shall be based on the documented paid cost of procuring the organ or tissue.

(3) The maximum allowable fee for drugs not otherwise covered by a Medicare fee schedule payment for facility services shall be determined pursuant to Labor Code Section 5307.1, or, where applicable, Section 9789.40.

(4) The maximum allowable fee for clinical diagnostic tests shall be determined according to Section 9789.50.

(5) The maximum allowable fee for durable medical equipment, prosthetics and orthotics shall be determined according to Section 9789.60.

(6) The maximum allowable fee for ambulance service shall be determined according to Section 9789.70.

(~~d~~e) For services rendered before September 1, 2014, only hospitals may charge or collect a facility fee for emergency room visits. Only hospital outpatient departments and ambulatory surgical

centers as defined in Section 9789.30(~~o~~p) and Section 9789.30(c) may charge or collect a facility fee for surgical services provided on an outpatient basis.

For services rendered on or after September 1, 2014, but before December 15, 2016, only hospitals may charge or collect a facility fee for emergency room visits, Facility Only Services, and Other Services. Only hospital outpatient departments and ambulatory surgical centers as defined in Section 9789.30(~~o~~p) and Section 9789.30(c) may charge or collect a facility fee for surgical services provided on an outpatient basis. Facility fees are not payable to an ambulatory surgical center for any services that are not an integral part of a surgical service.

For services rendered on or after December 15, 2016, only hospitals as defined in Section 9789.30(p) may charge or collect a facility fee for Hospital Outpatient Department Services rendered to a hospital outpatient and payable under the Medicare (CMS) HOPPS. Ambulatory surgical centers as defined in Section 9789.30(c) may charge or collect a facility fee for only surgical services or services that are an integral part of the surgical service provided on an outpatient basis and payable under the Medicare (CMS) HOPPS. Facility fees are not payable to an ambulatory surgical center for any services that are not an integral part of a surgical service. Only ambulatory surgical centers may charge or collect a facility fee for its services.

(e~~f~~) Hospital outpatient departments and ambulatory surgical centers shall not be reimbursed for procedures on the inpatient only list, referenced in Section 9789.31(a), Addendum E, except that pre-authorized services rendered are payable at the pre-negotiated fee arrangement. The pre-authorization must be provided by an authorized agent of the claims administrator to the provider. The fee agreement and pre-authorization must be memorialized in writing prior to performing the medical services.

(~~f~~g) Critical access hospitals and hospitals that are excluded from acute PPS are exempt from this fee schedule.

(~~g~~h) Out of state hospital outpatient departments and ambulatory surgical centers are exempt from this fee schedule.

(~~h~~i) Hospital outpatient departments and ambulatory surgical centers billing for facility fees and other services under this Section shall be submitted in accordance with the e-billing regulations beginning with Section 9792.5.0 or the standardized paper billing regulations beginning with Section 9792.5.2.

Authority: Sections 133, 4603.5, 5307.1 and 5307.3, Labor Code.
Reference: Sections 4600, 4603.2 and 5307.1, Labor Code.

Section 9789.33. Hospital Outpatient Departments and Ambulatory Surgical ~~Facilities~~ Centers Fee Schedule — Determination of Maximum Reasonable Fee.

(a) In accordance with section 9789.32, the maximum allowable payment for hospital outpatient department or ambulatory surgical center facility fees for services provided on an outpatient basis and payable under the Medicare (CMS) HOPPS, ~~hospital emergency room services, surgical services, or for Facility Only Services performed at a hospital outpatient department, or for surgical services performed at an ambulatory surgical center~~ shall be determined based on the following. In accordance with Section 9789.30(~~aa~~ab), an extra percentage reimbursement shall be used in lieu of an additional payment for high cost outlier cases.

Standard payment.

Date of Service	Status Code Indicators	Hospital Outpatient Department Services that are: Surgical procedures; Emergency Room Visits; or services that are an integral part of the surgical procedure or emergency room visit	Ambulatory Surgical Centers surgical procedures	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Facility Only Services (as defined in Section 9789.30(k))	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Other Services (as defined in Section 9789.30(u))
For services rendered before March 1, 2008	"S", "T", "X", or "V"	APC relative weight x adjusted conversion factor x 1.22 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	APC relative weight x adjusted conversion factor x 1.22 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	Not applicable. Payable under Sections 9789.10 and 9789.11.	Not applicable. Payable under Sections 9789.10 and 9789.11.
For services rendered on or after March 1, 2008 but before March 1, 2009	"S", "T", "X", or "V", or "Q". Status code indicator "Q" must qualify for separate payment.	APC relative weight x adjusted conversion factor x 1.22 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	APC relative weight x adjusted conversion factor x 1.22 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	Not applicable. Payable under Sections 9789.10 and 9789.11.	Not applicable. Payable under Sections 9789.10 and 9789.11.
For services rendered on or after March 1, 2009 but	"S", "T", "X", or "V", "Q1", Q2", or "Q3". Sta-	APC relative weight x adjusted conversion factor x 1.22 workers' compensation	APC relative weight x adjusted conversion factor x 1.22 workers' com-	Not applicable. Payable under Sections 9789.10 and 9789.11.	Not applicable. Payable under Sections 9789.10 and 9789.11.

Date of Service	Status Code Indicators	Hospital Outpatient Department Services that are: Surgical procedures; Emergency Room Visits; or services that are an integral part of the surgical procedure or emergency room visit	Ambulatory Surgical Centers surgical procedures	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Facility Only Services (as defined in Section 9789.30(k))	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Other Services (as defined in Section 9789.30(u))
before January 1, 2013	tus code indicators "Q1", "Q2", and "Q3" must qualify for separate payment.	multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	pensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.		
For services rendered on or after January 1, 2013 but before September 1, 2014	"S", "T", "X", or "V", "Q1", Q2", or "Q3". Status code indicators "Q1", "Q2", and "Q3" must qualify for separate payment.	APC relative weight x adjusted conversion factor x 1.22 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	APC relative weight x adjusted conversion factor x 0.82 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	Not applicable. Payable under Sections 9789.10 and 9789.11.	Not applicable. Payable under Sections 9789.10 and 9789.11
For services rendered on or after September 1, 2014 but before December 15, 2016	"S", "T", "X", or "V", "Q1", Q2", or "Q3". Status code indicators "Q1", "Q2", and "Q3" must qualify for separate payment.	APC relative weight x adjusted conversion factor x 1.212 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.	APC relative weight x adjusted conversion factor x 0.8081 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date	APC relative weight x adjusted conversion factor x 1.0101 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by	Payable under Section 9789.32(c)

Date of Service	Status Code Indicators	Hospital Outpatient Department Services that are: Surgical procedures; Emergency Room Visits; or services that are an integral part of the surgical procedure or emergency room visit	Ambulatory Surgical Centers surgical procedures	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Facility Only Services (as defined in Section 9789.30(k))	Hospital Outpatient Department Services (as defined in Section 9789.30(q)) that are Other Services (as defined in Section 9789.30(u))
			of service.	date of service.	
For services rendered on or after December 15, 2016	"S," "T," "V," "Q1," Q2," "Q3," "J1," or "J2." Status code indicators must qualify for separate payment.	APC relative weight x adjusted conversion factor x 1.178 workers' compensation multiplier, pursuant to Section 9789.30(ab). See Section 9789.39(b) for the APC relative weight by date of service.	APC relative weight x adjusted conversion factor x 0.8081 workers' compensation multiplier, pursuant to Section 9789.30(ab). See Section 9789.39(b) for the APC relative weight by date of service.	Not applicable. These services are payable as "Other Services".	APC relative weight x adjusted conversion factor x 1.0101 workers' compensation multiplier, pursuant to Section 9789.30(ab). See Section 9789.39(b) for the APC relative weight by date of service.

Table A in Section 9789.34 contains an "adjusted conversion factor" which incorporates the standard conversion factor, wage index and inflation factor. The maximum payment rate for ASCs and non-listed hospitals can be determined according to Table A and subdivision (a).

For services rendered before February 15, 2006, Table B in Section 9789.35 contains an "adjusted conversion factor" which incorporates the standard conversion factor, wage index and inflation factor.

For services rendered on or after February 15, 2006, Table B in Section 9789.35 contains an "adjusted conversion factor" which incorporates the standard conversion factor, wage index, rural SCH adjustment factor, and inflation factor, as described in CMS' 2006 Hospital Outpatient Prospective Payment System final rule of November 10, 2005, published in the Federal Register (CMS-1501-FC, 70 FR 68516), at page 68556.

The maximum payment rate for the listed hospital outpatient departments can be determined according to Table B and subdivision (a).

(1) Procedure codes for drugs and biologicals with status code indicator "G":

APC payment rate x workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab), by date of service.

(2) Procedure codes for devices with status code indicator "H":

Documented paid cost, plus an additional 10% of the hospital outpatient department's or ASC's documented paid cost, net of immediate and anticipated price adjustments based upon the hospital outpatient department's or ASC's prior calendar year's usage for comparable devices, not to exceed a maximum of $ 250.00, plus any sales tax and/or shipping and handling charges actually paid.

(3) Procedure codes for drugs and biologicals with status code indicator "K," unless rendered on or after December 15, 2016, and packaged into a procedure with a status code indicator "J1" or "J2," in which case no additional fee is allowable:

APC payment rate x workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab), by date of service.

(4) For services rendered on or after March 1, 2009: Procedure codes for blood and blood products with status code indicator "R," unless rendered on or after December 15, 2016, and packaged into a procedure with a status code indicator "J1" or "J2," in which case no additional fee is allowable:

APC ~~payment~~ relative weight x adjusted conversion factor x workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab), by date of service. See section 9789.39(b) for APC relative weight by date of service.

(5) For services rendered on or after March 1, 2009: Procedure codes for brachytherapy services with status code indicator "U":

Documented paid cost, plus an additional 10% of the hospital outpatient department's or ASC's documented paid cost, net of immediate and anticipated price adjustments based upon the hospital outpatient department's or ASC's prior calendar year's usage for comparable devices, not to exceed a maximum of $ 250.00, plus any sales tax and/or shipping and handling charges actually paid.

For services rendered on or after April 15, 2010: Procedure codes for brachytherapy services with status code indicator "U":

APC ~~payment~~ relative weight x adjusted conversion factor x workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab), by date of service. See section 9789.39(b) for APC relative weight by date of service.

(b) ***This section (b) is inapplicable for dates of service on or after September 1, 2014.*** Alternative payment methodology. In lieu of the maximum allowable fees set forth under (a), the maximum allowable fees for a facility meeting the requirements in subdivisions (c)(1) through (c)(5) will be determined as follows:

(1) Standard payment.

(A) For services rendered before March 1, 2008, CTP codes 99281-99285 and CPT codes 10021-69990 with status code indicators "S", "T", "X" or "V":

For services rendered on or after March 1, 2008, use: CPT codes 99281-99285 and CPT codes 10021-69990 with status code indicators "S", "T", "X", "V", or "Q". Status code indicator "Q" must qualify for separate payment.

For services rendered on or after March 1, 2009, use: CPT codes 99281-99285 and CPT codes 10021-69990 with status code indicators "S", "T", "X", "V", "Q1", "Q2", or "Q3". Status code indicators "Q1", "Q2", and "Q3" must qualify for separate payment.

For services rendered before January 1, 2013: APC relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.

For services rendered on or after January 1, 2013 and before September 1, 2014: APC relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier for hospital outpatient departments and 0.80 workers' compensation multiplier for ambulatory surgical centers, pursuant to Section 9789.30(~~aa~~ab).

For services rendered on or after February 15, 2006 and before September 1, 2014, by rural SCH hospitals, use: APC relative weight x adjusted conversion factor x 1.071x 1.20 workers' compensation multiplier, pursuant to Section 9789.30(~~aa~~ab). See Section 9789.39(b) for the APC relative weight by date of service.

(B) Procedure codes for drugs and biologicals with status code indicator "G":

For services rendered before January 1, 2013: APC payment rate x 1.20 workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab).

For services rendered on or after January 1, 2013 and before September 1, 2014: APC payment rate x 1.20 workers' compensation multiplier for hospital outpatient departments and 0.80 workers' compensation multiplier for ambulatory surgical centers, pursuant to Section 9789.30(~~aa~~ab).

(C) Procedure codes for devices with status code indicator "H" for services rendered before September 1, 2014:

Documented paid cost, plus an additional 10% of the hospital outpatient department's or ASC's documented paid cost, net of immediate and anticipated price adjustments based upon the hospital outpatient department's or ASC's prior calendar year's usage for comparable devices, not to exceed a maximum of $ 250.00, plus any sales tax and/or shipping and handling charges actually paid.

(D) Procedure codes for drugs and biologicals with status code indicator "K"

For services rendered before January 1, 2013: APC payment rate x 1.20 workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab).

For services rendered on or after January 1, 2013 and before September 1, 2014: APC payment rate x 1.20 workers' compensation multiplier for hospital outpatient departments and 0.80 workers' compensation multiplier for ambulatory surgical centers, pursuant to Section 9789.30(~~aa~~ab).

(E) For services rendered on or after March 1, 2009: Procedure codes for blood and blood products with status code indicator "R":

For services rendered before January 1, 2013: APC ~~payment~~ relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab). See section 9789.39(b) for APC relative weight by date of service.

For services rendered on or after January 1, 2013 and before September 1, 2014: APC ~~payment rate~~ relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier for hospital outpatient departments and 0.80 workers' compensation multiplier for ambulatory surgical cen-

ters, pursuant to Section 9789.30(~~aa~~ab). See section 9789.39(b) for APC relative weight by date of service.

(F) For services rendered on or after March 1, 2009: Procedure codes for brachytherapy services with status code indicator "U":

Documented paid cost, plus an additional 10% of the hospital outpatient department's or ASC's documented paid cost, net of immediate and anticipated price adjustments based upon the hospital outpatient department's or ASC's prior calendar year's usage for comparable devices, not to exceed a maximum of $ 250.00, plus any sales tax and/or shipping and handling charges actually paid.

For services rendered on or after April 15, 2010 and before January 1, 2013: Procedure codes for brachytherapy services with status code indicator "U":

APC ~~payment~~ relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier pursuant to Section 9789.30(~~aa~~ab). See section 9789.39(b) for APC relative weight by date of service.

For services rendered on or after January 1, 2013 and before September 1, 2014: APC ~~payment rate~~ relative weight x adjusted conversion factor x 1.20 workers' compensation multiplier for hospital outpatient departments and 0.80 workers' compensation multiplier for ambulatory surgical centers, pursuant to Section 9789.30(~~aa~~ab). See section 9789.39(b) for APC relative weight by date of service.

(2) Additional payment for high cost outlier case:
[(Facility charges x cost-to-charge ratio) - (standard payment x 2.6)] x .50

For services rendered on or after July 15, 2005, if (Facility charges x cost-to-charge ratio) > (standard payment + outlier threshold), additional payment = [(Facility charges x cost-to-charge ratio) - (standard payment x 1.75)] x .50

For services rendered on or after July 15, 2005, the outlier threshold is specified in the Federal Register notices announcing revisions in the Medicare payment rates. See Section 9789.39(b) for the Federal Register reference that defines the outlier threshold by date of service.

(3) For services rendered before March 1, 2009: In determining the additional payment, the facility's charges and payment for devices with status code indicator "H" shall be excluded from the computation.

For services rendered on or after March 1, 2009: In determining the additional payment, the facility's charges and payment for devices with status code indicator "H" and for brachytherapy services with status code indicator "U" shall be excluded from the computation.

For services rendered on or after April 15, 2010 and before September 1, 2014: In determining the additional payment, the facility's charges and payment for devices with status code indicator "H" shall be excluded from the computation.

(c) ***This section (c) is inapplicable for dates of service on or after September 1, 2014.*** The following requirements shall be met for election of the alternative payment methodology:

(1) A facility seeking to be paid for high cost outlier cases under subdivision 9789.33(b) must file a written election using DWC Form 15 "Election for High Cost Outlier," contained in Section 9789.37 with the Division of Workers' Compensation, Medical Unit (Attention: OMFS-Outpatient). P.O. Box 71010, Oakland, CA 94612. The form must be post-marked by March 1 of each year and

shall be effective for one year commencing with services furnished on or after April 1 of the year in which the election is made.

(2) The maximum allowable fees applicable to a facility that does not file a timely election satisfying the requirements set forth in this subdivision and Section 9789.37 shall be determined under subdivision (a).

(3) The maximum allowable fees applicable to a hospital that does not participate under the Medicare program shall be determined under subdivision (a).

(4) The cost-to-charge ratio applicable to a hospital participating in the Medicare program shall be the hospital's cost-to-charge ratio used by the Medicare fiscal intermediary to determine high cost outlier payments under 42 C.F.R. § 419.43(d), which is incorporated by reference, as contained in Section 9789.38 Appendix X. The cost-to-charge ratio being used by the intermediary for services furnished on February 15 of the year the election is filed shall be included on the hospital's election form.

(5) The cost-to-charge ratio applicable to an ambulatory surgery center shall be the ratio of the facility's total operating costs to total gross charges during the preceding calendar year. Total Operating Costs are the direct costs incurred in providing care to patients. Included in operating cost are: salaries and wages, rent or mortgage, employee benefits, supplies, equipment purchase and maintenance, professional fees, advertising, overhead, etc. It does not include start up costs. Total gross charges are defined as the facility's total usual and customary charges to all patients and third-party party payers before reductions for contractual allowances, bad debts, courtesy allowances and charity care. The facility's election form, as contained in Section 9789.37 shall include a completed Annual Utilization Report of Specialty Clinics filed with Office of Statewide Health Planning and Development (OSHPD) for the preceding calendar year, which is incorporated by reference. The facility's election form shall further include the facility's total operating costs during the preceding calendar year, the facility's total gross charges during the preceding calendar year, and a certification under penalty of perjury signed by the Chief Executive Officer and a Certified Public Accountant, as to the accuracy of the information. Upon request from the Administrative Director, an independent audit may be conducted at the expense of the ASC. (Note: While ASCs may not typically file Annual Utilization Report of Specialty Clinics with OSHPD, any ASC applying for the alternative payment methodology must file the equivalent, subject to the Division of Workers' Compensation's audit.) A copy of the Annual Utilization Report of Specialty Clinics may be obtained at OSHPD's website at http://www.oshpd.ca.gov/HID/HID/clinic/util/index.htm#Forms or upon request to the Division of Workers' Compensation, Medical Unit (Attention: OMFS-Outpatient), P.O. Box 71010, Oakland, CA 94612.

(6) Before April 1 of each year the AD shall post a list of those facilities that have elected to be paid under this paragraph and the facility-specific cost-to-charge ratio that shall be used to determine additional fees allowable for high cost outlier cases. The list shall be posted on the Division of Workers' Compensation website: http://www.dir.ca.gov/dwc/dwc_home_page.htm or is available upon request to the Division of Workers' Compensation, Medical Unit (Attention: OMFS-Outpatient), P.O. Box 71010, Oakland, CA 94612.

(d) ***This section (d) is inapplicable for dates of service on or after September 1, 2014.*** Any ambulatory surgical center that believes its cost-to-charge ratio in connection with its election to participate in the alternative payment methodology for high cost outlier cases under Section 9789.33(b) was erroneously determined because of error in tabulating data may request the Administrative Director for a re-determination of its cost-to-charge ratio. Such requests shall be in writing, shall state the alleged error, and shall be supported by written documentation. Within 30 days after receiving a

complete written request, the Administrative Director shall make a redetermination of the cost-to-charge ratio or reaffirm the published cost-to-charge ratio.

(e) The OPPS rules in 42 C.F.R § 419.44 regarding reimbursement for multiple procedures are incorporated by reference as contained in Section 9789.38 Appendix X.

(f) The OPPS rules in 42 C.F.R. §§ 419.62, 419.64, and 419.66 regarding transitional pass-through payments for innovative medical devices, drugs and biologicals shall be incorporated by reference, as contained in Section 9789.38 Appendix X, except that payment for these items shall be in accordance with subdivisions (a) or (b) as applicable.

(g) The payment determined under subdivisions (a) and (b) include reimbursement for all of the included cost items specified in 42 CFR §419.2(b)(1)-(12), which is incorporated by reference, as contained in Section 9789.38 Appendix X.

(h) The maximum allowable fee shall be determined without regard to the cost items specified in 42 C.F.R. § 419.2(c)(1), (2), (3), (4), and (6), as contained in Section 9789.38 Appendix X. Cost item set forth at 42 C.F.R. § 419.2(c)(5), as contained in Section 9789.38 Appendix X, is payable pursuant to Section 9789.32(c)(1). Cost items set forth at 42 C.F.R. § 419.2(c)(7) and (8), as contained in Section 9789.38 Appendix X, are payable pursuant to Section 9789.32(c)(2).

(i) The maximum allowable fees shall be determined without regard to the provisions in 42 C.F.R. § 419.70.

Authority: Sections 133, 4603.5, 5307.1 and 5307.3, Labor Code.
Reference: Sections 4600, 4603.2 and 5307.1, Labor Code.

Section 9789.39. Update Table by Date of Service.

(a) Federal Regulations by Date of Service

The Federal Regulations can be accessed at: http://www.cms.gov/HospitalOutpatientPPS/ and the referenced sections are incorporated by reference and will be made available upon request to the Administrative Director.

	Services Occurring On or After 7/15/2005	Services Occurring On or After 2/15/2006	Services Occurring on Or After 3/1/2007	Services Occurring On or After 3/1/2008
Title 42, Code of Federal Regulations, §419.2				
Title 42, Code of Federal Regulations, §419.32				
Title 42, Code of Federal Regulations, §419.43		As amended; effective January 1, 2006	As amended; effective January 1, 2007	As amended; effective January 1, 2008
Title 42, Code of Federal Reg-				Amended; effective January

ulations, §419.44				1, 2008
Title 42, Code of Federal Regulations, §419.62				
Title 42, Code of Federal Regulations, §419.64	As amended; effective January 1, 2005			
Title 42, Code of Federal Regulations, §419.66		As amended; effective January 1, 2006		

	Services Occurring On or After 3/1/2009	Services Occurring On or After 4/15/2010	Services Occurring On or After 9/15/2011	Services Occurring On or After 3/1/2012
Title 42, Code of Federal Regulations, §419.2				
Title 42, Code of Federal Regulations, §419.32			As amended; effective January 1, 2011	As amended; effective January 1, 2012
Title 42, Code of Federal Regulations, §419.43	As amended; effective January 1, 2009		As amended; effective January 1, 2011	As amended; effective January 1, 2012
Title 42, Code of Federal Regulations, §419.44				
Title 42, Code of Federal Regulations, §419.62				
Title 42, Code of Federal Regulations, §419.64		As amended; effective January 1, 2010		
Title 42, Code of Federal Regulations, §419.66		As amended; effective January 1, 2010		

	Services Occur-	Services Occur-	Services Occur-	

	ring On or After 4/1/2013	ring On or After 12/1/2014	ring On or After December 15, 2016	
Title 42, Code of Federal Regulations, §419.2	As amended; effective January 1, 2013	As amended; effective January 1, 2014	As amended; effective January 1, 2016	
Title 42, Code of Federal Regulations, §419.32	As amended; effective January 1, 2013	As amended; effective January 1, 2014	As amended; effective January 1, 2016	
Title 42, Code of Federal Regulations, §419.43			As amended; effective January 1, 2012	
Title 42, Code of Federal Regulations, §419.44			As amended; effective January 1, 2016	
Title 42, Code of Federal Regulations, §419.62			Effective January 1, 2004	
Title 42, Code of Federal Regulations, §419.64			As amended; effective January 1, 2015	
Title 42, Code of Federal Regulations, §419.66		As amended; effective January 1, 2014	As amended; effective January 1, 2016	

(b) Update factors and Federal Register Notices by Date of Service

The Federal Register Notices can be accessed at: http://www.cms.gov/HospitalOutpatientPPS/ and the referenced sections are incorporated by reference and will be made available upon request to the Administrative Director.

	Services Occurring On or After 1/1/2004	Services Occurring On or After 7/15/2005	Services Occurring On or After 2/15/2006	Services Occurring on Or After 3/1/2007
Applicable FR Notices	(A) November 7, 2003 (CMS-1471-FC; 68 RE 63398); (B) December 31, 2003 (CMS-1471-CN; 68 FR 75442); (C)	(A) November 15, 2004 (CMS-1427-FC;; 69 FR 65681); (B) December 30, 2004 (CMS-1427-CN; 69	(A) November 10, 2005 (CMS-1501-FC; 70 FR 68515); (B) December 23, 2005 (CMS-1501-CN2; 70	(A) November 24, 2006 (CMS-1506-FC; 71 FR 67960); (B) August 18, 2006 (CMS-1488-F; 71 FR

	Services Occurring On or After 1/1/2004	Services Occurring On or After 7/15/2005	Services Occurring On or After 2/15/2006	Services Occurring on Or After 3/1/2007
	January 6, 2004 (CMS-1371-IFC; 69 FR 820); (D) August 1, 2003 (CMS-1470-F; 68 FR 45346); (E) August 11, 2003 (CMS-1470-F; 68 FR 47637)	FR 78315; (C) August 11, 2004 (CMS-1428-F; 69 FR 48916); (D) December 30, 2004 (CMS-1482-F2; 69 FR 78526	FR 76176); (C) August 12, 2005 (CMS-1500-F; 70 FR 47278); (D) September 30, 2005 (CMS-1500-CN; 70 FR 57161)	47870) (C) October 11, 2006 (CMS-CMS-1488-N; 71 FR 59886)
APC Payment Rate	Addendum B (A) beginning on page 63488 conformed to comply with (B) beginning on page 75442 and (C) beginning on page 820	Addendum B (A) beginning on page 65887	Addendum B (A) beginning on page 68752	Addendum B (A) beginning on page 68283
APC Relative Weight	Addendum B (A) beginning on page 63488 conformed to comply with (B) beginning on page 75442 and (C) beginning on page 820	Addendum B (A) beginning on page 65887	Addendum B (A) beginning on page 68752	Addendum B (A) beginning on page 68283
Emergency Department HCPCS Codes	99281-99285	99281-99285	99281-99285	99281-99285
HOPPS Addenda	Addenda A, B, D1, D2, E, H, I, and J (A) beginning at page 63478; as changed by (B) beginning at page 75442; and (C) beginning at page 820	Addenda A, B, D1, D2, and E (A) beginning at page 65864	Addenda A, B, D1, D2, E and L (A) beginning at page 68729; and correction (B) beginning at page 76176	Addenda A, B, D1, D2, E, and L (A) beginning at page 68231

	Services Occurring On or After 1/1/2004	Services Occurring On or After 7/15/2005	Services Occurring On or After 2/15/2006	Services Occurring on Or After 3/1/2007
IPPS Tables		Tables 4A$_1$, 4A$_2$, 4B$_1$, 4B$_2$, 4C$_1$, 4C$_2$, and 4J (D) beginning at page 78619	Tables 4A, 4B, 4C, and 4J (D) beginning at page 57163; and Tables 4A, 4B, 4C, and 4J (C) beginning on page 47580	Tables 4A-1, 4A-2, 4B-1, 4B-2, 4C-1, 4C-2, and 4J (C) beginning at page 59975
Labor-related Share	60% ((A) page 63458)	60% ((A) beginning at page 65842)	60% ((A) beginning at page 68551)	60% ((A) beginning at page 68003)
Market Basket Inflation Factor	3.4% (D) page 45346	3.3% (C) page 49274	3.7% (C) page 47492	3.4% (B) page 48146
Outlier Threshold		$1,175 (A) at page 65846	$1,250 (A) at page 68565	$1,825 (A) at page 68012
Surgical Procedure HCPCS	10021-69990	10021-69990	10021-69990	10021-69990
Conversion Factor adjusted for inflation factor	$53.924 (2003 unadjusted conversion factor of 52.151 x estimated inflation factor of 1.034)	$55.703 (2004 unadjusted conversion factor of $53.924 x estimated inflation factor of 1.033)	$57.764 (2005 unadjusted conversion factor of $55.703 x estimated inflation factor of 1.037)	$59.728 (2006 unadjusted conversion factor of $57.764 x estimated inflation factor of 1.034)
Wage Index	Addenda H through J (A) beginning at page 63682	Referenced in Addenda H through J (B) beginning at page 78316; wage index values are specified in Tables 4A$_1$ through 4C$_2$ (D) beginning at page 78619	Referenced in (A) beginning at page 68551; wage index values are specified in Tables 4A through 4C (D) beginning at page 57163; and as specified in Tables 4A through 4C (C) beginning at page 47580	Referenced in (A) beginning at page 68003; wage index values are specified in Tables 4A-1 through 4C-2 (C) beginning at page 59975

	Services Occurring On or After 3/1/2008	Services Occurring On or After 3/1/2009	Services Occurring On or After 4/15/2010	Services Occurring On or After 9/15/2011
Applicable FR Notices	(A) November 27, 2007 (CMS-1392-	(A) November 18, 2008 (CMS-1404-	(A) November 20, 2009 (CMS-1414-	(A) November 24, 2010 (CMS-1504-

	Services Occurring On or After 3/1/2008	Services Occurring On or After 3/1/2009	Services Occurring On or After 4/15/2010	Services Occurring On or After 9/15/2011
	FC; CMS-1533-F2; 72 FR 66580); (B) August 22, 2007 (CMS-1533-FC; 72 FR 47130); (C) October 10, 2007 (CMS-1533-CN2; 72 FR 57634); (D) November 6, 2007 (CMS-1533-CN3; 72 FR 62585); (E) November 27, 2007 (CMS-1392-FC; CMS-1533-F2; 72 FR 66580); (F) February 22, 2008 (CMS-1392-CN; CMS-1533-CN)	FC; 73 FR 68502); (B) August 19, 2008 (CMS-1390-F; 73 FR 48434); (C) October 3, 2008 (CMS-1390-CN; 73 FR 57541); (D) October 3, 2008 (CMS-1390-N; 73 FR 57888); (E) December 3, 2008 (CMS-1390-N2; 73 FR 73656); (F) January 26, 2009 (CMS-1404-CN; 74 FR 4343)	FC; 74 FR 60316); (B)December 31, 2009 (CMS-1414-CN; 74 FR 69502); (C) August 27, 2009 (CMS-1406-F; 74 FR 43754); (D) October 7, 2009 (CMS-1406-CN; 74 FR 51496)	FC; 75 FR 71800); (B) March 11, 2011 (CMS-1504-CN; 76 FR 13292); (C) August 16, 2010 (CMS-1498-F; 75 FR 50042); (D) October 1, 2010 (CMS-1498-F; 75 FR 60640)
APC Payment Rate	Addendum B (A) beginning on page 66993 conformed to comply with correction published in (F) beginning on page 9863	Addendum B (A) beginning on page 68934 conformed to comply with correction published in (F) beginning on page 4344	Addendum B (A) beginning on page 60752 conformed to comply with correction published in (B) page 69503	Addendum B (A) beginning on page 72331 conformed to comply with correction published in (B) page 13295
APC Relative Weight	Addendum B (A) beginning on page 66993 conformed to comply with correction published in (F) beginning on page 9863	Addendum B (A) beginning on page 68934 conformed to comply with correction published in (F) beginning on page 4344	Addendum B (A) beginning on page 60752 conformed to comply with correction published in (B) page 69503	Addendum B (A) beginning on page 72331 conformed to comply with correction published in (B) page 13295
Emergency Department	99281-99285	99281-99285	99281-99285	99281-99285

	Services Occurring On or After 3/1/2008	Services Occurring On or After 3/1/2009	Services Occurring On or After 4/15/2010	Services Occurring On or After 9/15/2011
HCPCS Codes				
HOPPS Addenda	Addenda A, B, D1, D2, E, L, and M (A) beginning at page 66934; and corrections to addenda A, B, D2, and M (F) beginning at page 9862	Addenda A, B, D1, D2, E, L, and M (A) beginning at page 68816; and corrections to addenda A and B (F) beginning at page 4343	Addenda A, B, D1, D2, E, L, and M (A) beginning at page 60682; and corrections to addenda B and E (B) beginning at page 69503	Addenda A, B, D1, D2, E, L, and M (A) beginning at page 72268; and corrections to addendum B (B) on page 13295
IPPS Tables	Tables 4A, 4B, and 4C (C) beginning at page 57698 and Table 4J (B) beginning at page 47531 and correction (C) beginning at page 57726	Tables 4A, 4B, 4C, and 4J (C) beginning at page 57956; and Tables 2 and 4J (E) beginning at page 73657	Tables 2, 4A, 4B, 4C, and 4J(C) beginning at page 44032; as changed by correction to Tables 2, 4A, 4B, 4C, and 4J (D) beginning at page 51499	Tables 2, 4A, 4B, 4C, and 4J (C) beginning at page 50451
Labor-related Share	60% ((A) beginning at page 66678)	60% ((A) beginning at page 68585)	60% ((A) beginning at page 60419)	60% ((A) beginning at page 71877)
Market Basket Inflation Factor	3.3% (B) page 47415	3.6% (B) page 48759	2.1% (C) page 44002	2.6% (C) page 50422
Outlier Threshold	$1,575 (A) at page 66686	$1,800 (A) at page 68594	$2,175 (A) at page 60428	$2,025 (A) at page 71889
Surgical Procedure HCPCS	10021-69990	10021-69990	10021-69990	10021-69990
Conversion Factor adjusted for inflation factor	$61.699 (2007 unadjusted conversion factor of $59.728 x estimated inflation factor of 1.033)	$63.920 (2008 unadjusted conversion factor of $61.699 x estimated inflation factor of 1.036)	$65.262 (2009 unadjusted conversion factor of $63.920 x estimated inflation factor of 1.021)	$66.959 (2010 unadjusted conversion factor of $65.262 x estimated inflation factor of 1.026)
Wage Index	Referenced in (A) beginning at page 66678; wage index values are specified in Tables 4A through 4C (C) beginning	Referenced in (A beginning at page 68585; wage index values are specified in Tables 4A through 4C (D) beginning	Referenced in (A) beginning at page 60419; wage index values are specified in Tables 4A through 4C (D) beginning	Referenced in (A) beginning at page 71877; wage index values are specified in Tables 4A through 4C (C) beginning

	Services Occurring On or After 3/1/2008	Services Occurring On or After 3/1/2009	Services Occurring On or After 4/15/2010	Services Occurring On or After 9/15/2011
	at page 57698	at page 57956	at page 51505; and as specified in Tables 4A through 4C (C) beginning at page 44085	at page 50511

	Services Occurring On or After 3/1/2012	Services Occurring On or After 9/1/2012	Services Occurring On or After 4/1/2013	Services Occurring On or After 09/01/2014
Applicable FR Notices	(A) November 30, 2011 (CMS-1525-FC; 76 FR 74122); (B) January 4, 2012 (CMS-1525-CN; 77 FR 217); (C) August 18, 2011 (CMS-1518-F; 76 FR 51476); (D) September 26, 2011 (CMS-1518-CN3; 76 FR 59263)	(A) November 30, 2011 (CMS-1525-FC; 76 FR 74122); (B) January 4, 2012 (CMS-1525-CN; 77 FR 217); (C) August 18, 2011 (CMS-1518-F; 76 FR 51476); (D) September 26, 2011 (CMS-1518-CN3; 76 FR 59263); (E) April 24, 2012 (CMS-1525-CN2; 77 FR 24409)	(A) November 15, 2012 (CMS-1589-FC; 77 FR 68210)	
APC Payment Rate	Addendum B (A) conformed to comply with correction published in (B) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	Addendum B (A) conformed to comply with corrections published in (B) and (E) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	Addendum B (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	
APC Relative Weight	Addendum B (A) conformed to comply with correction published in (B)	Addendum B (A) conformed to comply with corrections published in (B)	Addendum B (A) found on CMS website at: http://www.cms.g	

	Services Occurring On or After 3/1/2012	Services Occurring On or After 9/1/2012	Services Occurring On or After 4/1/2013	Services Occurring On or After 09/01/2014
	found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	and (E) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	ov/HospitalOutpatientPPS	
Emergency Department HCPCS Codes	99281-99285	99281-99285	99281-99285	99281-99285, 99291, 99292, G0380-G0384, G0390
Facility Only Services				Services with a "NA" in the column labeled "Non-Facility NA Indicator" of the Medicare Physician Fee Schedule Relative Value File for Calendar Year 2014 (RVU14A), located at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html
HOPPS Addenda	Addenda A, B, D1, D2, E, L, and M (A) and corrections to addenda (B) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	Addenda A, B, D1, D2, E, L, and M (A and E) and corrections to addenda (A) and (B) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	Addenda A, B, D1, D2, E, L, and M (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	

	Services Occurring On or After 3/1/2012	Services Occurring On or After 9/1/2012	Services Occurring On or After 4/1/2013	Services Occurring On or After 09/01/2014
IPPS Tables	Tables 2, 4A, 4B, 4C, and 4J (C) and correction (D) found on CMS website at: http://www.cms.hhs.gov/AcuteInpatientPPS/.		Tables 2, 4A, 4B, 4C, and 4J (C) and correction (D) found on CMS website at: http://www.cms.hhs.gov/AcuteInpatientPPS/.	
Labor-related Share	60% ((A) beginning at page 74191)		60% (A) beginning at page 68285	
Market Basket Inflation Factor	3.0% (A) page 74189		2.6% (A) page 68215	
Medicare Physician Fee Schedule Relative Value File				Calendar Year 2014 (RVU14A), located at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html
Outlier Threshold	$2,025 (B) at page 222		$2,025 (A) page 68297	
Surgical Procedure HCPCS	10021-69990	10021-69990	10021-69990	10021-69990, G0413
Conversion Factor adjusted for inflation factor	$68.968 (2011 unadjusted conversion factor of $66.959 x estimated inflation factor of 1.03)		$70.761 (2012 unadjusted conversion factor of $68.968 x estimated inflation factor of 1.026)	
Wage Index	Referenced in (A) beginning at page 74191; wage index val-		Referenced in (A) beginning at page 68285; wage index val-	

	Services Occurring On or After 3/1/2012	Services Occurring On or After 9/1/2012	Services Occurring On or After 4/1/2013	Services Occurring On or After 09/01/2014
	ues are specified in Tables 4A through 4C (C) found on the CMS web site at: http://www.cms.gov/AcuteInpatientPPS/		ues are specified in Tables 4A through 4C found on the CMS web site at: http://www.cms.gov/AcuteInpatientPPS/	

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
Applicable FR Notices	(A) December 10, 2013 (CMS-1601-FC; 78 FR 74826) (B) August 19, 2013 (CMS-1599-F; 78 FR 50496) (C) October 3, 2013 (CMS-1599-CN2; 78 FR 61197) (D) October 3, 2013 (CMS-1599-IFC; 78 FR 61191) (E) January 2, 2014 (CMS-1599-CN3; 79 FR 61) (F) January 10, 2014 (CMS-1599-CN4; 79 FR 1741) (G) March 14,	(A) November 13, 2015 (CMS-1633-FC; 80 FR 70298) (B) August 17, 2015 (CMS-1632-F; 80 FR 49326) (C) October 5, 2015 (CMS-1632-CN; 80 FR 60055)		

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
	2014 (CMS-1599-IFC2; 79 FR 15022) (H) June 17, 2014; (CMS-1599-N; 79 FR 34444)			
Ambulatory Surgical Centers Payment System Addenda		For services rendered on or after December 15, 2016, Column A, of Addendum AA, entitled, "HCPCS Code" and Column A, of Addendum EE, entitled, "HCPCS Code" located in "July 2016 ASC Approved HCPCS Code and Payment Rates" found on CMS website at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html		
APC Payment Rate	Addendum B (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	For services rendered on or after December 15, 2016, Addendum B, dated July 2016, (A) found on CMS website		

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
		at: http://www.cms.gov/HospitalOutpatientPPS		
APC Relative Weight	Addendum B (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	For services rendered on or after December 15, 2016, Addendum B, dated July 2016, (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS		
Emergency Department HCPCS Codes	99281-99285, 99291, 99292, G0380-G0384, G0390	99281-99285, 99291, 99292, G0380-G0384, G0390		
Facility Only Services	Services with a "NA" in the column labeled "Non-Facility NA Indicator" of the Medicare Physician Fee Schedule Relative Value File, by date of service, as adopted and incorporated by reference in the Official Medical Fee Schedule (OMFS) Physician Fee Schedule (Title 8 CCR sections 9789.12.1, et seq.). The (OMFS) Physician Fee Sched-	Not applicable for services rendered on or after December 15, 2016		

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
	ule is located at: http://www.dir.ca.gov/dwc/OMFS9904.htm and the Medicare Physician Fee Schedule Relative Value File is located at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html			
HOPPS Addenda	Addenda A, B, D1, D2, E, L, M, and P (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS	Addenda A, B, D1, D2, E, J, L, and M (A) found on CMS website at: http://www.cms.gov/HospitalOutpatientPPS		
IPPS Tables	Tables 2, 4A, 4B, 4C, and 4J (B) found on CMS website at: http://www.cms.hhs.gov/AcuteInpatientPPS/.	Tables 2 and 3 found on CMS website at: http://www.cms.hhs.gov/AcuteInpatientPPS/.		
Labor-related Share	60% ((A) beginning at page 74950)	60% ((A) beginning at page 70359)		
Market Basket Inflation Factor	2.5% (A) page 74949	2.4% (A) page 70351		
Medicare Phy-	Medicare Phy-	Not applicable		

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
sician Fee Schedule Relative Value File	sician Fee Schedule Relative Value File, by date of service, as adopted and incorporated by reference in the Official Medical Fee Schedule (OMFS) Physician Fee Schedule (Title 8 CCR sections 9789.12.1, et seq.). The (OMFS) Physician Fee Schedule is located at: http://www.dir.ca.gov/dwc/OMFS9904.htm and the Medicare Physician Fee Schedule Relative Value File is located at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html	for services rendered on or after December 15, 2016		
Surgical Procedure HCPCS	10021-69990, G0413	HCPCS codes listed in column A of July 2016 CMS' Ambulatory Surgical		

	Services Occurring On or After 12/1/2014	Services Occurring On or After December 15, 2016 and Mid-year Updates		
		Center Payment System (ASC) Addendum AA, column A of July 2016 CMS' ASC Addendum EE, and CPT codes 21811-21813, but, excluding HCPCS codes listed on CMS' HOPPS Addendum E as an inpatient only procedure.		
Conversion Factor adjusted for inflation factor	$72.530 (2013 unadjusted conversion factor of $70.761 x estimated inflation factor of 1.025)	$76.424 (2015 unadjusted conversion factor of $74.633 x estimated inflation factor of 1.024)		
Wage Index	Referenced in (A) beginning at page 74952; wage index values are specified in Tables 4A through 4C (B) found on the CMS web site at: http://www.cms.gov/AcuteInpatientPPS/	Referenced in (A) beginning at page 70359; wage index values are specified in Table 2 (B) found on the CMS website at http://www.cms.gov/AcuteInpatientPPS/		

Authority: Sections 133, 4603.5, 5307.1 and 5307.3, Labor Code.
Reference: Sections 4600, 4603.2 and 5307.1, Labor Code.