

 Department of Business & Industry (B&I)
 Division of Industrial Relations (DIR)

 A Publication of the Workers' Compensation Section (WCS)
 Fall Edition (September-November 2015)

 This newsletter is not intended to provide legal advice to the reader. Legal opinions or interpretations of statutes and regulations referenced should be sought from legal professionals.

Education Conference Continues to Grow



Katherine Godwin, WCS Southern Medical Unit supervisor, talks with Gallagher Bassett Compliance Supervisor *Greg Schaefer* at the WCS exhibit booth.

In late August, the Fifth Annual Nevada Workers' Compensation Educational Conference wrapped up another well-received session at the Tuscanv Suites Hotel and Casino in Las Vegas. More than two-dozen presenters covered a wide variety of workers' compensation topics over the one and one-half day conference including stress and workers' comp. the impact of marijuana decriminalization, legal theories regarding claim denial and acceptance and legal changes passed by of this year's Nevada Legislature. One the conference's highlights came during the final session when WCS Chief Operating Officer Chuck Verre drew the winning name in the first-ever Educational Conference Raffle. Lina Sakalauskas of the Nevada Attorney for Injured Workers office won a free registration to next year's Educational Conference set for August 18 and 19 at the Tuscany Suites. Later, Mr. Verre noted that what he likes most about the annual conference is the opportunity to meet with members of the workers' comp community, face-to-face and one-on-one, in a more informal atmosphere and get their honest feedback and questions. Then he can share with them the how's and why's of what WCS does as regulators.

Attendance at this year's conference was up slightly to nearly 250 attendees compared to last year's numbers. The conference is sponsored

2015 Nevada Legislators Pass a Wide Range of WC Bills

The 78th regular session of the Nevada Legislature vielded new legislation pertaining to workers' compensation. These changes include a decrease in the minimum size of a consolidated insurance program on a construction site from \$150 million to \$50 million; increasing the maximum permanent partial disability (PPD) rating for electing a lump sum payment from 25 percent to 30 percent for certain claimants; authorizing an insurer to recover against a health or casualty insurer for a denied claim; and requiring the Administrator to provide claims data to the Nevada Employment Security Division (DETR) to coordinate benefits.

Some of these bills went into effect on July 1, 2015. Others will be in force later this year or on January 1, 2016. On page 5 and 6 are excerpts from the Legislative Counsel's Digests of all pertinent bills. This summary is not guaranteed to be all inclusive, and interested readers are strongly encouraged to read the bills in their entirety using the Web links provided.

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by the International Workers' Compensation Foundation which in cooperation with other workers' compensation agencies holds conferences in 12 states, including California, Texas and Virginia. Eric Oxfeld, IWCF Executive Director, said that Nevada is unique in both the timing and thematic mix of its conference. The Las Vegas gathering is the only one IWCF has in August, and in addition to some of the topics already noted above included a range of topics such as leadership tips from Nevada's US Marshal Christopher Hove, and a detailed look at toxic exposures faced by firefighters, as well as fire victims, in today's world of synthetic materials.

The WCS staff is now busy pouring through almost 400 evaluations completed by attendees and will begin planning next year's conference very soon. Ideas for improving the annual conference are always welcome. Any speaker interested in participating in the 2016 conference should send email me. at mjbrooks@business.nv.gov with а brief description of the presentation and a biography of all speakers or panelists.

Michael J. Brooks Editor



During the conference session "Inherent Risks of Toxic Chemical Exposures to Firefighters," **Richard A. Brenner**, hazardous materials coordinator, Clark County Fire Department, explains the basic chemistry that can produce especially toxic compounds.

Don't Fall for New Tax Scam Tricks by IRS Posers

One of the many related government agencies with whom WCS shares a community information responsibility is the Internal Revenue Service. Though the agencies do not share injured worker or taxpayer data with each other, they do share an interest in getting reliable and accurate information to employers, employees and the general public.

Issue Number: IRS Tax Tip 2015-18

Though the tax season is over, tax scammers work year-round. The IRS advises you to stay alert to protect yourself against new ways criminals pose as the IRS to trick you out of your money or personal information. These scams first tried to sting older Americans, newly arrived immigrants and those who speak English as a second language. The crooks have expanded their net, and now try to swindle virtually anyone. Here are several tips from the IRS to help you avoid being a victim of these scams:

• Scams use scare tactics. These aggressive and sophisticated scams try to scare people into making a false tax payment that ends up with the criminal. Many phone scams use threats to try to intimidate you so you will pay them your money. They often threaten arrest or deportation, or that they will revoke your license if you don't pay. They may also leave "urgent" callback requests, sometimes through "robo-calls," via phone or email. The emails will often contain a fake IRS document with a phone number or an email address for you to reply.

• Scams use caller ID spoofing. Scammers often alter caller ID to make it look like the IRS or another agency is calling. The callers use IRS titles and fake badge numbers to appear legit. They may use online resources to get your name, address and other details about your life to make the call sound official.

• Scams use phishing email and regular mail. Scammers copy official IRS letterhead to use in email or regular mail they send to victims. In another new variation, schemers provide an actual IRS address where they tell the victim to mail a receipt for the payment they make. All in an attempt to make the scheme look official.

• Scams cost victims over \$20 million. The Treasury Inspector General for Tax Administration, or TIGTA, has received reports of about 600,000 contacts since October 2013. TIGTA is also aware of nearly 4,000 victims who have collectively reported over \$20 million in financial losses as a result of tax scams. The real IRS will not:

• Call you to demand immediate payment. The IRS will not call you if you owe taxes without first sending you a bill in the mail.

• Demand that you pay taxes and not allow you to question or appeal the amount that you owe.

• Require that you pay your taxes a certain way. For instance, require that you pay with a prepaid debit card.

- Ask for credit or debit card numbers over the phone.
- Threaten to bring in police or other agencies to arrest you for not paying.

If you don't owe taxes or have no reason to think that you do:

✓ Do not provide any information to the caller. Hang up immediately. Contact the Treasury Inspector General for Tax Administration. Use TIGTA's "IRS Impersonation Scam Reporting" Web page to report the incident.

You should also report it to the Federal Trade Commission. Use the "<u>FTC Complaint</u> <u>Assistant</u>" on FTC.gov. Please add "IRS Telephone Scam" in the notes.

If you know you owe, or think you may owe taxes:

✓ Call the IRS at 800-829-1040. IRS workers can help you if you do owe taxes. Stay alert to scams that use the IRS as a lure. For more, visit "<u>Tax Scams and Consumer</u> <u>Alerts</u>" on IRS.gov. □



The purpose of the Workers' Compensation Section is to impartially serve the interests of Nevada employers and employees by providing assistance, information, and a fair and consistent regulatory structure focused on:

Ensuring the timely and accurate delivery of workers' compensation benefits. Ensuring employer compliance with the mandatory coverage provisions.

Carson City Training Note

In an attempt to expand Workers' Compensation training opportunity, selected training will be made available on a video link from our Henderson, Nevada Office. The viewing opportunity will be available in the Workers' Compensation Conference Room on the 4th Floor of 400 W. King Street, Carson City, Nevada. A limit of 10 seats will be made available.

Available training sessions are : *Workers' Compensation Orientation* – *Friday, October* 9th–9:00am and 1:30pm

Calculation of Benefits – Friday, November 20th–9:00am and 1:30pm

To make reservations contact Kimberly Williams Phone (775) 684-7265 or email <u>kawilliams@business.nv.gov</u>

Fall 2015 Workers' Compensation Training Sessions

The WCS Orientation is a comprehensive overview of workers' compensation in Nevada. Specified Forums offer specified advanced topics. All training sessions are free and open to the public

Legislative Changes: 9/11/2015 at 9:30 am and 1:30 pm

Basic Orientation: 10/9/2015 at 9:00 am and 1:30 pm

C-4 and Coverage Verification: 11/4/2015 at 10:00 am

Medical Billing: 11/4/2015 at 1:30 pm

Calculation of Benefits: 11/20/2015 at 9:00 am and 1:30 pm

NORTHERN NEVADA

Legislative Changes (Video Conference): 9/11/2015 at 9:30 am and 1:30 pm

Myth vs Reality

Pay Attention Now or Pay Later

The following myth vs reality aims to address common misconceptions dealing with workers' compensation insurance compliance issues.

Myth: I only have family members, a few employees, or part-time employees working for me, so I don't benefit or need to purchase workers' compensation insurance.

Reality: In the State of Nevada, if you employ one or more people you are required to secure and maintain a workers' compensation policy. According to the law, most individuals who provide a service to a for-profit business will be deemed employees for the purposes of workers' compensation insurance.

Myth: I am a small employer with minimal revenue, so I will have my employees secure their own workers' compensation policy to save money.

Reality: A business cannot require its employees to obtain their own workers' compensation insurance policy. The cost of the workers' compensation policy must be paid entirely by the employer; no amount can be charged to employees.

Employers need to be aware that there are many workers' compensation myths. It is imperative they operate their business based on the law; operating a business based on misconceptions can result in administrative sanctions, premium penalties, and criminal prosecution by the Attorney General's office.

Angelia Yllas

Compliance Enforcement Supervisor

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http://dirweb.state.nv.us/WCS/wcs.htm

WCSHelp@business.nv.gov

Reporting Reminders

✓ Insurers and TPAs must notify WCS of any changes such as name, address, phone and fax numbers, as well as changes in TPAs.



Submit the *Insurer Information Form* to report these changes.

✓ The 2015 *Permanent Total (PT) Disability Claim Reports (<u>NRS 616C.453</u>) Form and Instructions were distributed via email in July and were due to WCS on AU-GUST 7, 2015.*

•*OD-8*) Occupational Disease Claim Report(s) (<u>NRS 617.357</u>) is an ongoing reporting requirement. <u>NRS 617.357</u> was amended in the 2013 Legislative Session, approved by the Governor, and became effective May 24, 2013. WCS revised the form for use effective January 1, 2014.

✓*Proof of Coverage (POC):* Private carriers must also report information to NCCI within 15 days of the effective date of the issuance, renewal, cancellation, nonrenewal, reinstatement or reissuance of a policy of workers' compensation insurance.

*Watch for these upcoming data calls: Death benefits; TPA information Form; FY15 Claims Activity Report and Info Form.

Information on reporting requirements and forms can be found on our Web site at <u>http://dirweb.state.nv.us/wcs/wcs.htm</u> under "Insurer and TPA Reporting" or you can contact the WCS Research and Analysis Unit by phone at (702) 486-9080 or by email at <u>wcsra@business.nv.gov</u>.

Reporting Questions:

Contact WCS Research and Analysis at (702) 486-9080 or WCSRA@business.nv.gov.

FY 2016 Max Comp Guidelines Posted

The State's Maximum Average Monthly Wage memo for fiscal year 2016, effective July 1, 2015, has been posted on the WCS Web site. The FY 2016 maximum monthly disability compensation is **\$3,617.50**, an increase from last year's figure.

http://dirweb.state.nv.us/wcs/docs/ MaxComp2016.pdf

The memo is located in the left-hand column under "Important Changes" - Maximum Compensation Guidelines – FY16. It provides a chart with Maximum Compensation rates going back to FY 1975.



Little-known PT Checks are in the Mail

Readers of the *Chronicle* and those signed up to receive WCS email announcements recognize that certain WCS activities and notices fall into a regular annual pattern. For example, the fall newsletter reiterates the maximum compensation rate for the new fiscal year that begins in July; the WCS staff reviews evaluations from the summer's annual education conference and begins planning next year's; and the WCS Claims Activity Report data call goes out every fall. However, an ongoing WCS statutory function that is probably not well known involves certain PT injured employees. WCS is required to identify a group of permanently and totally disabled injured employees who are eligible for a benefit payment per <u>NRS 616C.453</u> and to ensure that these annual payments are disbursed by October 1.

In keeping with <u>NRS 616C.453</u>, this eligible pool of injured workers receives an annual payment disbursement from the Uninsured Employers' Claim Account based on the accrued interest amount with statute stipulating that total payments may not exceed \$500,000 in any given year.

While the regulatory process detailed in <u>NAC 616C.526</u> for determining s check disbursements has not changed since the law was enacted in 2005, the number of eligible injured employees and check disbursement amounts have changed.

What are the total disbursement amounts since 2005?

2005: \$285,146.92	2009: \$307,993.95	2013: \$ 28,356.91
2006: \$500,000.00	2010: \$122,330.72	2014: \$ 27,894.86
2007: \$496,131.50	2011: \$ 37,638.31	2015: \$ 43,350.12
2008: \$495,431.46	2012: \$ 20,506.28	

What are the number of eligible injured employees since 2005?

2005: 1425	2009: 1283	2013: 1083
2006: 1423	2010: 1254	2014: 1026
2007: 1383	2011: 1205	2015: TBD
2008: 1330	2012: 1151	

Range of check amounts since 2005: \$7.12 - \$634.72

What should these eligible PT injured employees keep in mind as they wait for their checks?

There are 3 factors that are used in the formula to calculate annual payment amounts:

- 1. the number of eligible injured employees each year
- 2. the monthly PT rate of the claimant, and
- 3. the total dollar amount available to disburse among the eligible IEs

We've seen the total amount available to disburse decline significantly with the struggling economy. As the economy improves we hope to see the annual payment amounts increase as well.

Eligible PT injured employees should immediately notify their claims administrators and WCS of any address changes. Maintaining current contact information will expedite the process and ensure that all payments arrive timely.

There's an App for That: WC Coverage Verification

The National Council on Compensation Insurance has a new mobile application called "Workers Compensation Coverage Verification" that is now available through the <u>Apple Store</u> and <u>Google Play Store</u>.

Workers' Compensation Coverage Verification (WCCV) is a mobile option for verifying workers' compensation coverage in



more than 30 states. This app helps users determine whether an employer has workers' compensation insurance in the available states. If you need to determine if workers' comp in-

surance is in force, or was in force on a particular date in time, the WCCV app provides insight to coverage information. WCCV also provides the name of the insurer that wrote a workers' compensation policy for a specific employer on a specific date.



Jason O'Brien, a compliance enforcement investigator, comes to WCS Carson City from the Nevada Department of Taxation where he worked for nearly eight years. He is excited to be a part of a new agency and engage in a new set of challenges and learning experiences. In his free time, Jason likes to camp, hike with his dog, watch MotoGP and football, or play video games.



Holiday Office Closures:

Labor Day Monday, September 7, 2015

Nevada Day Friday, October 30, 2015

Veterans Day Wednesday, November 11, 2015

Thanksgiving and Family Day Thursday and Friday November 26 and 27, 2015





Workers' Compensation Legislative Changes

AB 389 (Effective Oct. 1, 2015)

Existing law defines the term "employee leasing company." (NRS 616B.670) Section 2 of this bill revises the definition of an employee leasing company to emphasize that the agreement between an employee leasing company and client company contemplates an ongoing relationship with an allocation of rights, duties and obligations.

Existing law requires an employee leasing company to have a certificate of registration to operate in this State. (NRS 616B.673) To receive a certificate of registration, an employee leasing company must submit an application to the Administrator of the Division of Industrial Relations of the Department of Business and Industry which must include, among other things, financial statements of the applicant. (NRS 616B.679) Section 3 of this bill allows an employee leasing company to meet this requirement by submitting consolidated or combined financial statements that include, but are not exclusive to, the employee leasing company.

Section 4 of this bill deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of the chapter of the laws of this State that pertain to unemployment compensation.

Existing law requires an employee leasing company to maintain an office or similar site in this State for retaining, reviewing and auditing its payroll records and agreements with client companies. In addition, the office must be open during normal business hours for the inspection and copying of certain records by employees and the public. (NRS 616B.682) Section 5 of this bill repeals these provisions.

SB 67 (Effective July 1, 2016)

Sections 233 and 318 of this bill make changes to the requirements for insurance administrators and self-insured employers for workers' compensation when filing their annual financial statements.

SB 194 (Effective Oct 1, 2015)

Existing law allows a private company, public entity or utility to establish and administer or to require participation in a consolidated insurance program for industrial insurance on a construction project which meets a minimum threshold amount established by the Commissioner of Insurance, which must initially be set at \$150,000,000. (NRS 616B.710) Section 1 of this bill fixes this threshold cost for a construction project or series of projects at \$50,000,000.

Existing law requires that each consolidated insurance program have a designated administrator of claims. Existing law also prohibits the administrator from serving as administrator for more than one consolidated insurance program. (NRS Section 3 of this bill re-616B.727) moves this prohibition, allowing an administrator of claims to serve as the administrator of claims for the consolidated insurance program of more than one construction project. Section 3 also requires that any policy or contract of insurance required by a consolidated insurance program be issued by an insurer meeting certain requirements.

Section 2.5 of this bill requires the owner or primary contractor of a construction project to allow the contractor, employer or subcontractor who employs an employee who is engaged in the construction project to have access to the site of the construction project and to any documents relating to claims filed by or on behalf of their injured workers.

SB 231 (Effective Jan. 1, 2016)

This bill revises various provisions of the Nevada Industrial Insurance Act which provides for the payment of compensation to employees who are injured or disabled as a result of an occupational injury or disease. (Chapters 616A-616D of NRS)

Section 1 of this bill sets forth that a provider of health care (not including a pharmacist or hospital) may dispense only an initial 15-day supply of a schedule II or III controlled substance to an injured employee. In addition, the provider of health care must include the original manufacturer's National Drug Code for the drug on all bills and reports submitted to the insurer.

Existing law provides a two-step process for an insurer to pay a bill submitted by a provider of health care. First, the insurer must approve or deny the bill within 30 days of receipt. Second, if the insurer approves the bill, they must pay the bill within 30 days of the approval. (NRS 616C.136) Section 2 of this bill consolidates these two steps and requires that an insurer pay or deny a bill within 45 days after receipt.

Existing law provides that compensation is not payable to an employee whose injury is proximately caused by the employee's intoxication or use of a controlled substance. Existing law also provides a rebuttable presumption that an employee's intoxication or use of a controlled substance at the time of the injury is the proximate cause of the injury. (NRS 616C.230) Section 3 of this bill revises these provisions by replacing them with a requirement that the employee not receive compensation whenever an injury occurs to the employee while the employee is intoxicated or under the influence of a controlled or prohibited substance, unless the employee can prove by clear and convincing evidence that his or her intoxication or being under the influence of a controlled or prohibited substance was not the proximate cause of the injury. Further, section 3 provides that the employee is intoxicated or under the influence of a controlled or prohibited substance for the purposes of not receiving compensation whenever the employee meets or exceeds the limits for intoxication or use of a controlled or prohibited substance as set forth in NRS 484C.110, which prescribes such limits in the context of driving under the influence. In addition, section 3 provides that the results of any alcohol or drug test performed as a result of an injury must be made available to an insurer or employer upon request.

SB 232 (Effective Jan. 1, 2016)

This bill revises various provisions of the Nevada Industrial Insurance Act, which provides for the payment of compensation to employees who are injured or disabled as the result of an occupational injury. (Chapters 616A-616D of NRS). Existing law provides that if an insurer, organization for managed care, third- party administrator or employer denies coverage for medical treatment or services related to an employee's injury, and the employee's health or casualty insurer pays for such treatment or services, the health

(2015 Legislative Changes Continued from page 5) or casualty insurer may seek reimbursement from the insurer, organization for managed care, third-party administrator or employer if a hearing officer or appeals officer ultimately determines that the treatment or services should have been covered by the insurer, organization for managed care, thirdparty administrator or employer. (NRS 616C.138) Section 1 of this bill provides a reciprocal right to reimbursement in situations in which an insurer, organization for managed care, third-party administrator or employer appeals an order of a hearing officer, appeals officer or district court and the order is not stayed pending the appeal. In such situations, if the appeal is successful, the insurer, organization for managed care, third-party administrator or employer is entitled to seek reimbursement from the injured employee's health or casualty insurer for payments made while the appeal was pending.

Existing law provides for the reopening of a workers' compensation claim under certain circumstances and conditions. (NRS 616C.390) Under these provisions, an employee has 1 year to file an application to reopen a claim if the employee was not off work as a result of the injury and did not receive benefits for a permanent partial disability. Section 2 of this bill revises NRS 616C.390 to provide that an employee has 1 year to file an application to reopen a claim if the employee was not incapacitated from earning full wages for at least 5 consecutive days or 5 cumulative days within a 20-day period

Existing law provides that an injured employee who suffers a permanent partial disability may elect to receive compensation for that injury in a lump sum. (NRS <u>616C.495</u>) Section 3 of this bill provides that an employee who has sustained more than one permanent partial disability may not receive compensation for any portion of an injury that is based on a combined permanent partial disability rating for all the employee's injuries that exceeds 100 percent.

SB 153 (Effective June 8, 2015)

Existing law provides that certain diseases of the lungs or heart contracted by certain police officers, firefighters or other employees are, for purposes of industrial insurance claims, conclusively presumed to be occupationally related

if the employee has served a certain number of years in the profession before contracting the disease. (NRS 617.455, 617.457) Sections 2 and 3 of this bill limit the period in which certain employees may claim these presumptions. Sections 2 and 3 also provide that a person who files a claim for the disease after he or she retires from employment as a police officer, firefighter or arson investigator is not entitled to receive any compensation for that disease other than medical benefits. Sections 2.5 and 3.5 of this bill prevent certain persons who use tobacco products or fail to follow a physician's prescribed plan of care from claiming these presumptions.

AB 292 (Effective July 1, 2015)

Existing law authorizes certain providers of health care to provide certain health care services electronically, telephonically or by fiber optics. (NRS <u>630.020</u>, <u>630.261</u>, <u>630.275</u>, <u>632.237</u>, 633.165, 639.0727, 639.235) Section 3 of this bill defines "telehealth" as the delivery of health care services from a provider of health care to a patient at a different location through the use of information and audio- visual communication technology, not including standard telephone, facsimile or electronic mail. Section 3 also prohibits a provider of health care, except for an employee or contractor of certain nonprofit organizations that administer health programs for American Indians, from using telehealth to direct or manage care, render a diagnosis or write a treatment order or prescription for a patient located in this State without a valid license or certificate to practice his or her profession in this State. Finally, section 3 provides that any person who provides such services through telehealth to a patient located in this State: (1) is subject to the laws, including regulations, and jurisdiction of this State; and (2) is required to comply with all federal and state laws that would apply if the person were providing services from a location in this State. Sections 6-18 of this bill clarify that certain provisions regulating the provision of health care services electronically, telephonically or by fiber optics apply to health care services provided through telehealth. Section 44 of this bill repeals certain requirements of existing law concerning the use of telemedicine by an osteopathic physician because it is addressed by sections

3, 10 and 11.

Sections 27-32, 36-39 and 41-43 of this bill require any policy of health insurance, a policy of industrial insurance that provides benefits for injuries and the State Plan for Medicaid to include coverage for health care services provided to a covered person through telehealth to the same extent as though provided in person.

Existing federal regulations allow the governing body of a hospital at which patients receive services through telemedicine to have its medical staff rely upon the credentialing and privileging decisions made by the staff of a facility from which services are provided when deciding whether to extend staff privileges to a provider of health care who provides services through telemedicine from that facility. (42 C.F.R. §§ 482.12, 482.22, 485.616)

SB 24 (Effective Oct. 10, 2015)

Section 1.5 of this bill allows the Administrator of the Division, by cooperative agreement, to make the required employment and wage information available to the Board of Regents and the Director of the Department in order to facilitate the required reporting of statistics to the Legislature.

Existing law requires private carriers that provide industrial insurance to provide the names of recipients of workers' compensation to the Administrator of the Employment Security Division of the Department to be compared against the list of recipients of unemployment benefits. to determine whether of those recipients are simultaneously claiming benefits for workers' compensation and unemployment benefits. Existing law also authorizes the Administrator to charge a fee for comparing the information. (NRS 612.265)

Section 1.5 makes providing such names the responsibility of the Division of Industrial Relations of the Department of Business and Industry. Section 1.5 also removes the authority of the Administrator to charge a fee for comparing the information.

