February 6, 2019

TO: Users of CHA’s California Hospital Compliance Manual

FROM: Lois J. Richardson, Esq.
Vice President and Legal Counsel

SUBJECT: 2019 California Hospital Compliance Manual

CHA is pleased to publish the California Hospital Compliance Manual as a service to our members. The California Hospital Compliance Manual provides guidance to hospitals and health systems on how to comply with myriad California and federal statutes, regulations, agency guidelines and judicial decisions. The manual was written by attorneys with Hooper, Lundy & Bookman, PC, under the direction of Lloyd A. Bookman, Esq., and me.

This memorandum highlights some of the major changes in state and federal compliance-related laws, all of which are discussed in detail in this 2019 edition. This tenth edition reflects changes in the law through Dec. 31, 2018, unless otherwise noted.

It is suggested that you keep this memorandum with the manual for convenient reference. Because laws often change after publication, CHA advises hospitals to consult their attorney when a legal question arises.

New Laws and Revisions
The following is a summary of major changes:

- The Centers for Medicare & Medicaid Services (CMS) revised its coding and documentation requirements for evaluation and management (E/M) visits to practitioners paid under the Physician Fee Schedule, and its documentation requirements for admission orders. (See chapter 4.)

- Medi-Cal has clarified its treatment authorization request (TAR) and appeal processes for paper and electronic TARs. (See chapter 4.)

- CMS has updated its medical staff de minimis and incidental benefits thresholds. (See chapter 6.)

- A new exception — respecting accountable care organization beneficiary inducements — has been added to the federal anti-kickback statute. (See chapter 7.)

- The Office of the Inspector General and CMS jointly issued an updated notice of waivers for the anti-kickback statute for the Comprehensive Care for Joint Replacement Model. (See chapter 7.)
• CMS issued guidance requiring hospitals to post their chargemasters online in a machine-readable format; in addition, hospitals reimbursed under the inpatient prospective payment system (IPPS) must post a list of standard charges aggregated by diagnosis-related group (DRG). (See chapter 8.)

• Chapter 10 has been updated to include information about the California Department of Public Health’s Centralized Applications Unit and its legislatively-imposed timeframes for processing a hospital application to expand or modify services. (See chapter 10.)

• State law requires businesses to post updated Proposition 65 signs, effective Aug. 30, 2018. These are the signs that warn of the potential for exposure to a chemical known to the state of California to cause cancer or reproductive toxicity. (See chapter 12.)

• Qlarent Integrity Solutions, LLC, has been selected as the Unified Program Integrity Contractor for California and other western states. (See chapter 16.)

In addition, the tenth edition of the manual addresses many minor changes in the law, changes in websites, additional resources, compliance tips, and clarifications that are too numerous to list.

To order additional manuals, visit the CHA website at www.calhospital.org/publications. CHA publishes many hospital compliance manuals including manuals on health information privacy, consent law, EMTALA, mental health law, licensing and certification surveys, records retention and more.

CHA members with questions regarding this memorandum or the content of the California Hospital Compliance Manual may contact me at (916) 552-7611 or lrichardson@calhospital.org.

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