

State of California
Department of Industrial Relations
DIVISION OF WORKERS' COMPENSATION



Order of the Administrative Director of the Division of Workers' Compensation
(OMFS Update for Outpatient Hospital and Ambulatory Surgical Center (ASC) Services
Effective March 1, 2012)

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers' Compensation orders that Title 8, California Code of Regulations, sections 9789.30, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, are adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 30, 2011 and correction to the final rule on January 4, 2012, the wage index values in the hospital inpatient prospective payment system (IPPS) final rule of August 18, 2011, and correction to the IPPS final rule published on September 26, 2011 in the Federal Register which change the Medicare payment system.

For services rendered on or after March 1, 2012, section 9789.30, subsections (a) adjusted conversion factor, (e) APC payment rate, (f) APC relative weight, (p) market basket inflation factor, and (t) wage index, are amended to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 30, 2011 and correction to the final rule on January 4, 2012, and the updated fiscal year 2012 versions of CMS' IPPS final rule of August 18, 2011, and correction to the IPPS final rule published on September 26, 2011 in the Federal Register.

For services rendered on or after March 1, 2012, section 9789.31 is amended to incorporate by reference the updated calendar year 2012 versions of CMS' hospital outpatient prospective payment system (HOPPS) published in the Federal Register on November 30, 2011 and correction to the final rule on January 4, 2012, and the updated fiscal year 2012 versions of CMS' IPPS Tables 2, 4A, 4B, 4C, and 4J in the final rule of August 18, 2011, and the Fiscal Year 2012 IPPS Payment Impact File, 2012 version of CMS' Alphanumeric "Healthcare Common Procedure Coding System", and the 2012 version of the American Medical Associations' Physician "Current Procedural Terminology".

Amended section 9789.33 is adjusted to conform to the hospital outpatient prospective payment system (HOPPS) final rule of November 30, 2011 and correction to the final rule on January 4, 2012. For services rendered on or after March 1, 2012, Section 9789.33 updates the unadjusted conversion factor and outlier factor.

Amended section 9789.34 reflects the changes to the wage index value by county and an updated conversion factor. Amended section 9789.35 reflects the changes to the hospital-specific wage index and

an updated conversion factor for the listed California Hospital Outpatient Departments. An explanation of the changes is attached.

Section 9789.38 is amended to reflect additions and revisions to 42 C.F.R. part 419.

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers' Compensation orders that to the extent references to the Federal Register or Code of Federal Regulations are made in any sections starting from section 9789.30 through 9789.38 of Title 8 of the California Code of Regulations, said section is hereby amended to incorporate by reference the applicable Federal Register final rule (including additional notices, correction notices, and revisions) and Federal Regulations in effect as of the date this Order becomes effective, to be applied to services rendered on or after March 1, 2012. In particular, to the extent a section makes reference to the CMS hospital outpatient prospective payment system final rule, said section is amended to incorporate by reference the final rule published on November 30, 2011 in the Federal Register (Vol. 76 FR 74122) and is entitled "Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment; Ambulatory Surgical Center Payment; Hospital Value-Based Purchasing Program; Physician Self-Referral; and Patient Notification Requirements in Provider Agreements" (CMS-1525-FC); and correction of the final rule published on January 4, 2012 in the Federal Register (Vol. 77 FR 217) and is entitled "Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment; Ambulatory Surgical Center Payment; Hospital Value-Based Purchasing Program; Physician Self-Referral; and Patient Notification Requirements in Provider Agreements; Corrections" (CMS-1525-CN). To the extent a section makes reference to the CMS hospital inpatient prospective payment system final rule wage index values, said section is amended to incorporate by reference the final rule published on August 18, 2011 in the Federal Register (Vol. 76 FR 51476) and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and FY2012 Rates; Hospitals' FTE Resident Caps for Graduate Medical Education Payment" (CMS-1518-F); and correction to the final rule published on September 26, 2011, in the Federal Register (Vol. 76 FR 59263), and is entitled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Fiscal Year 2012 Rates; Hospitals' FTE Resident Caps for Graduate Medical Education Payment; Corrections" (CMS-1518-CN3).

The effective date of the new rates is for visits and procedures described in section 9789.32 rendered on or after March 1, 2012. This Order, the amended sections 9789.30, 9789.31, 9789.33, 9789.34, 9789.35, and 9789.38, and the explanation of the changes shall be published on the website for the Division of Workers' Compensation: <http://www.dir.ca.gov/DWC/OMFS9904.htm>

IT IS SO ORDERED.

Dated: January 27, 2012

ORIGINAL ORDER SIGNED

ROSA MORAN

Administrative Director of the

Division of Workers' Compensation