

NEVADA WORKERS' COMPENSATION CHRONICLE



Department of Business & Industry (B&I)

Division of Industrial Relations (DIR)

A Publication of the Workers' Compensation Section (WCS)

Spring Edition (March – May 2010)

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

Efficient Claims Processing is Everyone's Responsibility

The continued success of Nevada's workers' compensation system depends on all of the partners' carrying out their responsibilities in the timely manner required by law. Here are some reminders from the regulator's point of view:

Employers must know the name of their workers' compensation insurer and how to contact their claims administration office. They must also make this information readily available to their employees. In fact, failing to post this information at their workplace may result in administrative fines. Health care providers may contact employers for insurer information to process a claim. Failure to provide this information quickly results in unnecessary delays which ultimately increase overall costs and drive up premiums.

Employees need to tell their supervisor if they are hurt on the job and complete a C-1 Form, "Notice of Injury or Occupational Disease," even if they don't seek medical treatment. If they do seek treatment, they must complete their portion of the Form C-4 as accurately as possible which includes knowing their employer's business name, address and phone number along with the name of the

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HOT TOPIC

We're All in This Together

Last year's biennial legislative session resulted in more workers' compensation legislation than we've seen in a long time. So it's no surprise that our agency has been very active in drafting regulations to clarify, standardize and improve our oversight of industrial insurance. If you're unfamiliar with the regulation process, I urge you to attend one of the regular training sessions we offer (see page 4). You don't need any specialized knowledge to participate in crafting regulations.



Charles Verre, CAO
Workers' Compensation Section

We widely advertise our regulation workshops and hearings to ensure maximum public participation. These sessions are held simultaneously in Carson City and Las Vegas to offer maximum opportunity for attendance. All public comment is documented, including all written comments that we receive before and after the public workshops and hearings. In addition, our regulation workshops and hearings are broadcast on the Internet <http://www.leg.state.nv.us/audioAudioVideo.cfm> to allow remote viewing by anyone interested in the proceedings.

A hearing we held on Feb 16th attracted 56 attendees, along with many useful comments. This kind of close, working interaction with the public,

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WCS Makes Office Training 'House Calls'

Spring is traditionally a time of renewal and new beginnings. However, this spring the Education, Research and Analysis (ER&A) Unit of the Workers' Compensation Section continues to build on the corporate outreach initiative already begun a few years ago. February saw WCS trainers providing the Insurance Company of the West and York Claim Services in-depth Subsequent Injury training followed later in the month by on-site training with the ManagedPAY staff on the best ways to comply with workers' compensation laws and new employee leasing regulations. This on-site training is designed to expand the reach of WCS education to as many partners in the Nevada workers' compensation system as possible.



One of the reasons for increased emphasis on corporate outreach is to go out and visit important players in the workers' compensation system and let them know the latest, from the regulators' point of view, before a scheduled audit—and the fines, penalties and appeals that may ensue. This on-site outreach effort is in addition to the training for prospective small business owners ER&A does every month and the regular training done in the Carson City and Henderson WCS branch offices.

WCS encourages employers to schedule a training visit to their workplace by contacting WCS Henderson at tsemi@business.nv.gov (702) 486-9019; or WCS Carson City at mills@business.nv.gov (775) 684-7284. The employer must guarantee at least 15 workers' compensation training attendees—i.e. risk managers, supervisors, employees, health care and/or insurance partners. *

MILEAGE REIMBURSEMENT CHANGE FOR 2010

Effective **January 1, 2010**, standard mileage for transportation incurred while using a private vehicle for official state business decreased from 55 cents per mile to **50 cents per mile**. Per **NAC 616C.150**: Under appropriate conditions, reimbursement for the cost of transportation for an injured employee must be computed at a rate equal to the mileage allowance for state employees. To minimize any overpayments of mileage reimbursements, all adjusters should note this change. <http://dirweb.state.nv.us/wcs/mileage.pdf> *



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CONFUSION CORNER

Incorrect Medical Billing is Easy to Avoid

It's no secret that medical costs continue to rise each year. Accordingly, pursuant to [NRS 616C.260\(2\)](#), the Division of Industrial Relations Workers' Compensation Section, reviews and revises the Medical Fee Schedule on or before February 1 of each year and adjusts the schedule by the corresponding annual change in the Consumer Price Index, Medical Care Component.

The 2010 MFS has been in effect since February 1, 2010 and is effective through January 31, 2011 (see sidebar). For workers' compensation insurers to address and pay medical bills correctly, it is important that they read and understand the MFS. The MFS is on the WCS Web site. Insurers should buy the publications adopted by DIR for the billing and payment of medical services: *The Relative Values for Physicians* (\$329.95) and *The Relative Value Guide of the American Society of Anesthesiologists* (\$25 for members/\$75 for non-members). The information for ordering the Relative Value guides is addressed in regulations [NAC 616C.145](#) and [NAC 616C.146](#) which are accessible on WCS's Web site. Also available on the site is the Center for Medicare and Medicaid Services' list of ambulatory surgical codes and payment groups and Medicare's reimbursement for HCPCS codes K and L for custom orthotics and prosthetics: <http://dirweb.state.nv.us/WCS/medical.htm>

In addition to adopting the AMA, CPT codes for the purposes of billing, WCS identifies Nevada-specific codes for billing inpatient hospital stays, hospital emergency facility services, home health services, permanent partial disability evaluations, back school, functional capacity evaluations, and "no-show" for independent medical evaluations and Functional Capacity Evaluations.

Many insurers use bill payers in other states, and WCS receives many complaints from health care providers that these payers are not recognizing the Nevada-specific codes for payment. The payers are erroneously returning these bills for incorrect coding and requesting corrected codes. This is a violation of NRS 616C.136(3), which states:

An insurer shall not request a provider of health care to resubmit information that the provider of health care has previously provided to the insurer, unless the insurer provides a legitimate reason for the request and the purpose of the request is not to delay the payment of the accident benefits, harass the provider of health care or discourage the filing of claims.

When the bill is finally processed, payment may be late and then the insurer must pay interest pursuant to [NRS 616C.136\(1\)](#) WCS expects insurers to comply with this statute in addition to paying the proper MFS reimbursement.

To reduce billing complaints and NRS violations, WCS encourages insurers to thoroughly train their bill payers about the Nevada-specific codes and also have them review NRS 616C.136. *



FRAUD WATCH



REPORTING WORKERS' COMPENSATION FRAUD SAVES MONEY FOR ALL NEVADANS

On a bright and sunny Monday morning, less than 15 minutes into his shift at ACME Tool & Dye, machinist Joe Johnson reports a work-related injury that he says happened the previous Friday. There were no witnesses to the Friday accident. In addition, as Joe's injury claim progresses through the treatment phase, Joe refuses the latest diagnostic procedures that could confirm his injury.

Is this a valid workers' compensation injury claim, given that the first few minutes of his Monday shift could have aggravated a Friday injury that had been healing over the weekend? Or perhaps because there are three "red flags" for possible fraud in the scenario, there is a much greater likelihood that Mr. Johnson is trying to commit workers' compensation fraud. The red flags as described in the Workers' Compensation Fraud Unit's "Tips for Detecting Claimant Fraud are 1) Monday morning reporting for a Friday injury; 2) No witnesses to the accident and 3) Refusal of diagnostic treatment to confirm an injury <http://ag.state.nv.us/org/bcj/wcfu.htm>

However, workers' compensation fraud involves more than just claimants. It may also involve employers or health care providers. Primary jurisdiction for investigating workers' compensation fraud in Nevada belongs to the Investigation Division of the Office of the Attorney General, specifically, the Workers' Compensation Fraud Unit. Workers' Compensation Fraud Investigations offices are located in Carson City, Las Vegas and Reno. These units are dedicated to investigating allegations of claimant, employer and provider fraud on behalf of the State and its insurers. The unit is also generally responsible for investigation of any fraud committed in the administration of workers' compensation.

Nevada workers' compensation is based upon principles that include "no fault" which provide benefits and protection for both the employee and the employers and cost reduction by efficiencies in number. As with other kinds of insurance, workers' compensation fraud increases the cost of premiums and adds a burden to the entire system.

The Workers' Compensation Fraud Unit's Web Page provides an overview of warning signs of workers compensation fraud <http://ag.state.nv.us/org/bcj/wcfu/wcfu.htm>. The unit also has a Workers Compensation Fraud Hotline at **1-800-266-8688** for reporting suspected fraud and questions regarding possible workers' compensation fraud.

Brian Kunzi, Director, Workers' Compensation Fraud Unit



2010 Medical Fee Schedule Now in Effect

DIR/WCS has posted the latest Nevada Medical Fee Schedule Maximum Allowable Provider Payment, effective Feb. 1, 2010 – Jan. 31, 2011 [NRS 616C.260](#): <http://dirweb.state.nv.us/WCS/2010mfs.pdf> The 2010 MFS includes increases per the 2009 Medical Consumer Price Index (up 3.2 percent). *

WCS Mission Statement

The purpose of the Workers' Compensation Section (WCS) 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.

(Claims Processing, cont. from page 1)

workers' compensation insurer or third-party administrator. (This information is found on the D-1 poster that must be correctly filled out and prominently displayed in the workplace.) Finally, they should keep copies of all forms relating to their injury.

Physicians and chiropractors must work quickly to ensure that the C-4 is completed and sent to the correct employer and insurer/TPA within three working days after providing treatment ([NRS 616C.040](#)). If there is uncertainty about which insurer or TPA the C-4 should be sent to after treating an injured employee, their staff should first contact the injured employee. If the employee is unable to identify the insurer, they should use the WCS Coverage Verification Service: <http://dirweb.state.nv.us/WCS/cvs.htm> If coverage is not found, the employer should be contacted. Coverage must be confirmed with the insurer/TPA. If still unable to verify coverage, the next step is to call WCS in Carson City, 775-684-7270, or Las Vegas, 702-486-9080. If the WCS staff cannot identify the insurer/TPA, they will ask the medical staff to send the C-4 to the appropriate DIR/WCS office for further investigation. However, medical staffs should not send the C-4 to WCS without prior coordination.

Insurers/TPAs receiving a C-4 from a physician or chiropractor for a claim, should verify whether the employer listed on the C-4 is covered by one of their policies. If there's no coverage, they have 3 working days from determination of no coverage to forward the C-4 to WCS ([NAC 616C.1156](#)). After which the WCS C-4 administrative staff will find the correct insurer for that employer or turn the case over to the WCS Employer Compliance Unit for investigation as a possible claim against an uninsured employer.

Attorneys and their staff should follow the previous steps, as well, before sending a request for the Uninsured Employer Account. Frequently, the employer in question has a valid workers' compensation policy in place. *

Subsequent Injury Account Saves Employers Money

SIA The Subsequent Injury Accounts encourage employers to hire workers with a permanent physical impairment. The costs of any qualified subsequent injury are paid from the appropriate subsequent injury account [NRS 616B.557-590](#). For more information on contact Jacque Everhart at 702-486-9089 or everhart@business.nv.gov

(Hot topic, cont. from page 1)

apart from the audits or investigations we conduct, helps us better understand real-world limitations or impacts of proposed regulations which leads to more realistic and workable regulations that accomplish the desired intent.

The current surge of regulation writing is far from over. Later on this year, we'll seek comment on regulations dealing with collective bargaining, employee leasing companies, subsequent injury claims, trauma activation fees, and more. If you want to ensure that you're notified of upcoming workshops and hearings, be sure to sign-up for our WCS e-mail database, just click on this link and complete the

REPORTING REMINDERS: Timely POC Reporting Speeds Claims

What is POC? Proof of Coverage is defined in [NAC 616B.118](#) as the information relating to the verification of industrial insurance coverage for employers in this state.

Who must report? DIR/WCS designated the [National Council on Compensation Insurance](#) as its proof of coverage data collection agent on July 1, 1999. Since that time, private insurers are required to report POC information to NCCI regarding their Nevada insureds.

Why is POC reporting important? One of the duties of WCS is to ensure employer compliance with the mandatory coverage provisions as set forth in the Nevada statutes and regulations. This POC reporting enables WCS to ensure employers who are required to have industrial insurance secure and maintain coverage for their employees. In addition to ensuring a level playing field among employers, this coverage visibility is crucial for locating the proper insurer for a claim when a medical provider, after completing a Form C-4 is either unable to determine the insurer or has sent the claim to the incorrect insurer. The POC system supplies WCS with the resources to perform these important tasks along with other research functions. The WCS Coverage Verification Service is the public's portal into NCCI's insurer database.

Reporting requirements: What and When? [NAC 616B.100 to 148](#), inclusive, outline the POC reporting requirements in Nevada. DIR/WCS has adopted the International Association of Industrial Accident Boards and Commissions POC format, a nationally accepted standard format for reporting POC data. In general, private insurers are required to report proof of coverage information to NCCI within 15 days of the following policy activities:

brief, online form: <http://dirweb.state.nv.us/WCS/handouts/electronicenroll.htm>

Finally, for years many of you have read the words of wisdom from **Ken Webb** in this Hot Topic space. I'm proud to announce that following Ken's retirement last fall we have a new Southern District Manager coming on board in March. **Suhair Susan Sayegh** joins us after a very successful stint as the claims manager and litigation specialist for Sierra Nevada Administrators, Inc. She brings with her more than 20 years of Nevada workers' compensation experience. She'll introduce herself and some of her goals in the summer edition's Hot Topic.*

including the issuance of a binder or policy; the renewal, reinstatement, reissuance, cancellation, nonrenewal or endorsement to a policy [NAC 616B.127](#).

Reporting Methods: How is POC information reported? Private insurers may report POC to NCCI by hardcopy, utilizing the forms adopted by the DIR (*D-41, D-48, D-49 and D-50*) or electronically using NCCI and IAIABC standards. These forms, as well as all other WCS forms, are available on the WCS forms page at <http://dirweb.state.nv.us/wcs/wcsform.htm>

Reporting Errors: How are insurers notified? Insurers reporting POC information are notified of reporting errors in the form of error and reject reports created and disseminated by NCCI. These reports tell insurers the nature of errors requiring correction. NCCI will also send follow-up reports for errors and rejects that are not corrected within a specified period of time. WCS may also notify insurers of reporting errors as well as the failure to report or late reporting of POC information.

Reporting Violations: How are fines assessed? [NAC 616D.415](#) gives the administrator of DIR the authority to administer fines for the failure to submit or the late/incorrect submission of POC information to NCCI. Additional fines may be assessed for the failure of the insurer to timely correct and resubmit data for which a notice of error or reject was issued. Fines may range up to \$1500 per occurrence, depending on the type of violation and the frequency of violations.

For more information, contact NCCI Customer Service at 800-622-4123, visit the NCCI website, or contact the WCS Research and Analysis Unit at 702-486-9118 or via email at wcsra@business.nv.gov *

April Boehner-New WCS Forms Coordinator

WCS often receives questions about the proper form to use or if a slightly customized form is OK. In addition, there are plenty of questions about bi-lingual versions of forms, especially the D-1 poster. All forms questions should be directed to **April Boehner, 775 684-7264, aboehner@business.nv.gov**, in the Carson City office. She will review form variance requests to ensure that all key elements required by law are present. She also handles requests for C-4 forms, and she compiles improvement suggestions to make the forms easier to use.

No 'Backdoor' Workers' Compensation Charges Allowed

Occasionally, WCS receives reports from employees about deductions from their pay that look suspiciously like a charge for workers' compensation coverage. NRS 616D.240 expressly prohibits employers from deducting any money from an employee's wages to meet workers' comp costs; similarly, employers may not require employees to purchase their own workers' comp coverage.

Those employees who suspect that such a violation has occurred should contact the Attorney General's Workers' Compensation Fraud Unit at **1-800-266-8688** and be prepared to submit proper evidence of the violation. *

WCS EDUCATION COMMITTEE

- Mike Brooks, Chair, WCS
- Suhair Susan Sayegh, WCS
- Dock Williams, WCS
- Christi Mosher, Genex
- Cindi Rivera, Certified Vocational Srvc
- Kelly Spina, EMPLOYERS

STATE OF NEVADA
Holiday Office Closures:
 Memorial Day
 Monday, May 31, 2010

Hails and Farewells

Schelia Shinno is the latest addition to the Research & Analysis Unit of DIR/WCS. As a Management Analyst II, she assumes the duties of **Patti Zielinski**, who retired in October. Schelia transferred from NV OSHA enforcement, where she worked as a Safety Specialist III. She has been a State employee for four years. Her free time is spent running her Italian Greyhound, Phoenix, and playing golf with her husband. Schelia is originally from Massachusetts, has lived in Japan and has been a Las Vegas resident since 2005.



Leticia Ceballos, Admin Assistant II, joined the Workers' Compensation section in February and was formally the receptionist for the DIR Henderson Office. She replaces **Jennifer Lozoya** who had been with WCS since 2006 and earned a promotion to another State agency. Leticia was born and raised in Pleasant Hill, California and has lived in Henderson for 15 years. She has three children and a wonderful husband, is bi-lingual and very excited to be in the Workers' Compensation Section.



E-mail Notification

Stay connected to what's new in the Nevada workers' compensation system by registering to receive e-mail notification of upcoming training sessions, hearings and other important events.

Simply go to the WCS Web site: <http://dirweb.state.nv.us/WCS/wcs.htm>, click on the "Update" icon and fill out the E-mail Enrollment Request Form as a new subscriber or to make updates to your current subscription.



WCS Website Offers a Free Coverage Verification Service

The State of Nevada's Workers' Compensation Section receives more than 10,000 phone calls per year. Many of these calls concern the status of employers' workers' compensation insurance coverage. However, the Coverage Verification Service allows anyone with Internet access to verify the coverage of a Nevada employer who has a policy with a private insurance carrier.

CVS is free on the State of Nevada Workers' Compensation Section Web page <http://dirweb.state.nv.us/WCS/wcs.htm>

In addition to assisting health care providers verify coverage for billing purposes, CVS is helpful to injured employees in verifying their employer's coverage, as well as workers' compensation attorneys, primary contractors and insurers needing quick access to coverage information.

CVS has basic online instructions for doing employer policy searches, but more detailed face-to-face CVS trainings are offered in the Reno/Carson City area as well as the Las Vegas/Henderson area. The next CVS training will be held in the Henderson office on Thursday, April 8, 2010, for reservations contact Terry Simi tsimi@business.nv.gov or 702 486-9019. More training will be scheduled based on demand. Those interested in learning more about CVS training should go to the WCS Web site <http://dirweb.state.nv.us/WCS/wcs.htm> and fill out an Electronic Information Distribution Form to receive e-mail notification of future training, upcoming newsletters with the latest CVS information, and any changes in Nevada's workers' compensation system.

If you are still unable to locate coverage after visiting the CVS Web page, please contact the WCS office at 702 486-9080 or 775 684-7270 for additional assistance. *

SPRING 2010 TRAINING SESSIONS

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

SOUTHERN NEVADA

Division of Industrial Relations
 1301 North Green Valley Pkwy.,
 Ste. 200, Henderson, NV 89074

WCS Orientation

March 9, 2010
 May 20, 2010

WCS Specified Forum:

April 8, 2010

Coverage Verification Service
 For reservations, please contact:

✉ tsimi@business.nv.gov
 ☎ (702) 486-9019

NORTHERN NEVADA

The Carson City / Reno sessions are tentatively scheduled at Western Nevada Community College in Carson City.

WCS Orientation:

March 25, 2010
 May 20, 2010

For reservations, please contact:

✉ tmills@business.nv.gov
 ☎ (775) 684-7261

HOW TO CONTACT WCS

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 Division of Industrial Relations - DIR
 Workers' Compensation Section - WCS
SOUTHERN NEVADA

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<http://dirweb.state.nv.us/WCS/wcs.htm>
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Direct comments or suggestions about this newsletter to: *Mike Brooks, Editor*, or *Terry Simi, Assistant Editor*, in the Workers' Compensation Section, Henderson Office (702) 486-9019 or to: WCSHelp@business.nv.gov