

**NEVADA SYSTEM OF HIGHER EDUCATION
PROCEDURES AND GUIDELINES MANUAL**

CHAPTER 10

RISK MANAGEMENT AND SAFETY

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Section 1. Environmental Health and Safety

Pursuant to Board policy, Title 4, Chapter 10, Section 32, the authority for the development, implementation, compliance monitoring, and administration of Environmental Health and Safety (EH&S) programs is delegated to the president of each NSHE institution. In its authority to establish EH&S programs the following provisions concerning employees, supervisors, and training records must be followed.

1. Institutionally established policies and procedures concerning EH&S programs must be made available to all employees through an appropriately distributed publication or posted on the institution's website. These policies and procedures shall meet or exceed NSHE standards.
2. Supervisors, including laboratory directors and/or principal health and safety investigators, shall:
 - a. Provide for the safety needs of their respective units/departments such as engineering controls, training, personal protective equipment, corrective actions necessary for addressing items identified as non-compliant in safety inspections or audits;
 - b. Conduct periodic safety performance evaluations of employees and students according to established institutional policies and procedures; and
 - c. Ensure the appropriate safety training of all employees.
3. All employees shall participate in the safety and job specific training programs as required by his or her position.
4. Each NSHE institution shall maintain safety training records that record the employee attendance at all safety training activities. These records shall be open to inspection by regulatory inspectors and NSHE employees, including EH&S and Human Resources personnel.

(Added 2/09)

Section 2. Risk Management/Workers' Compensation

1. Risk Management is a part of System Administration with the responsibility to provide sound property & casualty and workers' compensation programs and services to the NSHE institutions.

Objective and Scope. The Chief Financial Officer is responsible for the oversight of the central NSHE risk management programs and workers' compensation functions. The central NSHE risk management programs are the System's master insurance programs. The NSHE workers' compensation programs are maintained and funded by the NSHE Risk Management office.

The risk management (property & casualty) functions at UNR and UNLV are maintained by their Campus Risk Management office, including placing insurances specific to a campus (which should occur in consultation with NSHE Risk Management), while the risk management (property & casualty) functions at the remaining institutions are maintained by the NSHE Risk Management office. The NSHE Risk Management office will facilitate the sharing of information and collaboration on standardized processes.

The goals of risk management are to: 1) protect the health and provide for the safety of the NSHE students and employees, 2) protect the public from injury or damage incidental to the operations of the NSHE, 3) protect the NSHE's assets and its environment, and 4) protect the reputation of the NSHE. To achieve these goals, risk management will consider all types of risks, including but not limited to natural, environmental, compliance, and safety risks. The realization of these overall objectives involves:

- a. Providing for the safety of students, employees, and the public;
- b. Protecting NSHE's property and its environment;
- c. Reducing NSHE's legal liability;
- d. Purchasing insurance and procuring contracts when necessary to administer NSHE's property/casualty lines, and workers' compensation insurance programs;
- e. Investigating, adjusting, and settling insured property/casualty and workers' compensation insurance claims whether insured or self-insured, or subject to deductibles or self-insured retentions.

2. Authority and Responsibility. Risk management and workers' compensation insurance programs and activities shall be overseen by the Chancellor's office and shall be guided by the principles provided in this section. Each president shall be responsible for the implementation of a risk management program at his or her respective institution.

3. Risk Management Principles. Risk Management within System Administration and at the institutions shall be guided by the following principles in order to ensure administrative efficiency, the cost-effective use of resources, a sound organizational plan, and cooperation among the member institutions:

- a. Programs of insurance, self-insurance, contractual risk transfer, risk avoidance, loss prevention, and claims remediation shall be implemented to reduce NSHE's costs to the lowest reasonable level while avoiding exposing the NSHE to unreasonable financial risk.
- b. Risks may be assumed if, taking into consideration the probability of loss and the amount of potential loss, the risk would not significantly impair the financial position of NSHE. This risk assessment shall include an assessment of the importance to the NSHE of the objectives of the program or action creating the risk, as well as whether risks are minimized through contract, private insurance or coverage from the State of Nevada Tort Claims Fund.
- c. Risks shall be insured whenever the potential loss would pose a significant financial risk to NSHE and insurance is available at a cost that compared to the risk is financially sound, or where insurance is required by law or contract.

- d. Programs, contracts and services shall be implemented based on the best interests of the NSHE as a whole, after giving appropriate consideration to the interests of all institutions and departments that will be affected.
 - e. Funding for self-insured retentions, deductibles and self-insured exposures between different types of exposures may be pooled when it is in the financial interest of NSHE to do so. Deductibles and self-insured retentions shall be fully funded.
 - f. Premiums, deductibles, and self-insured retentions may be established for each institution based on the institution's exposures, insured values, loss experience, and adequacy of its loss prevention program.
 - g. Insurance shall be purchased through a source (agent, broker, or insurance company) that is in the best interest of NSHE. When purchasing insurance products, preference will be given to Nevada based companies pursuant to Title 4, Chapter 10.
- (Added 2/09; A. 3/11, 3/13, 1/25)

Section 3. EH&S/NSHE Workers' Compensation and Risk Management Funding

- 1 The institution's EH&S and NSHE Workers' Compensation programs (Sections 1 & 2 above) receive partial funding from the Workers' Compensation Enterprise Fund administered by the Chancellor. The System's self-insured workers' compensation payroll assessment rate is established through periodic review of the workers' compensation program and recommendation from the Business Officers Council. Funds that are provided from the Workers' Compensation Enterprise Fund are subject to the following guidelines:
 - a. Funds from the Worker's Compensation Enterprise Fund distribution are accounted for in separate and distinct self-supporting budget accounts within the institution's financial system.
 - b. Effective FY 12, projected annual program revenues from the Enterprise Fund and institution expenditures associated with those funds will be submitted to the chancellor's Office as part of the annual fiscal-year self-supporting budget process, regardless of the level of projected activity. Actual revenues and expenditures, regardless of the level of activity, will be reported through the fiscal year Self-Supporting Budget to Actual process. Unexpended funds should be reflected as 'Opening Balance' and 'Ending Balance' as appropriate in the self-supporting budget reports.
 - c. Funds distributed from the Workers' Compensation Enterprise Fund under this section are available for expenditure for institutional EH & S and NSHE Workers' Compensation program related expenditures which include:
 - i. Salaries, wages and benefits for individuals directly employed in or providing services the EH&S/NSHE Workers' Compensation function.
 - ii. Operating expenses, including travel, directly related to the EH&S/NSHE Workers' Compensation function. This may include expenses that support the administration of the EH&S/NSHE Workers' Compensation function (ex: expenses related to office supplies, software, hiring/termination of staff, local, federal or state codes or regulations, program communications equipment, program membership dues, related training and certifications).
 - iii. Equipment purchases directly related to the EH&S/NSHE Workers' Compensation function.
 - iv. Consulting costs directly related to the EH&S/NSHE Workers' Compensation function.

- v. Transfers between NSHE institutions or budget areas for shared EH&S/NSHE Workers' Compensation resources or programs.
 - vi. Other expenses related to the functions described in section 1, Environmental Health and Safety and Section 2, Risk Management/Workers' Compensation.
 - d. For the purpose of qualifying expenditures, the EH&S/NSHE Workers' Compensation functions include initiatives related to the Claims Administration, Environment Health and Safety Management, Fire and Life Safety, Occupational Safety, Radiation Safety, and similar related programs.
 - e. Funds distributed from the Workers' Compensation Enterprise Fund under this section are not restricted to the fiscal year in which they were distributed and are available to carry-forward to future years.
 - f. Campus EH&S may have an MOU with Risk Management to provide funding for loss control, ergonomics, and other expenditures as described above in Section 3.1c.
 - g. Funds distributed from the Workers' Compensation Enterprise Fund under this section are not available for transfers to institutional overhead or similar assessments or other non-direct expenditures outside of the EH&S/ NSHE Workers' Compensation function without prior approval of the chancellor.
 - h. Funds distributed from the Workers' Compensation Enterprise Fund are not available for insurance procurement or premiums or to pay fines, penalties, or judgments levied against the institution without prior approval of the chancellor.
2. The institutions' Risk Management programs receive partial funding from the NSHE Property & Casualty Billing allocation model administered by the Chancellor. Funds are distributed to the UNR and UNLV Risk Management offices, and the NSHE Risk Management office for all other campuses. Funds are not restricted to the fiscal year in which they were distributed and are available to carry forward to future years
- (Added 3/11; A 1/25)

Section 4. Police Officer Wellness Program

1. The provisions of this section are applicable to a member of the police department of the Nevada System of Higher Education.
2. NSHE's Police Officer Wellness Program is governed by NRS 617.455 and 617.457 and *Nevada Administrative Code* Chapter 617. These laws and regulations entitle police officers, correctional officers, firemen and other positions identified under NRS 617.135, who develop heart or lung disease after 5 years of continuous uninterrupted service to a conclusive presumption that the disease is work related, provided that the employee submits to required physical exams and takes documented action to correct pre-disposing conditions that lead to these diseases when ordered to do so by the examining physician. Except as otherwise provided by law, eligible NSHE employees who have claims accepted are entitled to lifetime treatment benefits and the opportunity to elect permanent total disability if they cannot continue to work as a police officer. This is a worker' compensation benefit specific to this group of employees and is completely separate from regular employee or retiree health plan benefits.
3. Program Objectives. The overall objectives of this program are to:
 - a. Ensure that the NSHE and its institutions meet the obligations of an employer, as required by NAC 617.080 and the applicable state law.

- b. Because there are certain conditions that may result in the loss of benefits, ensure that communication is made with the employee so that he or she understands the significance of any orders from examining physicians to correct pre-disposing risk factors, and the need to take actions to correct the identified risk factors in order to preserve their eligibility for benefits under the workers' compensation Police Officer Program.
 - c. Prevent claims and minimize unnecessary workers' compensation costs.
- 4. Responsibility. The chancellor has overall responsibility for NSHE compliance with the statutory directive. NSHE Risk Management will oversee the implementation of a wellness and loss prevention plan at each institution to minimize injuries to and contraction of disease by employees and to minimize workers' compensation costs related to claims for eligible employees. NSHE Risk Management shall delegate the following responsibilities to the institutions through the BCN/BCS Risk Management Offices:
 - a. Ensure scheduling and completion of routine physical examinations, as required by the relevant statutes and regulations, including the test of the functioning of the hearing of an employee, which is required pursuant to NRS 617.454, 617.455, 617.457 and NAC 617.050, 617.070 and 617.075.
 - b. Ensure NSHE institutions or our contractors comply with the duties in NAC 617.080, and that examining physicians comply with the requirements of NAC 617.100. Physicals (including hearing exams) must meet the provisions identified in NRS 617.454, 617.455 and 617.457. Documentation on the physical reports will be maintained at the respective Risk Management Office.
 - c. Review the results of the physical exams to ensure that the contracted vendors are consistently identifying and reporting risk factors and orders to the officers to correct risk factors, and to evaluate and report on the general level of risk that officers have of developing cardiac or lung diseases (low, medium or high), based on the information in the physical exams. This review can be completed internally by a designated qualified individual or contracted to a third party vendor. Documentation of the review will be maintained at the respective Risk Management Office.
 - d. Follow up with the police officers. When physician warnings and orders to correct risk factors are identified, a letter must be forwarded from the BCN/BCS Risk Manager or designee to the police officer. The letter is in addition to and is not a substitute for the information that is required to be given to the officer pursuant to NAC 617.100; and it is not a substitute for the discussion requirement under NAC 617.080(3). The Police Chief will be notified that the letter was sent. The letter will summarize and reiterate the physician's findings indicating that the police officer has a predisposition to the contraction of a disease of the heart or lungs and that failure to take actions to correct the predisposing risk factors that are within the officer's control to correct, can jeopardize the officer's eligibility for benefits under the heart and lung program. The letter must also offer the officer the opportunity to enroll and participate in the NSHE supported cardiac wellness program identified in section (h). BCN/BCS Risk Manager will ensure the officer has complied with NAC 617.090, and will obtain a "confirmation of receipt form" from the officer within 60 days, and forward a copy to the designated police department representative.
 - e. Provide education to police officers on the goals and requirements of the program, including required action necessary to maintain coverage under Chapter 617 of NRS. If the police officer can correct any predisposing physical condition of which the police officer has been warned pursuant to subsection (b), inform the officer that failure to correct the condition may exclude them from benefits under chapter 617 of NRS and Chapter 617 of NAC.

- f. Contract with one or more local medical providers/clinics for the physicals. The contracted Medical Provider/Clinic must be required to forward results of physical exams directly to the employer (BCN/BCS Risk Management office) for review. If an employee chooses to go to his or her own physician, in lieu of the contracted provider for their physical, the following must occur:
 - i. The police officer's physician must complete the required paperwork and forms, and perform the same diagnostic tests that are required of the contracted medical providers/clinic. The completed forms must then be provided by the physician to the police department designated representative, who will forward the packet to the Risk Management office. It is the responsibility of the Risk Management office to forward the physical to the contracted medical provider to determine if all components have been completed. The annual physical is not considered complete until it has been reviewed by the contracted vendor.
 - ii. The police officer will be informed that the physical exam will be considered incomplete if the officer's personal physician has not completed all of the proper tests and paperwork.
 - iii. The employing Police Department will pay for the cost of the annual physical with the contracted vendor. If the officer chooses to pay for the officer's own physical with a provider other than the contracted vendor, the cost will be the responsibility of the officer, unless specific arrangements are made and agreed upon prior to the date of the physical and is approved by the respective Risk Manager. In this circumstance, the Police Department may, but is not required to, reimburse the employee.
- g. Ensure each institution follows the guidelines established by NSHE Risk Management for the types and frequency of exams, screening tests, inoculations and for personnel who are determined to be unfit for duty by the evaluating physician.
- h. Implement a Police Officer Wellness and Loss Prevention Plan at each institution; or oversee a wellness & loss prevention plan of a contracted vendor. NSHE Risk Management will reimburse up to \$2,500 per officer per fiscal year, for out-of-pocket costs related to the wellness and loss prevention programs established through and approved by the BCN and BCS Risk Management offices.
- i. Monitor workers' compensation claims to identify adherence to an officer's responsibility to correct pre-disposing risk factors and their impact on claim acceptance or denial and to monitor consistency and quality of medical services provided to officers with accepted claims.
- j. Maintain and ensure the confidentiality of all physical exam results, including the test of the functioning of the hearing of an officer completed pursuant to NRS 617.454, 617.455 and 617.457 for at least 2 years after the death of the police officer.
- k. Provide to the NSHE Risk Management, no later than 90 days after the close of the fiscal year, a program report that includes the following information:
 - i. By institution, number of physicals required and number completed.
 - ii. Of the physicals completed the number that had identified risk factors.
 - iii. For each officer with an identified risk factor, the employee ID number and recommended corrective action.

(Added 3/13)