

# NEVADA WORKERS' COMPENSATION CHRONICLE



Department of Business & Industry (B&I)

A Publication of the Workers' Compensation Section (WCS)

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.

Division of Industrial Relations (DIR)

Spring Edition (March-May 2012)

## New Mass E-Mail Program Speeds Announcements to You

As we went to press, there were 2,486 registrants in the WCS E-mail database with one or two new sign-ups coming in daily. Ensuring that everyone who signs up gets the latest e-mail notices is a top priority. To that end, we've purchased a new mass e-mail program, SendBlaster 2, which is better at handling multiple attachments and HTML text than the previous e-mail program. It is also easier to import address lists from other programs and print reports on the success of e-mailings. The good news is that, so far, this program is exceeding expectations. However, as with any new program there are always a few options to fine tune.

Our current "bounce-back" rate is less than one-half of one percent (i.e. .005), which is dramatically lower than the three-to-five percent often cited as the goal of those who conduct mass e-mailings. Much of the credit goes to my assistant, Terry Simi. Her painstaking tenacity in making dozens of phone calls and scrubbing the list to purge outdated e-mail addresses and update the list is truly a sight to behold. Credit also goes to those of you who have taken a few seconds to send us a "removal request" when your job or interests change (<http://dirweb.state.nv.us/WCS/handouts/electronicenroll.htm>). Thanks.

However, we have received some e-mail from a handful of our database members who have not received recent e-mailings after the switch to SendBlaster 2 while their colleagues, who are also WCS database members, have gotten the e-mail notice in question without delay.

If you encounter this problem, please check your spam filter – the new program uses a different SMTP server than the previous program and have your IT technician check your server's settings. Finally, if you did not get the March 1 e-mail with the link to this edition of the *Chronicle*, always feel free to contact me. I'll send you a test e-mail directly, and we'll fix the problem right away. **Michael J. Brooks, Editor, Nevada Workers' Compensation Chronicle** ([mbrooks@business.nv.gov](mailto:mbrooks@business.nv.gov))

## Recent Tragedies Test Mettle of WCS Investigator

In her daily role as an Employer Compliance Investigator for the Carson City



WCS office, **Dulcie Lilly** sees her share of unusual situations. However, her dedication to public safety also extends to her off-duty time when she literally dons a different hat: that of the Assistant Chief of the Lemmon Valley Volunteer Fire Department.

Ms. Lilly has been with WCS since March 2010 and before that served for almost eight years as a

WCS Investigator, Dulcie Lilly, finds time to serve a dual role as a volunteer firefighter.

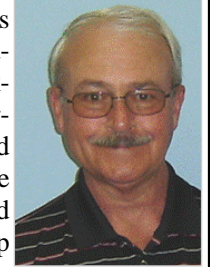
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## HOT TOPIC

### Mounting WCS Fines & Penalties Face Employers Who Delay Payment

Nevada employers should be aware of the administrative fines and premium penalties associated with the violations concerning workers' compensation insurance coverage lapses and non-coverage. These coverage lapses will lead to administrative fines up to \$15,000 depending on the duration of the lapse, along with premium penalties reflecting missed payments. A lesser known part of coverage related violations concerns the responsibility of the Nevada Attorney General's Workers Compensation Fraud Unit (<http://ag.state.nv.us/org/bc/spd/wcfu/wcfu.html>) to determine if they will criminally prosecute the employer under their authority. The Workers' Compensation Section is required by statute to issue a premium penalty in nearly all of these cases. WCS must, however, wait for confirmation from the AG Fraud Unit that they intend to waive prosecution on the case. The AG Fraud Unit prosecutes all criminal violations pursuant to NRS 616D. These cases involve either employers who fail to obtain workers' compensation coverage for their employees or employees who submit fraudulent workers compensation claims.

Once this confirmation is received WCS will issue the (Continued on page 3)



- C ① New WCS Mass E-mail Program Improves Service
- O ① Dulcie Lilly: Busy WCS Heroine
- N ① Hot Topic: Employer Fines & Penalties - Prompt Payment a Must
- T ② Confusion Corner: Complaint Process
- E ② Governor's Office of Consumer Health Helps Patients and IWs
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# CONFUSION CORNER

## The Complaint Process Works for You

Many of the hundreds of WCSHelp ([wcs-help@business.nv.gov](mailto:wcs-help@business.nv.gov)) e-mail questions sent to WCS annually are more than queries, but also contain grounds for a complaint investigation. To ensure optimum service for all stakeholders, the workers' compensation system has many avenues for those in the system - injured employees, employers, health care providers and insurers/Third Party Administrators (TPAs) - to make complaints to Nevada's Workers' Compensation Section. WCS typically receives more than 1,400 complaints annually, and they are each taken very seriously.

In fact, the WCS website has easy-to-use complaint report forms for Northern region and Southern region complaints. Complainants need to remember that using the proper complaint form is based on the physical location of the insurer or TPA - not where the injury took place, the complainant's residence or the employer's address. Nevada's basic north-south boundary runs from southwest to northeast, through Tonopah and Ely.

WCS receives a variety of complaints every month ranging from issues in determining an injured worker's correct average monthly wage to employers' failure to follow legal guidelines or late payments or responses by an insurer or TPA. The auditors who follow up these complaints strongly advise complainants to use the complaint forms provided to document the basic information of their complaint. Complaints should be specific, concise and legible and include necessary documentation. For example, if the complaint concerns a specific letter or decision, include a copy of that letter or decision. WCS determinations are made based on the "file of record" (i.e. the claim file).

If the complaint concerns a possible benefit penalty, a specific process is required by NRS 616D.120 and ensures that the WCS investigation will be completed within 90 days. Though not required by law, WCS strives to resolve other complaints within 90 days as well.

WCS's Medical Unit also processes a steady stream of complaints from injured workers and their

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## Office of the Governor Consumer Health Assistance



The Office of Consumer Health Assistance helps Nevadans access information on their rights and responsibilities as patients and injured workers. We also advocate for and educate consumers and injured workers concerning their rights and responsibilities under their health care plans and policies including: group plans through an employer, managed care, individual health policies, Employee Retirement Income Security Act (ERISA), workers' compensation, and those enrolled in government programs such as Medicare and Medicaid, and/or discount medical plans. Our workers' compensation Ombudsman can answer injured workers' questions about the claims process and, when necessary, will advocate on their behalf to resolve issues that arise, including: benefit issues, treatment plan questions, and preparation and filing of Hearings/Appeals requests. GovCHA may also assist injured workers with filing formal complaints with the Division of Industrial Relations.

**Charles Quintana, Ombudsman**  
Governor's Office of Consumer Health

Phone: 702 486-3587  
Toll Free: 888 333-1597  
[cha@govcha.state.nv.us](mailto:cha@govcha.state.nv.us)  
<http://dhhs.nv.gov/CHA.htm>

## Hails & Promotions

I'm excited to introduce myself as the WCS Northern District Manager. Since late December, I've been learning and absorbing all that this position has to offer.

I've been working in the workers' comp industry in Nevada for more than 26 years; all of which has been on the employers' side. In 1985, I started in the Policyholder Services section with the State Industrial Insurance System. February of 1990, I came on board with the Workers Compensation Section in the Employer Compliance Unit as an Enforcement Investigator. Twenty two years ago? How time flies when you enjoy your job! I was promoted to be the Supervisor of the ECU after eight years.



Now, just a short walk down the hall to the opposite end of the building and I'm in a whole new world, eager to expand my knowledge. I'm looking forward to the continuing challenge of learning new disciplines within the Division, managing the Audit and Medical Units, and working with all of our valuable stakeholders. Customer service is important, and my goal is always to improve the team atmosphere, as well as to strive for consistency statewide. My door is always open and you are always welcome to contact me with any questions or helpful ideas you may have.

**Dawn Saucedo, Northern District Manager**  
(775) 684-7285

[dsaucedo@business.nv.gov](mailto:dsaucedo@business.nv.gov)

**Gary Bell** is the new Compliance Enforcement Supervisor for WCS in Carson City. His 21-1/2 years of State service includes working in the WCS Carson City and Reno offices as a Compliance Audit Investigator II for more than 11-1/2 years. He has held positions with the former State Industrial Insurance System, (later EMPLOYERS Insurance Company), and also with the Nevada State Welfare Division.



He enjoys spending time with his partner Susan at their home in Reno, and assisting with her non-profit feline rescue organization. He also enjoys camping, home improvement projects, cooking and exploring new places.

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**Med Unit Sees Increase in Incomplete C-4s – Stiff Fines Possible**

(This is an excerpt from the February 2012 Medical Unit Newsletter)



A workers' compensation matter we would like to clarify in this newsletter is the issue of incomplete C-4 Forms. NRS 616C.040 indicates, in part:

“Except as otherwise provided in this section, a treating physician or chiropractor shall, within 3 working days after first providing treatment to an injured employee for a particular injury, complete and file a claim for compensation with the employer of the injured employee and the employer’s insurer. If the employer is a self-insured employer, the treating physician or chiropractor shall file the claim for compensation with the employer’s third-party administrator.”

Failure to complete and file the form may result in administrative action by DIR, which may include a fine of up to \$1,000. A physician or chiropractor, who fails to complete, sign and send the form within the 3 days allotted, can cause a delay in benefits to the injured employee. The completed C-4 Form is needed to initiate a workers' compensation claim, which includes timely claims acceptance with the administration of benefits or a claim denial with appeal rights. The role of the WCS Medical Unit in this process is to investigate complaints received regarding this issue, and if warranted, to initiate administrative action should a violation occur. A complaint should be filed with the WCS Medical Unit if C-4 Forms are received late, unsigned, or incomplete. However, it is not the role of the WCS Medical Unit to obtain signatures or facilitate completion of the C-4 Form, as this activity is part of claims management and is performed by the third-party administrator and/or insurer.

**Sherry Crance, WCS, R.N.**

Direct comments or suggestions about this newsletter to: *Mike Brooks, Editor*, or *Terry Simi, Assistant Editor*, (702) 486-9019 or: [mbrooks@business.nv.gov](mailto:mbrooks@business.nv.gov)

- WCS EDUCATION COMMITTEE**  
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(Hot Topic, cont. from page 1)

appropriate administrative fine. Therefore, employers may receive two individual citations, a premium penalty and an administrative fine, for a single coverage infraction. The employer may also be prosecuted by the Attorney General and mistakenly believe that the premium penalty issued by WCS is included in the prosecution. However, these premium penalties are separate and apart from any actions resulting from the AG’s actions.

Another type of administrative fine not usually understood by the employer is related to statutes requiring employers to submit workers' compensation claim documentation in a timely manner along with the requirement to completely fill in the form including a signature. NRS 616C.045 requires a C-3 Form (Employers Report of Industrial Injury or Occupational Disease) to be submitted to the proper claims adjuster within 6 working days of the receipt of a C-4 Form (Employee’s Claim For Compensation/Report of Initial Treatment). Violations of this statute may be discovered during an audit of an insurance carrier in which claims related to the employer are audited, or by a complaint from an insurer concerning an employer’s refusal to complete and submit the required C-3 Form. Such infractions carry a minimum penalty of \$375.

The purpose of this article is to provide the employer with an overview of our procedures and the available avenues for an appeal of the fine and/or penalty. When WCS issues a fine or penalty, the initial document is a notification of violation and fine and/or penalty. This is a formal document which notifies the employer of a violation. This document is mailed in both registered and regular mail format. Although this is the first of two sequential documents, it is also the start of the required period for appeal rights concerning the cited violation. The receiving employer has 30 days from the mailing date of the first notice to appeal the fine

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**2012 Medical Fee Schedule Now in Effect**

DIR/WCS has posted the latest Nevada Medical Fee Schedule Maximum Allowable Provider Payment, effective Feb. 1, 2012 – Jan. 31, 2013 [NRS 616C.260: http://dirweb.state.nv.us/WCS/mfs/2012mfs.pdf](http://dirweb.state.nv.us/WCS/mfs/2012mfs.pdf) The 2012 MFS includes increases per the 2011 Medical Consumer Price Index (up 3 percent).



(Confusion Corner, cont. from page 2)

attorneys; insurers/TPAs; and medical providers.



Complaints range from billing issues to medical care to improper or incomplete Form C-4s (Employee’s Claim for Compensation/Report of Initial Treatment). While the Medical Unit also encourages complaints on the “Complaint Report,” they will act on any complaint received in writing if complainants include the nature of the complaint, substantiating copies of documentation, the complainant’s name and address along with name and address information for whom the complaint is against, as well as the name or names of whom they’ve been working with to resolve the problem. The name of the workers' compensation insurer and the claim number are also required.

The Medical Unit begins an investigation after receiving a complaint, and it can take up to 90 days for a determination. Much of that investigative time depends on the response from the company or individual the complaint is lodged against. The type of complaint influences the expected time frame for completion. For instance, most complaints are completed within 30 days. However, billing determinations often involve working within the constraints of insurers' and third-party administrators' billing and payment cycles and therefore may take longer to resolve. The Medical Unit normally completes these determinations within 90 days. \*

**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 **800-266-8688** and be prepared to submit proper evidence of the violation. \*

**Holiday Office Closures:  
Memorial Day  
Monday, May 28, 2012**

(Hot Topic, cont. from page 3)  
or penalty.

There are two ways one may appeal. The first is to contact the WCS District Manager in the district which issued the fine or penalty. This information is available on our website at <http://dirweb.state.nv.us/WCS/wcs.htm>. The second option is to request a hearing with the Nevada Department of Administration, Appeals Office. The information for contacting the appeals office is included at the bottom of the Notice of Violation.

The second document issued by WCS is a "Demand for Total Amount Due Letter." This letter informs the employer that all fines and penalties are due and payable within 30 days after issuance date of the initial notice. Remember "if a notice of appeal is not filed as required, the imposition of the fine or penalty is deemed a final order and is not subject to review of any court or agency."

If an employer fails to pay the amount due, this matter may be turned over to a private debt collector for collection as allowed by NRS chapter 353C, or the DIR Legal Section may take appropriate action. Please be aware that if this matter is turned over to a private debt collector, an employer will be required to pay collection costs and fees of up to 35 percent of the debt or \$50,000, whichever is less. In addition, information concerning this debt may be placed on the website of the State of Nevada Controller's Office for public inspection.





The bottom line is to take action after receiving the initial notification. We are willing to discuss the violation and will issue dismissals if the provided information indicates an error in our information. Secondly, if required, WCS can arrange a payment plan to help reduce the impact of fines or penalties.

**Dock Williams**  
**WCS Programs Mgr., Northern District**

**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.

(Dulcie Lilly, cont. from page 1)  
 police officer with the University of Nevada-Reno Police Force. But also during this time, she led a double-life of extended public service by volunteering with the Lemmon Valley Volunteer Fire Department. She started with the fire department back in December, 1995. She recalled, "I initially wanted to do something different. My heart was set on law enforcement, and until I could reach that goal, I felt that volunteering with the fire department would fulfill some of the desire to be a productive member of the community."

Lately, her volunteer dedication has been put to the test. She responded to the Reno Air Races crash last September that claimed 11 lives and saw 70 attendees treated for injuries, many of them severe and life threatening. Then in November, her fire unit provided augmentation for the regular, full-time firefighters battling the Caughlin wildfire that burned 42 structures and destroyed 30 buildings. Not more than two months later, in mid-January 2012, the Washoe Drive fire ignited with erratic winds hindering the suppression efforts of the response crews while destroying 29 homes.

During both fires, her department provided back up and assisted in covering the North Valleys area. These responses included a host of challenges from fighting brush fires, abandoned structure fires, dealing with arcing transformers, and handling many medical emergencies, including a shooting victim which turned into a hostage situation.

Ms. Lilly noted that the best part of volunteering is the feeling of accomplishment after responding to an incident and providing valuable resources to prevent any further loss to the citizens of the community. Speaking of her own household community, her husband of 15 years, Don and 11 year-old son, Nevada, have been very supportive of the sacrifices she makes to volunteer. "They have made their own personal sacrifices as well, and I work hard to make up for lost time whenever I can." \*



**E-mail Notification**

Stay connected to what's new in Nevada's workers' compensation by registering to receive e-mail notifications.

<http://dirweb.state.nv.us/WCS/handouts/electronicenroll.htm>

(Hails & Promotions, cont. from page 2)

**Linda Jones** is new to State service. She began her administrative assistant duties in the WCS Henderson Medical Unit in late January. Linda is originally from La Junta, Colo., and has lived in Las Vegas for 11 years.



She brings an impressive background in communication to WCS with bachelor's and master's degrees in English and Creative Writing, respectively, from California State University in Fresno. In her off-duty time, she enjoys reading, writing, sports and crocheting. She has two grown children and enjoys spending time with her significant other, Mike.

**Blanca Villarreal-Rodriguez** is the new administrative assistant who



serves, primarily, as the receptionist for DIR, making her the first person visitors or callers to the Henderson office have contact with.

Blanca is originally from Tulare, Calif. and has lived in Las Vegas for two years. This is her first position with the State of Nevada. She previously worked for the Community Services & Employment Training, a non-profit agency, as a Program Specialist for 9 1/2 years.

She loves spending time with her husband and three children. They especially enjoy going on family vacations to Disneyland Resort, Universal Studios, Oceano Dunes, Morro Bay and anywhere else that the road to adventure may lead. \*

**SPRING 2012 TRAINING SESSIONS**

**SOUTHERN NEVADA**

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

**WCS Orientation**

March 20, 2012  
 May 17, 2012

**WCS Specified Forum Employer**

April 19, 2012

For reservations, please contact:

[tsimi@business.nv.gov](mailto:tsimi@business.nv.gov)

**NORTHERN NEVADA**

For scheduling information in the Carson City/Reno area, please contact:

 [tmills@business.nv.gov](mailto:tmills@business.nv.gov)