



California Workers' Compensation Institute
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VIA E-MAIL: dwcrules@dir.ca.gov

September 23, 2016

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

**Re: 1st 15-Day Comment - Proposed Modifications to the Hospital Outpatient
Departments and Ambulatory Surgical Centers Fee Schedule**

Dear Ms. Gray:

This 1st 15-day comment on modifications to proposed revisions to the Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule regulations is presented on behalf of the 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 AIG, Alaska National Insurance Company, Allianz, AmTrust North America, CHUBB, CNA, CompWest, 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 include Adventist Health, ALPHA Fund, 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 Proposed Modifications to the Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule Regulations are indicated by highlighted underscore and ~~strikeout~~. Comments and discussion by the Institute are indented and identified by *italicized text*.

Section 9789.32. Applicability

(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).

Discussion

Ambulatory Surgery Centers (ASCs) may only bill for surgery services or services that are integral to the surgery service; thus, services described under 9789.32(d) do not apply to ASCs. The Institute recommends deleting reference to ASCs in order to eliminate confusion if an ASC bills for non-surgical services or products.

Thank you for the opportunity to comment, and please contact me if additional information would be helpful.

Sincerely,

Stacy L. Jones
Senior Research Associate

SLJ/me

cc: George Parisotto, DWC Acting Administrative Director
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
CWCI Regular Members
CWCI Associate Members