

**ADOPTED REGULATION OF THE ADMINISTRATOR OF
THE DIVISION OF INDUSTRIAL RELATIONS OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R007-97

Effective December 10, 1997

EXPLANATION – Matter in *italics* is new; matter in brackets [] is material to be omitted.

AUTHORITY: §1, NRS 616A.400; §§3-23, NRS 616D.120.

Section 1. Chapter 616C of NAC is hereby amended by adding thereto a new section to read as follows:

An insurer shall ensure that the vocational rehabilitation counselor assigned to a claim by the insurer complies with the provisions of subsections 1, 2 and 3 of NRS 616C.550 and the provisions of NAC 616C.556.

Sec. 2. Chapter 616D of NAC is hereby amended by adding thereto the provisions set forth as sections 3 to 23, inclusive, of this regulation.

Sec. 3. *For the purposes of subsection 2 of NRS 616D.120, “minor violation” means a violation of any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto for which an administrative fine or other penalty is not specifically provided.*

Sec. 4. *For the purposes of sections 3 to 23, inclusive, of this regulation, a person:*

1. *Fails to comply with a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto if there is an absence of action taken on the part of the person to comply with that provision.*

2. *Complies in an untimely manner with a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto if he takes action 1 or more days after the time prescribed in that provision.*

3. *Fails to make a payment required pursuant to a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto if he does not pay any portion of the amount required to be paid pursuant to that provision.*

4. *Makes a payment required pursuant to a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto in an untimely manner if he makes the payment 1 or more days after the time prescribed in that provision.*

Sec. 5. 1. *For the purposes of sections 3 to 23, inclusive, of this regulation, a person shall not be deemed to have committed a second or subsequent violation of a provision of chapter 616A, 616B, 616C, 616D or 617, inclusive, of NRS or a regulation adopted pursuant thereto unless he has received a notice of correction for the first violation of that provision within the immediately preceding 12 months.*

2. *In no case will the administrator impose an administrative fine for a minor violation set forth in sections 3 to 23, inclusive, of this regulation that is greater than \$1,000.*

Sec. 6. *1. If an insurer, organization for managed care, health care provider, third-party administrator or employer fails to comply with a provision of chapter 616A, 616B, 616C or 617 of NRS that requires the insurer, organization for managed care, health care provider, third-party administrator or employer to provide to an injured employee a form, notice or any other information, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer, organization for managed care, health care provider, third-party administrator or employer complies in an untimely manner with any provision of chapter 616A, 616B, 616C or 617 of NRS that requires the insurer, organization for managed care, health care provider, third-party administrator or employer to provide to an injured employee a notice, form or any other information, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$250.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$500.

Sec. 7. *1. If an insurer or third-party administrator fails to comply with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS that requires the insurer or third-party administrator to make a determination regarding the acceptance or denial of a claim for compensation, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer or third-party administrator complies in an untimely manner with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS that requires the insurer or third-party administrator to make a determination regarding the acceptance or denial of a claim for compensation, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$250.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$500.

Sec. 8. *1. If an insurer or organization for managed care fails to comply with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS that requires the insurer or organization for managed care to provide to an employer or injured employee notice of his right to file an appeal of a determination of the insurer or organization for managed care, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third or subsequent violation within a 12-month period, impose an administrative fine of at least \$200.

2. If an insurer or organization for managed care complies in an untimely manner with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS that requires the insurer or organization for managed care to provide to an employer or injured employee notice of his right to file an appeal of a determination of the insurer or organization for managed care, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$50.

(c) For the third or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.

Sec. 9. *1. If an insurer, organization for managed care or third-party administrator fails to comply with the provisions of NAC 616C.094, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer, organization for managed care or third-party administrator complies with the provisions of NAC 616C.094 in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12 month period, impose an administrative fine of at least \$250.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$500.

Sec. 10. *1. If an insurer or third-party administrator fails to comply with a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto that requires the insurer or third-party administrator to make a payment of benefits to an injured employee, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$500.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$750.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer or third-party administrator complies in an untimely manner with a provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto that requires the insurer or third-party administrator to make a payment of benefits to an injured employee, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$200.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

3. *Except as otherwise provided in subsection 4, if an insurer or third-party administrator makes a payment of benefits to an injured employee that is less than the amount to which the injured employee was entitled pursuant to chapters 616A to 617, inclusive, of NRS or the regulations adopted pursuant thereto, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12 month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$250.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$500.

4. *The administrator will not impose the penalties prescribed in subsection 3 unless the deficiency in the payment of benefits is more than 1 percent of the total amount which was due to the injured employee pursuant to chapters 616A to 617, inclusive of NRS or the regulations adopted pursuant thereto.*

Sec. 11. 1. *If an insurer or third-party administrator fails to comply with the provisions of NRS 616C.490 or NAC 616C.103, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer or third-party administrator complies with the provisions of NRS 616C.490 or NAC 616C.103 in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$250.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$500.

Sec. 12. *1. If an insurer, third-party administrator or treating or examining physician or chiropractor fails to comply with the provisions of section 6 of LCB File No. R006-97, which was adopted by the division of industrial relations of the department of*

business and industry and was filed with the secretary of state on December 9, 1997, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$250.

2. If an insurer, third-party administrator or treating or examining physician or chiropractor complies in an untimely manner with the provisions of section 6 of LCB File No. R006-97, which was adopted by the division of industrial relations of the department of business and industry and was filed with the secretary of state on December 9, 1997, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.

Sec. 13. *1. If a rating physician or chiropractor fails to comply with the provisions of NAC 616C.212, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If a rating physician or chiropractor complies with the provisions of NAC 616C.212 in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$200.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$300.

Sec. 14. *1. If an insurer, third-party administrator or employer fails to comply with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto that requires the insurer, third-party administrator or employer to make a payment to a health care provider, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$125.

2. If an insurer, third-party administrator or employer complies in an untimely manner with any provision of chapter 616A, 616B, 616C, 616D or 617 of NRS or a regulation adopted pursuant thereto that requires the insurer, third-party administrator or employer to make a payment to a health care provider, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of:

(1) At least \$50 if the payment is made not more than 14 days after the date on which it is due.

(2) At least \$75 if the payment is made more than 14 days but not more than 28 days after the date on which it is due.

(3) At least \$100 if the payment is made more than 28 days after the date on which it is due.

3. If an insurer, third-party administrator or employer makes a payment to a health care provider that is less than the amount stated on the bill received from the health care provider and the amount is less than the amount to which the health care provider is

entitled pursuant to chapters 616A to 617, inclusive, of NRS or the regulations adopted pursuant thereto, the administrator will issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120. If the insurer, third-party administrator or employer does not make the correct payment within 10 days after receiving the notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120, the administrator will impose an administrative fine of at least \$50.

Sec. 15. *1. If an insurer or third-party administrator fails to comply with the provisions of section 1 of this regulation, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$250.

2. If an insurer or third-party administrator complies with the provisions of section 1 of this regulation in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.

Sec. 16. *1. If an insurer or third-party administrator fails to comply with the provisions of subsection 5 or 6 of NRS 616C.550, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$250.

2. If an insurer or third-party administrator complies with the provisions of subsection 5 or 6 of NRS 616C.550 in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.

Sec. 17. *If an insurer or third-party administrator fails to comply with the provisions of subsection 5 of NRS 616C.555, the administrator will:*

1. For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

2. For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$250.

Sec. 18. *If an insurer or third-party administrator fails to comply with the provisions of subsection 2 of NRS 616C.570, the administrator will:*

1. For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

2. *For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.*

Sec. 19. *1. If an insurer or third-party administrator fails to comply with the provisions of subsection 3 of NRS 616C.570, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$500.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$750.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. *If an insurer or third-party administrator complies with the provisions of subsection 3 of NRS 616C.570 in an untimely manner, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$200.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

Sec. 20. *1. If an insurer or third-party administrator fails to comply with the provisions of subsection 4 of NRS 616C.570, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$250.

2. If an insurer or third-party administrator complies with the provisions of subsection 4 of NRS 616C.570 in an untimely manner, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.

Sec. 21. *1. If an insurer, organization for managed care, health care provider, third-party administrator or employer fails to comply with the provisions of NRS 616A.475, 616B.006, 616B.009 or NAC 616A.410, the administrator will:*

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$250.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$500.

(d) For the fourth violation within a 12-month period, impose an administrative fine of at least \$750.

(e) For the fifth or subsequent violation within a 12-month period, impose an administrative fine of \$1,000.

2. If an insurer, organization for managed care, health care provider, third-party administrator or employer complies in an untimely manner with the provisions of NRS 616A.475, 616B.006, or 616B.009 or NAC 616A.410, the administrator will:

(a) For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

(b) For the second violation within a 12-month period, impose an administrative fine of at least \$100.

(c) For the third violation within a 12-month period, impose an administrative fine of at least \$250.

(d) For the fourth or subsequent violation within a 12-month period, impose an administrative fine of at least \$500.

Sec. 22. *If an insurer or third-party administrator fails to comply with the provisions of NAC 616A.480, the administrator will:*

1. For the first violation within a 12-month period, issue a notice of correction pursuant to paragraph (a) of subsection 2 of NRS 616D.120.

2. *For the second or subsequent violation within a 12-month period, impose an administrative fine of at least \$100.*

Sec. 23. *1. If the administrator issues a notice of correction to a person or imposes an administrative fine against a person pursuant to sections 3 to 23, inclusive, of this regulation, the administrator may also require the person to submit to the administrator a plan of corrective action pursuant to paragraph (c) of subsection 2 of NRS 616D.120.*

2. A plan of corrective action required by the administrator pursuant to subsection 1 must include a detailed description of the actions that the person who is submitting the plan will take to ensure that a subsequent violation does not occur.