



# State of Nevada

Department of Administration

## Risk-y Business Risk Management Division

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## Legislation Round up

The following is a quick analysis of bills effecting Workers' Compensation, which have either been signed by the Governor or are before the Governor for signature.

**AB 168** Defines responsibilities of a MCO/ asks DIR to adopt regulations to ensure the adequacy of the insurer's panel of providers. Requires DIR to utilize the 5<sup>th</sup> edition of the AMA Guides to Evaluation of Permanent Impairment effective 10/1/ 2003. Requires that when a new edition is printed DIR will adopt regulations to use the new edition within 18 months after publishing. DIR won't consider any factors other than the degree of physical impairment in calculating the entitlement to compensation. Allows an injured worker who accepts or rejects an offer of temporary light duty to be entitled to vocational rehabilitation, including compensation. Requires the employer to confirm the offer of light duty within 10 days in writing.

**AB 206** Allows an injured worker to return their lump sum permanent partial disability payment in one sum or through deductions if the employee becomes Permanent Total Disabled. Requires the insurer not to recover more than the actual amount paid in the original lump sum.

**AB 438** Effective 1/1/2004 any person receiving a permanent total disability will be entitled to a 2.3% annual increase in benefit payments.

**AB 451** Creates a rebuttable presumption for firefighters who develop cancer after exposure to certain chemicals.

**SB 8** Increases the fines for employers who willfully violate Chapter 618 (Workplace Safety) Employee is killed.

**SB 168** Makes changes regarding providers of health care.

**SB 184** Provides a conclusive presumption for certain police officers that develop hepatitis. **BILL DOES NOT APPLY TO STATE PEACE OFFICERS.**

**SB 193** Clarifies when a legislator is covered under workers' compensation; expands coverage for employees of school districts to include after hour activities (e.g. sporting events, social event, etc).

**SB 292** Creates an Interim Committee to conduct a study on the impact of Nevada's Industrial Insurance Program on injured workers, employers and insurers.

**SB 320** Establishes that the Commissioner of Insurance create regulations to allow "External Review Organizations" to conduct external reviews in areas of workers' compensation. Requires IIRS to establish the maximum benefit for modifying vehicles for use for disabled employees. The bill also makes changes to requests for hearing and appeals.

## *Risk Management Year End Report to the Governor*

Overall, the State did very well in 2002 with reducing workers' compensation claims. On-the-job injuries reduced by 16.8% over 2001, with lost time claims decreasing by 41%. The average cost per claim was also down by 18.4%. The top three agencies with reductions in on-the-job injuries were Human Resources with 163 less injuries, Corrections with 59 fewer and Conservation and Natural Resources with 37 less injuries.

During 2002 the Governor signed an Executive Order, which reemphasizes safety and health for State employees. Two

components of this Executive Order were that agencies shall create policies on workplace violence prevention and indoor air quality problems by January 1, 2003. In compiling this information, the Risk Management Division solicited copies of these policies. To date of the 128 agencies solicited, we have received 46 (36%) policies on workplace violence prevention and 31 (24%) policies on indoor air quality problems. The Risk Management Division will continue to solicit these policies. The year-end Risk Management Report to the Governor will be submitted this month.

## CAN I USE MY PERSONAL VEHICLE FOR WORK BUSINESS?



When a personal vehicle is used on State business, the vehicles' physical damage is primary to any State coverage. In certain circumstances the State may reimburse a collision deductible or pay employee's out of pocket damages up to a maximum of \$500. (SAM 0506.0)

### REIMBURSEMENT OF INSURANCE DEDUCTIBLE DUE TO AUTO ACCIDENT

State employees and volunteers driving a private vehicle on State business are allowed reimbursement from the State for out-of-pocket deductible expenses as a result of an accident under the following circumstances:

1. Reimbursement for collision insurance deductibles is limited to a maximum of \$500. If no collision insurance is in force, Risk Management will pay for the estimated damages, not to exceed \$500.
2. Risk Management can refuse payment if:
  - A. The employee/volunteer/driver is convicted of:
    - 1) Manslaughter as a result of operating a vehicle;
    - 2) Driving under the influence of intoxicating liquor, controlled substance or other drug;
    - 3) Failure to stop, failure to give information or failure to render assistance in the event of an accident;
    - 4) Reckless driving;
    - 5) Careless or imprudent driving;
    - 6) Passing a school bus while loading or unloading passengers; and
    - 7) Speed contest, drag racing or exhibition of speed.
  - B. The employee/volunteer/driver fails to submit a written report to the Risk Management Division within 5 working days of the accident. If the report is delayed due to injuries, the written report should be submitted as soon as practicable after the accident.
  - C. The employee/volunteer/driver collects the full amount of damages (including any deductibles) from the party responsible for the accident.
  - D. The employee/volunteer/driver was not on State business as approved by the employee's supervisor.

In order to file a claim for deductible expenses the employee/volunteer/driver must:

1. Submit a request for reimbursement to the Risk Manager within one year of the accident on Form BE-2 as prescribed by the Board of Examiners. Blank forms are available from the Risk Manager's office.
2. Attach any supporting documents regarding the accident, including but not limited to:
  - A. Copy of the accident report submitted to the Risk Management Division;
  - B. Copy of the police report, if available;
  - C. Copies of at least two estimates of repair; and
  - D. Any other documents or information Risk Management may require regarding the accident.

Accident means an unplanned happening involving a motor vehicle in motion that results in personal injury, death and/or property damage.

If the Risk Management Division makes any payment, Risk Management is entitled to recover what was paid by other parties up to the amount paid by Risk Management. If a payment is made to an employee/volunteer, the employee/volunteer must transfer to Risk Management his/her rights of recovery against any other party.



## Is My Personal Property Covered At Work?

Look around your office and you can see that every employee has personalized their workspace with pictures, radios, and other knick-knacks. The question is, "Are these items covered in the event of a loss?" Unfortunately the answer is no. The Property Insurance Program for The State of Nevada combines self-funding and commercial insurance to provide blanket coverage on all **State-owned buildings and contents**. Although the above-mentioned

items may provide us with comfort and enjoyment in our workspace, every employee must know that they bring these items into the work place at their own risk. If you have any questions concerning your personal property at the workplace please contact DeAnna Guthrie at (775) 687-3189.

### **NAC 284.294 Reimbursement for furnishing own tools. ([NRS 284.155](#), [284.175](#))**

1. An employee who is required to furnish his own tools may elect to be reimbursed for the use, loss, theft and breakage of the tools at the rate of \$35 per month if the monetary value of the tools is more than \$300 and less than \$1,000, or at the rate of \$50 per month if the monetary value exceeds \$1,000. This monthly allowance must not be considered part of the employee's base rate of pay.

2. The payment of reimbursement pursuant to subsection 1 absolves the agency of any responsibility for the employee's tools if the loss per occurrence is \$1,000 or less. If the loss is more than \$1,000 and is covered under the terms and conditions of the policy of property insurance or program of self-insurance maintained by the state, the loss must be paid by the insurer or the state, as appropriate.

3. If the employee does not elect to be paid a monthly reimbursement for furnishing his own tools pursuant to subsection 1 and a loss occurs which is covered by the policy of property insurance or program of self-insurance maintained by the state, the first \$1,000 of the loss must be paid to the employee by the agency and the balance by the insurer or the state, as appropriate.

4. Agencies must approve and maintain a listing of those tools, which are required.

5. As used in this section, "tools" does not include weapons or other protective equipment

## Summer Fun Brings More Emergency Room Visits

For many Americans, summer means fun in the sun. The kids are out of school, adults are on vacation and it's time for outdoor activities like riding bikes and hosting barbecues. However, the U.S. Consumer Product Safety Commission (CPSC) warns that summer also is the time of year consumers are most likely to be injured.



### Summer Safety Tips



Wear a helmet and other safety gear when biking, skating and skateboarding, and when riding scooters, all-terrain vehicles, and horses. Studies on bicycle helmets have shown they can reduce the risk of head injury by as much as 85 percent.

Use protection to prevent a swimming pool tragedy. Place barriers completely around your pool to prevent access, using door and pool alarms, closely supervising your child.



When cooking outdoors with a gas grill, check the air tubes that lead into the burner for any blockage. Check grill hoses for cracking, brittleness, holes, and leaks. If you detect a leak, immediately turn off the gas and don't attempt to light the grill until leak is fixed.

Make sure your home playground is safe. Falls cause 60 percent of playground injuries, so having a safe surface is critical. Concrete, asphalt or packed dirt surfaces are too hard.



Don't allow a game of hide-n-seek to become deadly. Childproof old appliances such as old freezers and refrigerators and warn children not to play inside them.

Install window guards to prevent children from falling out of open windows; or install window stops that permit windows to open no more than 4 inches. Whenever possible open windows from the top - not the bottom. Also, keep furniture away from windows to discourage children from climbing near windows.



Summer also means yard work. When mowing, keep small children out of the yard, and turn the mower off if children enter the area. If the lawn slopes, mow across the slope with the walk-behind rotary mower, never up and down. With a riding mower, drive up and down the slope, not across it. Never carry children on a riding mower.

## Lower Your Heart Risk with Water



America's obsession for bottled water may have more benefits than researchers initially believed. According to research, drinking water can significantly reduce the risk of coronary heart disease.

Staying hydrated may be as important to your cardiovascular system as exercise, controlling diet, and avoiding tobacco. Healthy individuals who drink 5 or more glasses of water a day may have only half the risk (or less) of fatal coronary heart disease, compared

with those who drink less than 2 glasses of water a day.

Regrettably, you cannot count water gained from coffee, tea, soft drinks or alcohol. Instead, heavy consumption of coffee, tea, whole milk and alcohol was associated with a 46% increase in heart attack risk. Neither total fluid intake nor intake of other fluids combined showed reduced risk in the study. Water thins the blood, while other fluids draw water out of the blood to aid in digestion.

The study concludes that proper hydration could save "Tens of thousands of lives each year" with minimal cost or effort. If the studies' results were replicable "this would be the cheapest method of preventing heart disease". The study began in 1973, and involved more than 20,000 participants. The results are published in the American Journal of Epidemiology. Drinking more water is even more important in hot summer weather.



### Workers' Comp Question of the Quarter:



#### *What Is This HIPAA Thing I Keep Hearing About?*

HIPAA stands for the "Health Insurance Portability and Accountability Act". This is a federal law that was signed in August 1996 and went into effect April 14, 2003. The law provides additional privacy protection for patients, mostly from health care providers. The law presented many challenges for providers of health care concerning release of health information. The law does have important exceptions for health care providers when treating patients under certain programs, including workers' compensation. The Federal Health and Human Services has repeatedly commented that this law is not intended to impede State worker's compensation laws. However, we know that some health care providers will use caution in this area and not want to release information causing an initial delay. Bottom line is, there should be no major effect on release and timeliness of health care information.

Under Nevada Law, when a worker files a C-4 Form (Employee's Claim for Compensation/Report of Initial Treatment), they are consenting to the release of appropriate information concerning the injury (or occupational disease). This release can be to any doctor or chiropractor, hospital, medical service organization, insurance company and, of course, the employer. There are exceptions to this also; information concerning AIDS, psychological condition, alcohol or controlled substances is not to be released.

Concluding, HIPAA provides for increased privacy for patients being treated. However the new privacy law does not apply to patients being treated for an on-the-job injury. We expect an initial slowdown of release of information from providers of health care, but once they understand that HIPAA does not apply to claims under workers' compensation, things should get back to normal.



Be sure and check out our award winning website at: [www.risk.state.nv.us](http://www.risk.state.nv.us)