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# DEPARTMENT OF BUSINESS AND INDUSTRY DIVISION OF INDUSTRIAL RELATIONS

# INFORMATIONAL STATEMENT OF ADOPTED REGULATIONS AS REQUIRED BY NRS 233B.066

The following informational statement as required by NRS 233B.066 is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapters 616A through 616D as follows:

### 1. EXPLANATION OF THE NEED FOR THE ADOPTED REGULATION

During the 82<sup>nd</sup> Session of the Nevada Legislature, SB274 was passed, which amended the Nevada Industrial Insurance Act, Chapters 616A through 616D. Those changes included revision of the requirements for the administration of certain insurance claims and maintenance and accessibility of certain insurance records; removing requirements that certain entities maintain a telephone service to accept collect calls from injured employees; revising the circumstances under which the Administrator of the Division of Industrial Relations is authorized to remove a physician or chiropractic physician from list or panel of physicians or chiropractic physicians who may provide certain services relating to the Nevada Industrial Insurance Act; requiring the Administrator to publish certain reports; authorizing certain physicians and chiropractic physicians to decline to perform certain evaluations; revising procedures for the selection of a physician or chiropractic physician to perform certain evaluations and examinations; revising provisions relating to independent medical examinations; revising provisions relating to benefits for a permanent partial disability; revising provisions relating to an appeal of certain determinations of the Administrator; revising procedures for the reimbursement of an insurer that pays for an increase in certain compensation or benefits; requiring the Administrator to post certain information on the Internet website of the Division; increasing the amount of certain penalties for certain violations of the Nevada Industrial Insurance Act or the Nevada Occupational Diseases Act; revising provisions relating to the imposition and payment of benefit penalties; and revising certain requirements for certain investigations conducted by the Administrator.

SB274 required the Division to adopt regulations necessary to carry out the provisions of the Act. Accordingly, the Division engaged in the rulemaking process through LCB File No. R076-23.

2. DESCRIPTION OF HOW PUBLIC COMMENT WAS SOLICITED, A SUMMARY OF PUBLIC RESPONSE, AND AN EXPLANATION OF HOW OTHER INTERESTED PERSONS MAY OBTAIN A COPY OF THE SUMMARY.

Copies of the proposed regulation, notices of workshop, and notice of intent to act upon

the regulation were sent by e-mail to persons who were known to have an interest as well as any persons who had specifically requested such notice, if any. These documents were also made available at the Division's website, <a href="http://dir.nv.gov/Meetings/Meetings">http://dir.nv.gov/Meetings/Meetings</a>, with the notices also posted at the following locations:

The State of Nevada Website (www.notice.nv.gov)

The Nevada State Legislature Website (http://leg.state.nv.us/App/Notice/A/)

The Division of Industrial Relations Website (http://dir.nv.gov/Meetings/Meetings)

Prior to the public workshop required under NRS Chapter 233B, the Division held several informal meetings to discuss and engage with stakeholders preliminary opinions regarding the modifications to Chapters NAC 616C through 617 as required by SB274.

Thereafter, a Public Workshop was held to solicit comments on the proposed regulation on May 24, 2024. At the conclusion the May 24, 2024 Workshop, the Division invited members of the public wishing to submit written public comment. The Division received two (2) written public comments.

Then, the Division submitted the proposed regulation to the Legislative Commission for early review. The regulation was heard by the Legislative Commission during its September 13, 2024 meeting, where public comment periods were offered, but none received.

Lastly, the Division then held a Public Adoption Hearing on October 1, 2024. Again, after the conclusion of the Public Hearing, the Division invited members of the public wishing to submit written public comment. The Division received two (2) written public comments.

A summary of the comments is below in Section 3 and may also be obtained by contacting Samantha O'Brien, Legal Research Assistant, Division of Industrial Relations, (702) 486-9070, or by writing to the Division of Industrial Relations, 2300 W. Sahara Ave., Ste. 300, Las Vegas, Nevada 89102.

### 3. THE NUMBER OF PERSONS WHO:

- a. ATTENDED MAY 24, 2024 WORKSHOP: 44
- b. ATTENDED OCTOBER 1, 2024 PUBLIC HEARING: 52
- c. TESTIFIED AT MAY 24, 2024 WORKSHOP: 5
- d. TESTIFIED AT OCTOBER 1, 2024 PUBLIC HEARING: 4
- e. SUBMITTED WRITTEN COMMENTS RELATED TO MAY 24, 2024 WORKSHOP: 2
- f. SUBMITTED WRITTEN COMMENTS RELATED TO OCTOBER 1, 2024 PUBLIC HEARING: 2
- 4. FOR EACH PERSON IDENTIFIED IN PARAGRAPHS (d), (e), and (f) OF NUMBER 3 ABOVE, THE FOLLOWING INFORMATION, IF PROVIDED TO THE AGENCY CONDUCTING THE HEARING:

May 24 2024 Public Workshop
TO THE AGENCY CONDUCTING THE HEARING:
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Name: Dalton Hooks, Esq.

**Telephone number**: 702-499-8831

Business address: 2300 W. Sahara Ave., Ste. 1100, Las Vegas, NV 89102

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: Nevada Self-Insured Association (NSIA)

# **Summary of comment:**

On Section 7 of the then-current draft (April 2, 2024), "employer" should read "employee".

On Section 8 of the then-current draft (April 2, 2024), "employer should read "employee".

On Section 10, paragraph 1, language concerning list being provided to the Division in format that is easily searchable; will result in two separate lists. On Section 10, paragraph 3, Mr. Hooks was concerned with rendering a list non-compliant at no fault of insurer.

On Section 11, paragraph 3, Mr. Hooks pointed out a syntax/grammar issue and noted that he will submit written comment addressing the same.

On Section 12, paragraph 3, Mr. Hooks pointed out a syntax/grammar issue and noted that he will submit written comment addressing the same.

On Section 16, paragraph 1, Mr. Hooks noted a grammatical error – "on" should be replaced with "of".

With respect to the overall regulation, Mr. Hooks noted NSIA would submit additional written comments, addressing COLA, the need for clarification on process/circumstances in which a physician may be removed, Section 10 inquiry whether lists have to be manually entered, requested clarification on timeframe for COLA process and quarterly reports.

2 Name: Craig Coziahr

**Telephone number**: None provided **Business address**: None provided

Business telephone number: None provided Electronic mail address: None provided Name or organization represented: ProGroup

Summary of comment:

On Section 10, paragraph 1, Mr. Coziahr echoed Mr. Hooks' comments and noted that there should be one list for everyone to choose from.

Mr. Coziahr submitted draft language through the NSIA to get the conversation started and hopes to have additional meetings regarding how the treating panel is split.

3 Name: Dr. Betz

Telephone number: None provided Business address: None provided

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: None provided

**Summary of comment**: Dr. Betz commented regarding each providing having a provider number but rating physicians do not have a number, and whether they are part of Section 10 provisions.

4 Name: David Van Aken

Telephone number: None provided Business address: None provided

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: Coventry Healthcare

**Summary of comment**: Regarding Section 10, Mr. Van Aken would like to know whether instead of an arbitrary number, could the NPI or another number be used.

5 Name: Genie Hultz, DC

**Telephone number**: 702-245-6090 **Business address**: None provided

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: Genie Hult DC PC Ltd.

Summary of comment: Regarding new random assignment, she had spoken with Melinda and she said the Division has no control over PPDs that get assigned, but if random from computer then algorithms need to be input, how is random actually

random?

# Written Public Comment re: May 24, 2024 Public Workshop

1 Name: Tedi Rizzi

Telephone number: 520-605-1658 Business address: None provided

Business telephone number: None provided Electronic mail address: Tedi.Rizzii@cvty.us.com Name or organization represented: Coventry

Summary of comment: Tedi Rizzi commented why a provider number was being developed for Nevada providers separately from CAQH or NPA numbers which

already exist and are recognized in the industry.

2 Name: Rosemarie McMorris-Alexander Telephone number: None provided

Business address: PO Box 34197, Las Vegas, NV 89133

Business telephone number: None provided Electronic mail address: nvsia@yahoo.com Name or organization represented: NSIA

Summary of comment: Regarding Section 1, noted "same as agreed language." Regarding Section 2, noted "Same as agreed upon in draft" and made reference to Section 7 of SB274. Regarding Section 3, noted "same as agreed upon" and made reference to Section 3 of SB274. Regarding Section 4, noted "same as agreed upon" and made reference to Section 2 of SB274. Regarding Section 6, made reference to Section 9 and 10 of SB274. Regarding Section 7, noted Section 5 was "from Agreed upon language" and referenced Sections 11, 12, 15, 16, and 17 of SB274. Made proposed edits to Section 4 of Section 7 regarding agreement between insurer and injured employee. Regarding Section 8, noted "Section 6 of agreed upon language, similar." Regarding Section 9, noted "Section 7 of agreed upon language, similar". Regarding Section 10, noted "Section 8 of agreed language NOT similar" and made

edits to language of the electronic database format and searchability. Regarding Section 11, noted "Section 9 of agreed upon language, First Parallel Section". Regarding Section 12, noted "Section 9 of agreed upon language – Second Parallel Section".

# October 1, 2024 Adoption Hearing

1 Name: Jason Mills

**Telephone number:** 702-384-1616

Business address: 2770 S. Maryland Pkwy., #100, Las Vegas, NV 89109

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: Nevada Justice Association

Summary of comment: Mr. Mills expressed appreciation to the Division and

noted support of the regulation as drafted in its entirety.

2 Name: Lisa Anne Hurt-Forsythe Telephone number: 404-634-8911

Business address: 3774 LaVista Road, Ste. 101, Tucker, GA 30084

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: American Association of Payers,

Administrators and Networks (AAPAN)

Summary of comment: Regarding Section 6, appreciates the use of numeric identifiers, likes NPI number, discourages Nevada from making separate identifier for providers, would make burden for payors to cross-reference and possibly discourage providers from participating. Regarding Section 8, would like to see a change in terminology from rating physicians and chiropractors, should be rating physicians and rating chiropractic physicians. Regarding Section 9 and the submission process, believes there are costs to set up, assuming that Nevada would take existing pdf submissions they are submitting and would incorporate into Nevada's database. Made notation with respect to date-stamping, database should make note of most-recent change. Regarding Section 10 and an insurer's list, understands 60-day rule to update list but is concerned with insurer who relies on Nevada's list and Nevada's list has shortage and insurer would be in unenviable position of having to backfill state's list that has shortage.

3 | Name: Dalton Hooks

**Telephone number**: 702-499-8830 **Business address**: None provided

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: Hooks Meng Clement / NSIA

Summary of comment: Mr. Hooks thanked the Division for listening to stakeholders. Regarding Section 9, items omitted from July draft regarding recertification of physicians, the issue is having doctors recertify that they do services for workers' compensation. Without annual certification, the directory will be flawed/not current, retired physicians, incorrect contact details. Should put onus on doctors as least disruptive way to do this; alternatively restore language from July

draft. Another omission from July draft concerning specialties and whether insurers could as part of providing initial list could provide specialty of doctor, language was omitted because the Division has no authority but believes this is patently false because three statutes allow this (NRS 616C.087; NRS 616B.527; NRS 616C.090(3). Commented that ignoring intent of the Act and the Nevada Supreme Court tenets of statutory construction as to avoiding absurd results - 12 specialists in each subspecialty; leads to less choice not more choice. Mr. Hooks asked for restoration of July draft. Regarding Section 17, paragraph 3, revising benefit penalty amounts and adjusting amount for points regarding benefit penalty enhancements – it is mathematically disproportionate.

4 Name: Steven Peters

Telephone number: None provided Business address: None provided

Business telephone number: None provided Electronic mail address: None provided Name or organization represented: Coventry

Summary of comment: Echoed comments of Lisa Anny Hurt-Forsythe.

## Written Public Comment re: October 1, 2024 Public Workshop

Name: Lisa Anne Hurt-Forsythe Telephone number: 404-634-8911

Business address: 3774 LaVista Road, Ste. 101, Tucker, GA 30084

Business telephone number: None provided Electronic mail address: None provided

Name or organization represented: American Association of Payers,

Administrators and Networks

Summary of comment: Use of standardized, industry-accepted numeric identifier for providers will facilitate communication and a "common understanding" between payors and the state and will avoid an administratively burdensome duplicative process associated with state-generated numeric identifiers (Section 6). Clarity is needed to establish that Sections 7 and 8 relating to Rating Physicians are also intended to only relate to "Rating Chiropractic Physicians", and not all chiropractic physicians. (Sections 7, 8 et al.) Insurers and their network partners incurred substantial costs to implement the PDF Insurer List submission process and have been accustomed to submitting their PDF files to the state on an annualized basis via electronic mail. The state's proposal to make use of a database for this process must take into consideration the existing process and capitalize on the work that has already been done. (Section 9). Inclusion of datestamps with every potential provider information update in the proposed provider database is unnecessary and confusing. The system would be much more efficient if the system were to just maintain the most recent date that any update to any portion of a provider record is made. (Section 9)

An insurer should not be obligated to back-fill additional providers for a given provider category in a situation where the insurer has defaulted to the state's list to fill that category. (Section 10).

2 Name: Steven Peters

Telephone number: None provided Business address: None provided

Business telephone number: None provided Electronic mail address: None provided Name or organization represented: Coventry

Summary of comment: Under Section 6 of the proposed changes, the Administrator is required to "assign a provider identification number to each physician or chiropractic physician who is appointed to the panel of physicians or chiropractic physicians." This additional identifier is duplicative and creates additional regulatory burden for stakeholders as well as additional workload for the Division. Suggests using either the Council for Affordable Quality Healthcare (CAOH) or the CMS assigned National Provider Identifier (NPI).

Coventry would like confirmation that under section 9 of the proposed regulation, the process to meet the list submission requirements under NRS 616C.087 by submitting an ADA compliant PDF list to the Division's electronic database, as is current practice, would continue under these proposed regulations.

One additional concern comes from language in section 10 the proposed regulation. While the intent to prevent loss of access to specialists by maintaining lists of provider's disciplines and specialties has merit, we have concerns over the consistency of terms and definitions used by the Division to maintain the list of alternatives. To classify these providers, we would ask that the Division use pre-existing, industry standard, definitions of provider specialties and subspecialties as represented by the American Board of Medical Specialties. The use of these standard definitions would greatly reduce the administrative burden on stakeholders and streamline the process of maintaining the lists of providers, ensuring that injured workers continue to have access to care.

# 5. DESCRIPTION OF HOW COMMENT WAS SOLICITED FROM AFFECTED BUSINESSES, A SUMMARY OF THEIR RESPONSE, AND AN EXPLANATION OF HOW OTHER INTERESTED PERSONS MAY OBTAIN A COPY OF THE SUMMARY.

To determine whether the proposed regulations were likely to have an impact on small businesses, the Division considered the purpose and scope of the proposed regulations. Those changes included revision of the requirements for the administration of certain insurance claims and maintenance and accessibility of certain insurance records; removing requirements that certain entities maintain a telephone service to accept collect calls from injured employees; revising the circumstances under which the Administrator of the Division of Industrial Relations is authorized to remove a physician or chiropractic physician from list or panel of physicians or chiropractic physicians who may provide certain services relating to the Nevada Industrial Insurance Act; requiring the Administrator to publish certain reports; authorizing certain physicians and chiropractic physicians to decline to perform certain evaluations; revising procedures for the selection of a physician or chiropractic physician to perform certain evaluations and examinations; revising provisions relating to independent medical examinations; revising provisions relating to benefits for a permanent partial disability; revising provisions relating to an appeal of certain determinations of the Administrator; revising procedures for the reimbursement of an insurer that pays for an increase in certain compensation or benefits; requiring the Administrator to post certain information on the Internet website of the Division; increasing the amount of certain penalties for certain violations of the Nevada Industrial Insurance Act or the Nevada Occupational Diseases Act; revising provisions relating to the imposition and payment of benefit penalties; and revising certain requirements for certain investigations conducted by the Administrator.

In addition, on April 16, 2024, the Division sent out a Small Business Impact Statement Questionnaire to interested parties on the Division's Listserv, which includes 16,114 recipients. The Questionnaire inquired from small businesses whether they believed there would be any economic effects, adverse or beneficial, direct or indirect, on their respective businesses from the proposed regulation. The deadline to return the questionnaire was April 23, 2024. The Division received three (3) responses as follows:

- 1. Michelle McCullough, Seminole HR Holdings LLC for HR Nevada, LLC Michelle McCullough indicated in the response that the business employes 150 employees or more. Therefore, Michelle McCullough's business does not meet the definition of a "small business" pursuant to NRS 233B.0382.
- DeeDee Cenac, Reno Sparks Convention & Visitors Authority DeeDee Cenac indicated in the response that the business employes 150 employees or more. Therefore, DeeDee Cenac's business does not meet the definition of a "small business" pursuant to NRS 233B.0382.
- 3. Pat Jenkins, SGPS Show Rig Pat Jenkins indicated in the response that the business employes 150 employees or more. Therefore, Pat Jenkins' business does not meet the definition of a "small business" pursuant to NRS 233B.0382.

Based on this review, the Division determined that this regulation would have no direct effect on small businesses, either adverse or beneficial, and will also have no indirect effect on small businesses, either adverse or beneficial.

A summary may be obtained by contacting Samantha O'Brien, Legal Research Assistant, Division of Industrial Relations, (702) 486-9070, or by writing to the Division of Industrial Relations, 2300 W. Sahara Ave., Ste. 300, Las Vegas, Nevada 89102.

6. IF THE REGULATION WAS ADOPTED WITHOUT CHANGING ANY PART OF THE PROPOSED REGULATION, A SUMMARY OF THE REASONS FOR ADOPTING THE REGULATION WITHOUT CHANGE.

The Division provided several opportunities for members of the public and key industry stakeholders to provide feedback on the proposed regulations, including the May 24, 2024 Workshop and October 1, 2024 Public Hearing. Prior to the minimum required public meetings pursuant to NRS 233B, the Division also engaged with stakeholders in multiple informal meetings. The initial draft of LCB File No. R076-23 was submitted to the Legislative Counsel Bureau ("LCB") on September 25, 2023, and an initial draft was returned on February 21, 2024. After receiving the February 21, 2024 draft, LCB File No. R076-23 underwent two (2) additional amendments, until the Division adopted the most current version of LCB File No. R076-23RP2, dated August 19, 2024.

7. THE ESTIMATED ECONOMIC EFFECT OF THE REGULATION ON THE BUSINESS WHICH IT IS TO REGULATE AND ON THE PUBLIC. THESE MUST BE STATED SEPARATELY, AND IN EACH CASE MUST INCLUDE:

### A. ADVERSE AND BENEFICIAL EFFECTS

#### i. Effect on Businesses

The Division anticipates no adverse effects, either direct or indirect, on regulated businesses as the result of these regulations. There will be no direct or indirect cost to regulated or small businesses.

### ii. Effect on the Public

The Division anticipates no adverse effects, either direct or indirect, on the public as the result of these regulations. There will be no direct or indirect cost to the public.

The Division believes that there will be no beneficial effects, either direct or indirect, on the public as the result of these regulations.

### B. IMMEDIATE AND LONG-TERM EFFECTS

### i. Effect on Businesses

The Division does not anticipate any immediate effects, either adverse or beneficial, on regulated businesses as a result of these regulations. There will be no direct or indirect costs to regulated businesses.

The Division does not anticipate any long-term effects, either adverse or beneficial, on regulated businesses as a result of these regulations. There will be no direct or indirect costs to the regulated businesses.

## ii. Effect on the Public

The Division does not anticipate any immediate effects, either immediate or long-term, on the public as a result of these regulations. There will be no direct or indirect costs to the public.

# 8. THE ESTIMATED COST TO THE AGENCY FOR ENFORCEMENT OF THE PROPOSED REGULATION

There will be no additional or special costs incurred by the Division for enforcement of this regulation.

9. DESCRIPTION OF ANY REGULATIONS OF OTHER STATE OR GOVERNMENT AGENCIES WHICH THE PROPOSED REGULATIONS OVERLAPS OR DUPLICATES AND A STATEMENT EXPLAINING WHY THE DUPLICATION OR OVERLAPPING IS NECESSARY. IF THE REGULATION OVERLAPS OR DUPLICATES A FEDERAL REGULATION, THE NAME OF THE REGULATING FEDERAL AGENCY.

The Division is not aware of any similar regulations of other state or government agencies that which the proposed regulations overlap or duplicate.

10. IF THE REGULATION INCLUDES PROVISIONS WHICH ARE MORE STRINGENT THAN A FEDERAL REGULATION WHICH REGULATES THE SAME ACTIVITY, A SUMMARY OF SUCH PROVISIONS.

The Division is not aware of any similar federal regulations of the same activity in which the adopted regulations are more stringent.

11. IF THE REGULATION PROVIDES A NEW FEE OR INCREASES AN EXISTING FEE, THE TOTAL AMOUNT THE AGENCY EXPECTS TO COLLECT AND THE MANNER IN WHICH THE MONEY WILL BE USED.

The proposed regulation does not include a new fee or an increase of an existing fee.

Dated this 7th day of October, 2024.

**DIVISION OF INDUSTRIAL RELATIONS** 

Victoria Carreór

Administrator, Division of Industrial Relations

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Las Vegas, Nevada 89102