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**SECOND REPRINT** **A.B. 44**

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ASSEMBLY BILL NO. 44—COMMITTEE ON COMMERCE AND LABOR

PREFILED JANUARY 26, 2001

(ON BEHALF OF LEGISLATIVE COMMITTEE ON  
WORKERS' COMPENSATION (NRS 218.5375))

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning industrial insurance. (BDR 53-772)

FISCAL NOTE:   Effect on Local Government: No.  
                  Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to industrial insurance; abolishing the legislative committee on workers' compensation; revising the provisions governing maintenance of files of claims at the office of an insurer; requiring the administrator of the division of industrial relations of the department of business and industry to designate a vendor of certain data to assist the administrator in the establishment and revision of a schedule of reasonable fees for accident benefits; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     **Section 1.** NRS 616A.425 is hereby amended to read as follows:  
2     616A.425 1. There is hereby established in the state treasury the fund  
3     for workers' compensation and safety as a special revenue fund. All money  
4     received from assessments levied on insurers and employers by the  
5     administrator pursuant to NRS 232.680 must be deposited in this fund.  
6     2. All assessments, penalties, bonds, securities and all other properties  
7     received, collected or acquired by the division for functions supported in  
8     whole or in part from the fund must be delivered to the custody of the state  
9     treasurer for deposit to the credit of the fund.  
10    3. All money and securities in the fund must be used to defray all costs  
11    and expenses of administering the program of workmen's compensation,  
12    including the payment of:  
13    (a) All salaries and other expenses in administering the division of  
14    industrial relations, including the costs of the office and staff of the  
15    administrator.



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1 (b) All salaries and other expenses of administering NRS 616A.435 to  
2 616A.460, inclusive, the offices of the hearings division of the department  
3 of administration and the programs of self-insurance and review of  
4 premium rates by the commissioner.

5 (c) The salary and other expenses of a full-time employee of the  
6 legislative counsel bureau whose principal duties are limited to conducting  
7 research and reviewing and evaluating data related to industrial insurance.

8 (d) All salaries and other expenses of the fraud control unit for  
9 industrial insurance established pursuant to NRS 228.420.

10 (e) Claims against uninsured employers arising from compliance with  
11 NRS 616C.220 and 617.401.

12 ~~(f) All salaries and expenses of the members of the legislative~~  
13 ~~committee on workers' compensation and any other expenses incurred by~~  
14 ~~the committee in carrying out its duties pursuant to NRS 218.5375 to~~  
15 ~~218.5378, inclusive.~~

16 ~~—(g)—~~ That portion of the salaries and other expenses of the office for  
17 consumer health assistance established pursuant to NRS 223.550 that is  
18 related to providing assistance to consumers and injured employees  
19 concerning workers' compensation.

20 4. The state treasurer may disburse money from the fund only upon  
21 written order of the controller.

22 5. The state treasurer shall invest money of the fund in the same  
23 manner and in the same securities in which he is authorized to invest state  
24 general funds which are in his custody. Income realized from the  
25 investment of the assets of the fund must be credited to the fund.

26 6. The commissioner shall assign an actuary to review the  
27 establishment of assessment rates. The rates must be filed with the  
28 commissioner 30 days before their effective date. Any insurer or employer  
29 who wishes to appeal the rate so filed must do so pursuant to NRS  
30 679B.310.

31 **Sec. 2.** NRS 616B.021 is hereby amended to read as follows:

32 616B.021 1. An insurer shall provide access to the files of claims in  
33 its offices.

34 2. ~~[A file is]~~ *The physical records in a file concerning a claim filed in*  
35 *this state may be kept at an office located outside this state if all records*  
36 *in the file are accessible at offices located in this state on computer in a*  
37 *microphotographic, electronic or other similar format that produces an*  
38 *accurate reproduction of the original. Except as otherwise provided in*  
39 *this subsection, the records in a file concerning a claim filed in this state*  
40 *must be reproduced and* available for inspection during regular business  
41 hours *within 24 hours after requested* by the employee or his designated  
42 agent, the employer or his designated agent ~~and~~, or the administrator or  
43 his designated agent. *If a claim filed in this state has been closed, the*  
44 *records in the file must be reproduced and available for inspection*  
45 *during regular business hours within 7 calendar days after requested by*  
46 *such persons.*

47 3. Upon request, the insurer shall make copies *or other reproductions*  
48 of anything in the file and may charge a reasonable fee for this service.  
49 Copies *or other reproductions* of materials in the file which are requested



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1 by the administrator or his designated agent, or the Nevada attorney for  
2 injured workers or his designated agent must be provided free of charge.

3 4. ~~If a claim has been closed for at least 1 year, the insurer may~~  
4 ~~microphotograph or film any of its records relating to that claim. The~~  
5 ~~microphotographs or films must be placed in convenient and accessible~~  
6 ~~files.~~

7 ~~5.~~ The administrator ~~shall~~ *may* adopt regulations concerning the:  
8 (a) Maintenance of records in a file on current or closed claims; *and*  
9 (b) Preservation, examination and use of records which have been  
10 ~~microphotographed or filmed~~ *stored on computer or in a*  
11 *microphotographic, electronic or similar format* by an insurer. ~~;~~ *and*  
12 ~~(c) Location of a file on a closed claim.~~

13 ~~6.~~ 5. This section does not require an insurer to allow inspection or  
14 reproduction of material regarding which a legal privilege against  
15 disclosure has been conferred.

16 **Sec. 3.** NRS 616B.027 is hereby amended to read as follows:  
17 616B.027 1. Every insurer shall ~~provide:~~

18 ~~(a) An~~ :  
19 *(a) Provide an* office in this state operated by the insurer or its third-  
20 party administrator in which:  
21 (1) A complete file of each claim is ~~kept;~~ *accessible, in accordance*  
22 *with the provisions of NRS 616B.021;*  
23 (2) Persons authorized to act for the insurer and, if necessary,  
24 licensed pursuant to chapter 683A of NRS, may receive information related  
25 to a claim and provide the services to an employer and his employees  
26 required by chapters 616A to 617, inclusive, of NRS; and  
27 (3) An employee or his employer, upon request, is provided with  
28 information related to a claim filed by the employee or a copy *or other*  
29 *reproduction* of the information from the file for that claim ~~;~~  
30 ~~(b) Statewide,~~ *, in accordance with the provisions of NRS 616B.021.*  
31 *(b) Provide statewide* toll-free telephone service to ~~that~~ *the* office  
32 *maintained pursuant to paragraph (a)* or accept collect calls from injured  
33 employees.

34 2. Each private carrier shall provide:  
35 (a) Adequate services to its insured employers in controlling losses; and  
36 (b) Adequate information on the prevention of industrial accidents and  
37 occupational diseases.

38 **Sec. 4.** NRS 616C.135 is hereby amended to read as follows:  
39 616C.135 1. A provider of health care who accepts a patient as a  
40 referral for the treatment of an industrial injury or an occupational disease  
41 may not charge the patient for any treatment related to the industrial injury  
42 or occupational disease, but must charge the insurer. The provider of health  
43 care may charge the patient for any ~~other unrelated services which are~~  
44 ~~requested in writing by the patient.~~ *services that are not related to the*  
45 *employee's industrial injury or occupational disease.*

46 2. The insurer is liable for the charges for approved services *related to*  
47 *the industrial injury or occupational disease* if the charges do not exceed:  
48 (a) The fees established in accordance with NRS 616C.260 or the usual  
49 fee charged by that person or institution, whichever is less; and



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1 (b) The charges provided for by the contract between the provider of  
2 health care and the insurer or the contract between the provider of health  
3 care and the organization for managed care.

4 3. If a provider of health care, an organization for managed care, an  
5 insurer or an employer violates the provisions of this section, the  
6 administrator shall impose an administrative fine of not more than \$250 for  
7 each violation.

8 **Sec. 5.** NRS 616C.260 is hereby amended to read as follows:

9 616C.260 1. All fees and charges for accident benefits must not:

10 (a) Exceed the ~~fees and charges~~ *amounts* usually *billed and* paid in  
11 the state for similar treatment.

12 (b) Be unfairly discriminatory as between persons legally qualified to  
13 provide the particular service for which the fees or charges are asked.

14 2. The administrator shall, giving consideration to the fees and charges  
15 being *billed and* paid in the state, establish a schedule of reasonable fees  
16 and charges allowable for accident benefits provided to injured employees  
17 whose insurers have not contracted with an organization for managed care  
18 or with providers of health care services pursuant to NRS 616B.527. The  
19 administrator shall review and revise the schedule on or before ~~October~~  
20 *February* 1 of each year. ~~The administrator may increase or decrease~~ *In*  
21 *the revision, the administrator shall adjust* the schedule ~~but shall not~~  
22 ~~increase the schedule by any factor greater than~~ *by* the corresponding  
23 annual ~~increase~~ *change* in the Consumer Price Index, Medical Care  
24 Component. ~~unless the advisory council of the division approves such an~~  
25 ~~increase.~~

26 3. The administrator ~~may request~~ *shall designate a vendor who*  
27 *compiles data on a national basis concerning fees and charges that are*  
28 *billed and paid for treatment or services similar to the treatment and*  
29 *services that qualify as accident benefits in this state to provide him with*  
30 *such information as he deems necessary to carry out the provisions of*  
31 *subsection 2. The designation must be made pursuant to reasonable*  
32 *competitive bidding procedures established by the administrator. In*  
33 *addition, the administrator may request* a health insurer, health  
34 maintenance organization or provider of accident benefits, an agent or  
35 employee of such a person, or an agency of the state ~~to~~ *to* provide the  
36 administrator with ~~such~~ *that are* information concerning fees and charges *billed and*  
37 *paid in this state* for similar services as he deems necessary to  
38 carry out the provisions of subsection 2. The administrator shall require a  
39 ~~person or entity providing~~ *health insurer, health maintenance*  
40 *organization or provider of accident benefits, an agent or employee of*  
41 *such a person, or an agency of the state that provides* records or reports of  
42 fees ~~charged~~ *and charges billed and paid pursuant to this section* to  
43 provide interpretation and identification concerning the information  
44 delivered. The administrator may impose an administrative fine of \$500 *on*  
45 *a health insurer, health maintenance organization or provider of*  
46 *accident benefits, or an agent or employee of such a person* for each  
47 refusal to provide the information requested pursuant to this subsection.



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1 4. The division may adopt reasonable regulations necessary to carry  
2 out the provisions of this section. The regulations must include provisions  
3 concerning:

4 (a) Standards for the development of the schedule of fees and charges  
5 ~~that~~ *that are billed and paid;*

6 (b) The periodic revision of the schedule; and

7 (c) The monitoring of compliance by providers of benefits with the  
8 adopted schedule of fees and charges.

9 5. The division shall adopt regulations requiring the ~~utilization~~ *use* of  
10 a system of billing codes as recommended by the American Medical  
11 Association.

12 **Sec. 6.** NRS 232.680 is hereby amended to read as follows:

13 232.680 1. The cost of carrying out the provisions of NRS 232.550  
14 to 232.700, inclusive, and of supporting the division, a full-time employee  
15 of the legislative counsel bureau ~~and~~ *and* the fraud control unit for industrial  
16 insurance established pursuant to NRS 228.420 , ~~and the legislative~~  
17 ~~committee on workers' compensation created pursuant to NRS 218.5375,~~  
18 and that portion of the cost of the office for consumer health assistance  
19 established pursuant to NRS 223.550 that is related to providing assistance  
20 to consumers and injured employees concerning workers' compensation,  
21 must be paid from assessments payable by each insurer, including each  
22 employer who provides accident benefits for injured employees pursuant to  
23 NRS 616C.265, based upon expected annual expenditures for claims for  
24 injuries occurring on or after July 1, 1999. The division shall adopt  
25 regulations ~~which~~ *that* establish formulas of assessment which result in  
26 an equitable distribution of costs among the insurers and employers who  
27 provide accident benefits for injured employees. The formulas may utilize  
28 actual expenditures for claims.

29 2. Federal grants may partially defray the costs of the division.

30 3. Assessments made against insurers by the division after the  
31 adoption of regulations must be used to defray all costs and expenses of  
32 administering the program of workers' compensation, including the  
33 payment of:

34 (a) All salaries and other expenses in administering the division,  
35 including the costs of the office and staff of the administrator.

36 (b) All salaries and other expenses of administering NRS 616A.435 to  
37 616A.460, inclusive, the offices of the hearings division of the department  
38 of administration and the programs of self-insurance and review of  
39 premium rates by the commissioner of insurance.

40 (c) The salary and other expenses of a full-time employee of the  
41 legislative counsel bureau whose principal duties are limited to conducting  
42 research and reviewing and evaluating data related to industrial insurance.

43 (d) All salaries and other expenses of the fraud control unit for  
44 industrial insurance established pursuant to NRS 228.420.

45 (e) Claims against uninsured employers arising from compliance with  
46 NRS 616C.220 and 617.401.

47 (f) ~~All salaries and expenses of the members of the legislative~~  
48 ~~committee on workers' compensation and any other expenses incurred by~~



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1 ~~the committee in carrying out its duties pursuant to NRS 218.5375 to~~  
2 ~~218.5378, inclusive.~~  
3 ~~—(g)~~ That portion of the salaries and other expenses of the office for  
4 consumer health assistance established pursuant to NRS 223.550 that is  
5 related to providing assistance to consumers and injured employees  
6 concerning workers' compensation.  
7 **Sec. 7.** NRS 218.5375, 218.5376, 218.5377 and 218.5378 are hereby  
8 repealed.  
9 **Sec. 8.** Notwithstanding the amendatory provisions of section 1 of this  
10 act, the administrator of the division of industrial relations of the  
11 department of business and industry is not required to designate a vendor  
12 that compiles data on a national basis concerning fees and charges that are  
13 billed and paid for certain treatment and services pursuant to section 1 of  
14 this act in sufficient time to ensure that the schedule of reasonable fees and  
15 charges allowable for accident benefits that must be revised on or before  
16 February 1, 2002, includes the data obtained from that vendor, but shall use  
17 his best efforts to do so.  
18 **Sec. 9.** 1. This section becomes effective upon passage and  
19 approval.  
20 2. Section 1 of this act becomes effective:  
21 (a) Upon passage and approval for the purpose of requiring the  
22 administrator to designate a vendor who compiles data on a national basis  
23 concerning fees and charges that are billed and paid for treatment or  
24 services similar to the treatment and services that qualify as accident  
25 benefits in this state to provide the administrator with such information as  
26 he deems necessary to carry out the provisions of subsection 2 of section 1  
27 of this act.  
28 (b) On July 1, 2001, for all other purposes.  
29 3. Sections 2 to 8, inclusive, of this act become effective on July 1,  
30 2001.

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#### LEADLINES OF REPEALED SECTIONS

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**218.5375** Creation; membership; chairman and vice chairman;  
vacancies.

**218.5376** Meetings; compensation of members.

**218.5377** Powers of committee.

**218.5378** Fees and mileage for witnesses.

