




**DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INDUSTRIAL RELATIONS
WORKERS' COMPENSATION SECTION**

MEMORANDUM

DATE: February 11, 2025

TO: Insurers, Third Party Administrators (TPAs), and Interested Persons

FROM: Jodi McCollins, Chief Administrative Officer, WCS 

SUBJECT: Update to Changes in DIR Audit Unit and Medical Unit Practices Regarding Subsequent Fines

Effective June 28, 2024, important updates were implemented by the Division of Industrial Relations (DIR) Audit Unit. Moving forward, the DIR Audit Unit will implement and enforce the issuance of the subsequent fine structure under NRS 616D.120(2)(b) using a graduated fine schedule. The Medical Unit will also implement and enforce the issuance of this fine structure under NRS 616D.120(2)(b) using a graduated fine schedule for insurers failing to submit their treating provider list(s) to DIR by October 1st of each year per NRS 616C.087(6).

Under NRS 616D.120(2)(b), if the Administrator determines that an insurer, organization for managed care, health care provider, third-party administrator, employer or professional employer organization has failed to comply with any provision of this chapter or [chapter 616A](#), [616B](#), [616C](#) or [617](#) of NRS, or any regulation adopted pursuant thereto, the Administrator may take any of the following actions:

- (a) Issue a notice of correction for:
 - (1) A minor violation, as defined by regulations adopted by the Division; or
 - (2) A violation involving the payment of compensation in an amount which is greater than that required by any provision of this chapter or [chapter 616A](#), [616B](#), [616C](#) or [617](#) of NRS, or any regulation adopted pursuant thereto.

Effective immediately, when a new Administrative Fine is being imposed, DIR will review prior Administrative Fines which have exceeded the appeal timeframe (30 days from date of issuance) or have completed the appeal process, to determine the appropriate amount for the new Administrative Fine.

Initial and Subsequent Violation Schedule:

1. Initial violations will be assessed at \$375.00 per violation.

2. Second offenses will be assessed at \$750.00 per violation.
3. Third offenses will be assessed at \$1,500.00 per violation.
4. Fourth and all subsequent offenses will be assessed at \$3,000.00 per violation.

Consequences of Noncompliance with Requests for Records

In addition, DIR has updated its procedure regarding requests to insurers and TPAs for claim files and other records due to ongoing non-compliance concerns pertaining to the timely delivery of requested records.

Requests for records will be sent via email and/or mail with a due date ranging from 2 to 30 days clearly defined. Should you need additional time, requests must be made prior to the due date. In the event the due date expires and requested records are not provided, a Monetary Assessment (Administrative Fine) will be issued following the subsequent violation schedule. If records are requested after the initial records request was made, the due date will range from 2 to 5 days clearly defined. Only three requests will be made.

For complaints from injured workers, a Benefit Penalty will be issued if compliance is not timely obtained after the third request. For records requests associated with audits of insurers, an Administrative Fine will be imposed for failure to timely comply using the graduated fee schedule. These matters may also be referred to the Division of Insurance for decertification of the insurer or TPA.

These updates are part of our ongoing commitment to fostering a fair and compliant business environment. We believe these changes will not only improve our operations but also help businesses understand and meet their obligations more effectively.

Please advise all staff as soon as possible to minimize non-compliance.

For more details on these updates contact our Audit Unit at WCSAudit@dir.nv.gov or our Medical Unit at medunit@dir.nv.gov.