

## N E W S L I N E

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### **DWC Issues Second 30-Day Comment Period for Proposed Modifications to the Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule**

The Division of Workers' Compensation (DWC) has issued a second 30-day notice of modification to the proposed hospital outpatient departments and ambulatory surgical centers (HOPD/ASC) fee schedule regulation text. Members of the public are invited to present written comments regarding the proposed modifications to [dwcrules@dir.ca.gov](mailto:dwcrules@dir.ca.gov) until 5 p.m. on July 6.

DWC held a public hearing on June 17, 2015 regarding a proposed amendment to Title 8 CCR section 9789.32 of the HOPD/ASC fee schedule. The proposed amendment was intended to provide guidance regarding which HCPCS code to use when Medicare changes its coding practices, resulting in different HCPCS codes to describe comparable "Other Services" under Medicare's Hospital Outpatient Prospective Payment System (HOPPS) and the Resource Based Relative Value Scale (RBRVS) physician fee schedule.

The notable proposed modifications include:

- Clarification that for services rendered on or after September 1, 2014 but before the effective date of this amendment, "Other Services" means Hospital Outpatient Department Services payable under the Medicare HOPPS that are not surgical, emergency department (ED) visits, or Facility Only Services, or services that are an integral part thereof. For services rendered after the effective date of this amendment, the definition of "Other Services" will not exclude "Facility Only Services."
- Discontinuation of the current payment model which determines maximum allowance for "Other Services" on the RBRVS physician fee schedule relative values.
- Institution of a payment model where the maximum allowances for all hospital outpatient department services that are payable under the Medicare HOPPS,

including “Other Services,” be determined based on the Medicare HOPPS. Payment of all services based on the Medicare HOPPS would reduce payment system complexities, but would also increase maximum allowable fees for hospital outpatient services unless the 120% multiplier for surgery services and ED visits is adjusted so that there would be no change in estimated aggregate allowances. Based on a RAND impact analysis, if “Other Services” are paid at 100% of Medicare’s HOPPS, a budget neutral adjustment would need to be made for surgery services and ED visits, lowering the multiplier from 120% to 117.8% of HOPPS.

- Expansion of the definition of surgical procedure HCPCS codes to conform to Medicare’s HOPPS definition of surgical procedures for services rendered on or after the effective date of this amendment.
- Adjustment of the fee schedule regulations to conform to relevant changes in the Medicare HOPPS for calendar years 2015 and 2016, in accordance with Labor Code section 5307.1 (g), which are normally adopted by Administrative Director Order.

This notice and text of the regulations can be found on the proposed regulations [page](#).

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