



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

April 28, 2014

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 Comments – Outpatient Facility Fee Schedule

Dear Ms. Gray:

These written comments on modifications to 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 71% of California's workers' compensation premium, and self-insured employers with \$46B of annual payroll (27% of the state's total annual self-insured payroll).

Insurer members of the Institute include ACE, AIG, Alaska National Insurance Company, AmTrust North America, Chubb Group, CNA, CompWest Insurance Company, Crum & Forster, Employers, Everest National Insurance Company, Farmers Insurance Group, Fireman's Fund Insurance Company, The Hartford, Insurance Company of the West, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Group, Springfield Insurance Company, 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, Agilent Technologies, 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 San Bernardino Risk Management, County of Santa Clara Risk Management, 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, Southern California Edison, Sutter Health, University of California, and The Walt Disney Company.

The Institute supports the Acting Administrative Director's modifications to the Outpatient Facility section of the Official Medical Fee Schedule (OMFS), including

- the addition of codes for critical care, emergency services provided in Type B emergency departments, and trauma response team activation
- the formula that clarifies how the base facility fee is calculated when the facility fee for Other Services is determined based solely on the non-facility practice expense
- the language that clarifies that the alternate payment methodology for high cost outliers is inapplicable for dates of service on and after September 1, 2014
- an effective date that is anticipated to allow at least sixty to 90 days after revised regulations are approved by the Office of Administrative Law and filed with the Secretary of State for programming, training and implementation.

The Institute recommends correcting a typographical error in section 9789.39(b) by changing the name of the category in the first column of the last row of the table, at the bottom of page 32, from "Unadjusted Conversion Factor" to "Adjusted Conversion Factor."

Thank-you for the excellent work on these outpatient facility fee schedule regulations. Please contact me if any additional clarification would be helpful.

Sincerely,

Brenda Ramirez
Claims & Medical Director

BR/pm

cc: Christine Baker, DIR Director
Destie Overpeck, DWC Acting Administrative Director
Jackie Schauer, DIR Counsel
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
CWCI Regular Members
CWCI Associate Members