



California Workers' Compensation Institute

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VIA E-MAIL to dwcrules@dir.ca.gov

June 17, 2015

Maureen Gray, Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation, Legal Unit
Post Office Box 420603
San Francisco, CA 94142

RE: Written Comment – Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule

Dear Ms. Gray:

This written testimony on proposed revisions to regulations regarding outpatient facility fees is presented on behalf of members of the California Workers' Compensation Institute (the Institute). Institute members include insurers writing 72% of California's workers' compensation premium, and self-insured employers with \$46B of annual payroll (28% of the state's total annual self-insured payroll).

Insurer members of the Institute include ACE Group, AIG, Alaska National Insurance Company, Allianz/Fireman's Fund Insurance Company, AmTrust North America, Chubb Group, CNA, CompWest Insurance Company, Crum & Forster, Employers, Everest National Insurance Company, The Hartford, ICW Group, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Group, Republic Indemnity Company of America, Sentry Insurance, State Compensation Insurance Fund, State Farm Insurance Companies, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members are Adventist Health, California State University Risk Management Authority, Chevron Corporation, City and County of San Francisco, City of Santa Ana, City of Torrance, Contra Costa County Schools Insurance Group, Costco Wholesale, County of Alameda, County of San Bernardino Risk Management, County of Santa Clara, Dignity Health, Foster Farms, Grimmway Enterprises Inc., Kaiser Permanente, Marriott International, Inc., Pacific Gas & Electric Company, Safeway, Inc., Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Shasta-Trinity Schools Insurance Group; Southern California Edison, Special District Risk Management Authority, Sutter Health, University of California, and The Walt Disney Company.

Recommended revisions to the draft Copy Service Fee Schedule regulations are indicated by highlighted **underscore** and **strikeout**. Comments and discussion by the Institute are indented and identified by *italicized text*.

§9789.32 Outpatient Hospital Department and Ambulatory Surgical Center Fee Schedule—Applicability.

Recommendation

(c) (1) (B)(iii) For services rendered on or after XXX XX, 2015 [Date amendment is filed with the Secretary of State. Date to be inserted by OAL.], if different HCPCS codes are used to describe comparable Other Services under the CMS HOPPS and the OMFS RBRVS, the HCPCS code used under the OMFS RBRVS shall be **billed and** used to determine the maximum allowable amount.

Discussion

The Institute recommends adding language to ensure that facility providers bill the appropriate code rather than requiring the payer to assign a comparable code found under the “OMFS RBRVS” schedule. Using the example provided in the Initial Statement of Reasons – code G0463 could represent either new patient or established patient services of varying intensity. Inadequate coding at the time of billing will result in disallowance if a code is not reassigned or payment disputes if the wrong code is assigned by the payer.

Thank you for considering these recommendations and comments. Please contact me if additional clarification would be helpful.

Sincerely,

Stacy L. Jones
Senior Research Associate

SLJ/pm

cc: Christine Baker, DIR Director
Destie Overpeck, DWC Administrative Director
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
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