

# THE SPOTLIGHT

A monthly HR, Benefits & Health newsletter designed exclusively for Nevada Benefits Clients

Volume 1, Issue 3

January 2007



## HR Segment: Annual Performance Appraisals—The year is now!

By Tanja Anderson

Having welcomed the New Year—our resolutions are either out the door already, or there is still some hope. Take out that list, blow off the dust and we will aim to tackle it this year.

Annual performance reviews come to mind as the year passes. For many larger corporations or government agencies, you'll find that most have the performance review process pretty well down pat.

When I visit small to mid-sized companies, I'll find that they don't have good documentation of performance. Some companies may have good policies in place but "young or new management" just doesn't carry them out. Other companies prefer not to have formal policies and procedures believing that it makes their company culture more friendly.

What they are not aware of is that not following or having an annual performance appraisal systems may cost them a lot of money, or worse yet, for small companies, it

may cost them their business in a possible wrongful termination suit.

Initially, setting up an effective performance appraisal process can be daunting, but for the good it does, it is necessary.

Annual performance appraisals must be a component in the employment lifecycle from the initiation as an employee to the voluntarily or involuntary termination of an employee. A system of continuous feedback to employees throughout the year is also a great to have in place. These are tools for maintaining good employee relations, training, compensation, documenting perform-

ance (whether good or bad) and lastly, used in economic times of stress, for reduction-in-force.

The design, procedure process, review and maintenance, and evaluation and monitoring process is the responsibility of the HR function. The company's top executive must include these strategies in order to get buy in from line managers. The line managers are the ones responsible for completing the performance appraisals, which are generally where problems may occur; timing, consistency, accurate appraisals are some of the issues.

*(Continued on page 3)*

### Inside this issue:

Annual Performance Appraisals	1
HIPAA: Your medical information	1
Nevada wage and hour law still raising issues	2
Health Wise	2
Mortgage tip for 2007	3
The Law: Title VII	3
HIPPA Lunch and Learn Seminar Information	4

## HIPAA: Your medical information

You've probably heard about HIPAA from the forms given to you at your doctor's appointment. You should also be aware that in addition to identity theft, medical identity theft can be financially devastating as well. HIPAA is the Health Insurance Portability and Accountability Act of 1996 and it affects you and your

health. Most of us feel that our health and medical information is private and should be protected, and we want to know who has this information. HIPAA gives you rights over your health information and sets rules and limits on who can look at and receive your health information.

Medical professionals in-

cluding pharmacies, clinics, nursing homes, government programs such as Medicare and Medicaid, and even providers of employee counseling programs must be HIPAA compliant. Information regarding your health and care that is placed in your medical record, conversations your doctors has had about your care, health

*(Continued on page 2)*



## Nevada wage and hour law still raising issues By Tanja Anderson

Those that pay minimum wage may still be trying to figure out this new law. But as with all changes there is some pain. Is there possible overtime we owe our babysitters and outside salespeople?

Everyone is beginning to realize that there are some ambiguities in the new law. The Nevada Labor Commissioner explained, “the employees who were exempt under the provision of Nevada’s minimum wage statute [NRS 608.250 (2)] are **no longer** exempt and must be paid the new minimum wage.”

Casual babysitters, domestic service employees who live in the household, outside salespeople who earn commission, limo and taxi drivers and various agricultural employees are those that were formerly exempt.

While the minimum wage has changed, the statute addressing compensation for overtime (NRS608.018) has not changed, which unintentionally creates ambiguity in the overtime portion of the law. NRS 608.018(1) states that Nevada’s overtime law doesn’t apply to “employees who are not covered by the minimum wage provision of NRS 608.250, which as explained by the labor commissioner, under the new minimum wage statute no longer exist.

So far there is no wrong or right answer to whether your neighborhood babysitter gets overtime, but bet your bottom dollar that the outside salespeople will be watching if any new changes fall in their favor.

*(HIPAA Continued from page 1)*

insurance information and billing information is protected under HIPAA.

Under HIPAA you have rights. You may ask to see and get a copy of your health records. If you have a secure place to keep them at home, having your medical history is valuable information you can bring with you when you change medical plans or make appointments with new physicians. HIPAA also gives you rights to have corrections added to your health information and allows you to receive notices and reports that tell you how your health information may be used, or why it was used.

Just as added assurance to your peace of mind over your health information, covered entities have in place three types of security safeguards required for compliance: administrative, physical, and technical. The technical safeguards control access to computer systems and physical safeguards controls physical access to

protect against inappropriate access to protected data

The policies and procedures under the administrative safeguards are designed to show how a covered entity must comply with HIPAA requirements. Under these rules, covered organizations must adopt a written set of privacy procedures and designate a privacy officer to be responsible for developing and implementing all required policies and procedures. The policies and procedures must reference management oversight and organizational buy-in to comply with the documented security controls.

Entities must show that an appropriate ongoing training program regarding the handling of PHI is provided to employees performing health plan administrative functions. Covered entities that out-source some of their business processes to a third party must ensure that their vendors also have a framework in place to comply with HIPAA requirements. Companies typically

gain this assurance through clauses in the contracts stating that the vendor will meet the same data protection requirements that apply to the covered entity.

Keep track of your medical information. It is **your** right— and take care to keep your insurance cards safe— they can be medical credit cards for identity thieves. HIPAA is there to keep your private information safe and secure.

For more information about HIPAA join us at the **free HIPAA Seminar** January 30th at 12:00 Noon.

Patrick Burns of FalconTek Inc. will give a high-level overview of current HIPAA issues and considerations, including data theft trends, national provider identifier issues, and patient privacy concerns.

Mr. Burns has a current Certification for Healthcare Privacy with AHIMA and a current Certification for Health

## Health Wise: Larger waist size can put you at risk

A waist size larger than 35 inches for women and 40 inches for men indicates that there is too much fat stored around the internal organs.

This type of deep belly fat is extremely dangerous and can increase an individual's chances of developing diabetes, heart disease, high blood pressure, and some cancers.

American Journal of Clinical Nutrition, Col. 76, Pg. 743; Journal of the American Medical Association, Vol. 289, Pg. 323

If you are short on time—walk briskly for 20-30 minutes five times a week. You can break your walking into several segments throughout the day if needed. Just get out there! Add strength training, with 3-10 pound dumbbells, doing 3 sets of 15 while watching the morning news!

## Mortgage tip for 2007

By Phil Randazzo

### When To Make Extra Mortgage Payments

Many people routinely add \$100 or \$200 to their mortgage payment each month. It gives peace of mind to know you are closer to paying off your home or apartment. For some, however, it may not be the best move, financially speaking.

Those whose mortgage interest is tax-deductible could make another choice. Their interest payments are actually reduced by the income tax deduction. For them, funding retirement accounts is a better idea, especially if the funding is tax-free and/or tax deferred. (Such as your 401(K), or IRA, or tax deferred insurance vehicles, etc. ) It's likely you may be able to get yields that are greater from these alternatives than you would from making extra mortgage payments would offer.

Paying down a mortgage loan IS a good idea if your mortgage interest is not tax deductible.

For 2006, if you are married filing jointly and your total itemized deductions including mortgage interest come to \$10,300 or less, you will end up taking the standard deduction instead. You receive no tax break for your mortgage interest. You might also want to make extra principal payments if you have an adjustable-rate mortgage. If the interest

rate rises by two points or more, your monthly payments will be much higher. To offset that, you may want to reduce the balance with higher payments.

If you lack the self-discipline required to invest elsewhere, you could also benefit from extra principal payments. It's easy to procrastinate when you should be investing, but you have to write that mortgage check every month anyway. You might as well make it a little bigger, and place the difference somewhere that it might be more profitable for your future! Please talk to us about how we can help you "force yourself" to save...so you can be as sure as possible you'll have the dough you need when you need it!

Please keep in mind that this tip is designed to be of help for you, but is not to be relied upon as advice. It is merely a reminder that there are many choices you have available to you, and that planning is the only way to find the right answers for your situation! As with any financial issues, make sure you get the right information before making a decision! If you have any questions, we'll be glad to help you!

If you have any questions concerning your Mortgage, contact Nevada Benefits Mortgages Services, Inc at 702.258.1995.

*(Performance Appraisals Continued from page 1)*

The criteria for appraising performance must be measurable, in which the end result can be identified in terms of quantity, quality, timing or measurable goals. In addition, actions, words, or procedures with which a person is appraised must be clearly identifiable so that the employee can take appropriate action to improve or maintain his/her work.

Just to stoke the fire—let's imagine you're one of those "friendly" company's that lack internal controls and have weak HR procedures...

You have a good employee who has been with your company for the last 6 years or so, he/she has performed great for the first three years but the last 3 years, their performance has continually been slipping; missed deadlines and inaccurate work. They have not received annual performance appraisals during their employment, and received only "partial" continuous feedback only receiving emails of "job well done" and there are no write-ups to be found. The company has fired the employee and an attorney has called and notified you that the employee has filed a case of wrongful termination...

*(Continued on page 4)*

## The Law: Title VII

Title VII is a provision of the Civil Rights Act of 1964 which prohibits discrimination in virtually every employment circumstance on the basis of race, color, religion, gender, pregnancy, or national origin. In general, Title VII applies to employers with 15 or more employees. The purpose of Title VII's protections forces employers to consider only objective, job-related criteria in making employment decisions, thus leveling the field. The classes, as listed above "protect" individuals under Title VII because of the history of unequal treatment which has been identified in each class.

Title VII must be considered when reviewing applications or resumes (i.e., by not eliminating candidates on the basis of a "foreign" last name), when interviewing candidates (i.e., by asking only job-related questions), when testing job

applicants (i.e., by treating all candidates the same and ensuring that tests are not unfairly weighted against any group of people), and when considering employees for promotions, transfers, or any other employment-related benefit or condition.

The Pregnancy Discrimination Act of 1978 amended Title VII to provide that pregnant women are treated the same as other employees who are disabled. The employer's policies for taking leave, health benefits during leaves, and reinstatement after leave applies equally to pregnant women and other employees.

**Penalties for non-compliance:** For intentional discrimina-



9505 Hillwood Drive, Suite 100  
Las Vegas, NV 89134  
Phone: 702.258.1995  
Fax: 702-877-0956  
Email: [tanja@nevadabenefits.com](mailto:tanja@nevadabenefits.com)  
Nevada License# 6266  
We're on the web at [www.nevadabenefits.com](http://www.nevadabenefits.com)

### Coming up next time in the HR Segment...

House votes to approve increase in Federal minimum wage to \$7.25 per hour—what that means to Nevada!

For Human Resource assistance call Nevada Benefits at 258-1995.

No-Charge HR services available to Nevada Benefits group insurance clients.

Nevada Benefits is a brokerage of independent agents licensed with every major insurance company in Nevada. We offer free services, such as comprehensive Financial Plans, Human Resource assistance, and a wealth of resources to help you prosper.

*(Mortgage Tip 2007 Continued from page 3)*

This may be an open and closed case, but without proper documentation in your employee files, who knows?—but it may cost your company money just not found anywhere in the budget. In any case, you are sure to feel the pain.

This year, call Nevada Benefits to help you with the performance appraisal process. **This assistance is free of charge to our clients of medical group coverage.**

For more information, call Tanja Anderson at 702.258.1995.

*(Title VII Continued from page 3)*

tion, employees may seek a jury trial, with compensatory and punitive damages up to the maximum limitations established by the Civil Rights Act of 1991 according the employer's number of employees: 15-100 employees, a maximum of \$50,000; for 101-200 employees, a maximum of \$100,000; for 201-500 employees, a maximum of \$200,000; and for over 500 employees, a maximum of \$300,000. Remedies of back pay, reinstatement, and retroactive seniority are available for all types of discrimination, whether intentional or disparate impact.

### In this newsletter

- **Your HIPAA Rights**
- **HR Segment: Annual Performance Appraisals**
- **Nevada wage and hour law still raising issues**
- **Health Wise**
- **2007 Mortgage tip, saving you money!**
- **The Law: Title VII**

If you'd like to see a particular subject included in our next newsletter, or would like to contribute please email [tanja@nevadabenefits.com](mailto:tanja@nevadabenefits.com)

## **FREE HIPAA Lunch and Learn Seminar**

**at Nevada Benefits Corp., Tuesday, January 30, 2007 at 12:00 Noon.**

**Certificates of Completion will be given following the seminar.**

**RSVP now to save your place! 702-258-1995**