

# Nevada Workers' Compensation Law Blog

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## Nevada Permanent Partial Disability Awards Explained

When an injured worker's treating physician reports to the insurer that there may be a permanent impairment, the adjuster should schedule an impairment evaluation with a rating doctor. The impairment percentage determined by the rating doctor results in a monetary settlement known as a permanent partial disability award (PPD). Rating doctors are chiropractors and physicians who have taken a test on how to determine permanent impairment using the criteria in the AMA Guides to Evaluation of Permanent Impairment (currently the 5th edition). Those doctors' names are on a rotating list of rating doctors maintained by the State of Nevada Division of Industrial Relations.

If the injured worker or his attorney do not agree with the adjuster on a particular rating doctor to do the exam, the adjuster must schedule the exam with the next doctor assigned from the rotating list. A chiropractor may perform the rating exam if the injury is to the musculoskeletal system (spine, knees, shoulders, feet, hands, etc.). If the injury is to internal organs or is very complex, only a medical doctor will be assigned. Only qualified eye doctors rate vision impairment. The rating doctor cannot be a doctor who has treated the injured worker or who has been asked to do a consultation.

The rating takes place at the doctor's office. The adjuster is responsible for sending all of the medical records before the exam. However, it is not unusual for records to be missing. Almost all rating doctors allow the injured worker's attorney to be present for the exam. The insurer must pay for the initial rating, and the cost of a rating depends on the number of body parts injured. Effective for 2/1/09 through 1/31/2010, the cost for up to two body parts is \$630.80.

The AMA Guides give detailed instructions to the rating doctor on how to determine an impairment percentage for each body part. Many injuries are rated by measuring how much motion is lost in the joint. Some injuries are easy to rate, such as amputations. However, most injuries require multiple measurements and depend on the doctor's ability to apply the Guides correctly. There are often significant differences in rating percentages depending on which doctor is doing the exam.

Not every injury requiring a surgery is ratable. An injured worker's ability to return to work is not used to determine impairment. Pain is not ratable, but injuries to particular nerves can be rated.

The rating doctor sends his report to the insurer within 14 days of the exam. The insurer must then make a written offer within 14 days of receiving the report. The offer must be based on the percentage of impairment determined by the doctor, or the insurer must explain in writing why the insurer disagrees with the percentage. Injured workers who disagree with the percentage given by the rating doctor, or with a lesser percentage offered by the insurer, may file an appeal and obtain a second rating from another rating doctor assigned from the rotating list. (For more information go to the blog "I Disagree with My PPD Rating".)

The PPD award is calculated by using the percentage of impairment given by the rating doctor, and the average monthly wage of the injured worker, and the injured workers age at the time of the award. It is necessary to have the [actuarial tables](#) and the correct statutory formula to correctly calculate the award. (See [DIR forms 9a and 9b](#)). Injured workers with the same percentages of impairment for the exact same injury will receive different PPD awards depending on how much money they were making at the time of their accidents, and how old they are.

An injured worker may accept a PPD award in a lump sum, or may elect to receive the award in installments until she is 70 years old. Awards taken in a lump sum are reduced to present value. If the injured worker's impairment was greater than 25%, only the equivalent of a 25% PPD can be taken in a lump sum. The percentage over 25% is paid in installments.

Although the PPD percentage is not based on an injured worker's ability to return to work, the percentage does govern the length of a retraining program that can be offered if the injured worker is entitled to vocational rehabilitation services. (See blogs and articles on vocational rehabilitation for more information.)

Please note that this is only a summary of how permanent partial disability awards are determined in Nevada. Pertinent [statutes](#) and [regulations](#) are: NRS 616C.100, NRS 616C.490, NRS 616C.495, NRS 616C.110, NAC 616C.1162, NAC 616C.103. Many attorneys offer a free review of a PPD rating report for signs of obvious errors.

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