

**STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

FINAL STATEMENT OF REASONS

**Subject Matter of Regulations: Workers' Compensation - Official Medical Fee
Schedule: Physician Fee Schedule**

**TITLE 8, CALIFORNIA CODE OF REGULATIONS
Sections 9789.12.1 through 9789.19**

AN IMPORTANT PROCEDURAL NOTE ABOUT THIS RULEMAKING:

The Physician Fee Schedule component of the Official Medical Fee Schedule "establish(es) or fix(es) rates, prices, or tariffs" within the meaning of Government Code section 11340.9(g) and is therefore not subject to Chapter 3.5 of the Administrative Procedure Act (commencing at Government Code section 11340) relating to administrative regulations and rulemaking.

This rulemaking proceeding to amend the Physician Fee Schedule is being conducted under the administrative director's rulemaking power under Labor Code sections 133, 4603.5, 5307.1 and 5307.3. This regulatory proceeding is subject to the procedural requirements of Labor Code sections 5307.1 and 5307.4.

CONSIDERATION OF RELEVANT MATTER PRESENTED

After Notice of the Proposed Rulemaking was published pursuant to Labor Code section 5307.4, a public hearing was held on December 12, 2013 at which interested persons could participate through the submission of written data, views, and arguments, including oral presentations. The Acting Administrative Director has subsequently considered all of the data, views, statements, and arguments presented or submitted.

The Acting Administrative Director of the Division of Workers' Compensation, pursuant to the authority vested in her, has amended the following sections of Division 1, Chapter 4.5, Subchapter 1, of title 8, California Code of Regulations, relating to the Physician Fee Schedule component of the Official Medical Fee Schedule:

Section 9789.12.2 Calculation of the Maximum Reasonable Fee - Services Other than Anesthesia [Amend]

Section 9789.12.3 Status Codes C, I, N and R [Amend]

Section 9789.12.4 “By Report” - Reimbursement for Unlisted Procedures /
Procedures Lacking RBRVUs [Amend]

Section 9789.12.8 Status Codes [Amend]

Section 9789.19 Update Table [Amend]

UPDATE OF INITIAL STATEMENT OF REASONS AND INFORMATIVE DIGEST

The Acting Administrative Director incorporates the Initial Statement of Reasons prepared in this matter. The purposes and rationales for the regulations as set forth in the Initial Statement of Reasons continue to apply, unless otherwise noted in the Final Statement of Reasons.

UPDATE OF MATERIAL RELIED UPON

No additional documents beyond those identified in the Initial Statement of Reasons were relied upon by the Acting Administrative Director.

LOCAL MANDATES DETERMINATION

- Local Mandate: None. The proposed amendments will not impose any new mandated programs or increased service levels on any local agency or school district.
- Cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code: None. The proposed amendments do not apply to any local agency or school district.
- Other nondiscretionary costs/savings imposed upon local agencies: None.

CONSIDERATION OF ALTERNATIVES

The Division considered all comments submitted during the public comment period. The Acting Administrative Director has now determined that no alternatives proposed by the regulated public or otherwise considered by the Division of Workers' Compensation would be more effective in carrying out the purpose for which these regulations were proposed, nor would they be as effective as and less burdensome to affected private persons and businesses than the regulations that were adopted.