

**“Apportionment: Case law update focusing on themes, trends, and problem areas.”**

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## TABLE OF CONTENTS

	<b>Page</b>
1. Valid/Legal Apportionment Determinations.....	3
1.1 Joint Replacement Issues.....	27
2. Failure of Proof (Defense).....	40
3. Range of The Medical Evidence.....	57
4. Overlap Issues (Burden of Proof).....	60
5. Petitions to Reopen.....	85
6. <u>Benson</u> Issues.....	98
7. <u>LeBoeuf</u> Issues/Considerations.....	109
8. Psychiatric Issues.....	114
9. Causation of Disability Versus Causation of Injury...	118

## **1. Valid/Legal Apportionment Determinations.**

**Jennings v. WCAB(Sutton Place Hotel/SCIF)(2009) 74 CCC 543(writ denied, 4<sup>th</sup> DCA)**

**Case summary:** Applicant while employed as an accountant suffered a specific admitted injury on January 10, 2003, to her lumbar and cervical spine. She was evaluated by an AME in orthopedics. She had a significant nonindustrial medical history involving multiple spinal surgeries with related long term use of prescription medication for intractable pain. In July of 1984, applicant had a cervical fusion related to a broken neck attributable to a diving accident. With respect to her lumbar spine, she had multiple surgical fusions in 1986 and in March of 2004. The medical record also indicated applicant was using OxyContin pain medication prior to her industrial injury on January 10, 2003. In fact, only one week before her industrial injury her treating physician wrote her a new prescription for 180 10mg. OxyContin tablets.

The AME determined the applicant was 100% permanently totally disabled, since she was unfit for gainful employment in the open labor market related to either her cervical or lumbar spine. As to the issue of Labor Code section 4663 apportionment, the AME opined that 60% of applicant's residual cervical disability was industrial and 40% nonindustrial related to prior factors of disability. The AME applied the same apportionment ratio to applicant's lumbar spine. The nonindustrial factors supporting the 40% nonindustrial apportionment consisted of applicant's prior nonindustrial injuries and conditions that resulted in 3 surgeries and related residual use of prescription pain medication in the form of OxyContin for intractable pain.

**Trial and Reconsideration proceedings:** Following trial, the WCJ found applicant to be 100% permanently totally disabled without any valid legal 4663 apportionment. In essence the WCJ characterized the AME's opinion on apportionment as "vague and speculative." Predictably, defendant filed for reconsideration which was granted by the WCAB. The Board reversed the WCJ, finding valid 40% nonindustrial apportionment based on the AME's opinion. The WCAB determined the AME's report met the combined standards of Brodie, Escobedo, and Gatten.

Moreover, Dr. Green's opinion constituted substantial evidence to support Labor Code section 4663 apportionment.....since he based his apportionment determination on his review of medical records, diagnostic

tests, and Applicant's history of prior injury and surgeries to her back and neck. Relying on his own medical expertise, Dr. Green determined that 40 percent of Applicant's cervical spine disability was caused by events prior to Applicant's industrial injury, including a 1984 diving accident and gradual deterioration thereafter. Accordingly, the WCAB concluded that Dr. Green's opinion, which was based on accepted diagnostic tools and his medical expertise, satisfied the requirements of *Gatten*.

Applicant then filed for Reconsideration of the WCAB's decision on reconsideration, which was denied. Applicant's writ petition was also denied by the Court of Appeal on March 26, 2009.

**Comments/Analysis:** Given the magnitude of and nature of applicant's medical history including 3 surgeries prior to the industrial injury combined with her use of OxyContin for intractable orthopedic pain right up to the industrial injury date, there was a strong basis for valid 4663 apportionment. The AME's opinion was clearly detailed and well reasoned to the degree it met the *Gatten* substantial medical evidence standard.

**Continental Casualty v. WCAB(Goodin)**(2009) 4<sup>th</sup> DCA, 37 CWCR 94 (filed 4/24/09; not certified for publication)

**Case summary:** The Court of Appeal in an opinion not certified for publication annulled a WCAB decision and remanded the case back to the WCAB to enter a new award finding valid Labor Code section 4663 apportionment of 50% nonindustrial and 40% industrial where the WCJ and WCAB had previously awarded the applicant 100% permanent total disability without any valid 4663 apportionment.

**Facts:** Applicant worked for a nursing home and was assigned to the laundry facility. Her employment spanned approximately 5 years, from November 1997 until October 2002. During the course of her employment, she was exposed to various fumes and chemicals including soaps, bleach, disinfectant, ammonia, smoke residue and possibly mildew. Although applicant had no history of prior patent respiratory problems, she did have a history of a smoking and exposure to nonindustrial allergens. Her initial symptoms developed within the first year of her employment and gradually progressed to a degree where she could no longer work due to chronic and severe airway obstruction.

**Discussion:** There was only one reporting physician in the case, and while the Court of Appeal's opinion does not expressly state the physician was an AME, it appears he was reporting in that capacity. The AME issued three reports and was also a subject to cross-examination by way of deposition. His opinion indicated 60% of applicant's 100% permanent total disability was attributable to nonindustrial factors consisting of smoking and nonindustrial inhalant allergens. The remaining 40% was related to her industrial exposure. The AME indicated his opinion on apportionment was based on his best medical judgment.

At the trial level, the WCJ found the applicant 100% permanently totally disabled without any valid 4663 apportionment. The WCJ rejected the AME's opinion on apportionment. The WCJ seemed skeptical as to how the doctor arrived at a specific apportionment percentage of 60% nonindustrial and 40% industrial as opposed to other possible percentage allocations. Defendant filed for reconsideration which was denied with the Board affirming the 100% permanent total disability award without apportionment. Defendant filed a writ with the Court of Appeal. In annulling the Board's decision, the Court of Appeal stressed the mere fact that the percentage of apportionment reflects an approximation is not fatal to a medical report constituting substantial medical evidence. "However, the fact that "the percentages [that are] provided are approximations that are not precise and require some intuition and medical judgment...does not mean [the] conclusions are speculative." (*Andersen v. WCAB* (2007) 149 Cal.App.4<sup>th</sup> 1369 at 1382, citation also to *Escobedo v. Marshalls* (2005) 70 CCC 604, 620-621)

The Court of Appeal also made a critical distinction between respective burdens of proof on apportionment stating:

On the issue of apportionment, the burden is on the employer to show that apportionment is *appropriate*. (*Pullman Kellogg v. WCAB* (1980) 26 Cal.3d 450, 455-456; *Ashley*, supra, 37 Cal.App.4<sup>th</sup> at p. 326.) With respect to the percentage of apportionment, the burden is on the employee to show the proportion of industrial causation, but on the employer to show the proportion of nonindustrial causation. (*Escobedo*, supra, 70 Cal.Comp.Cases at p. 607. original emphasis.)

One of the distinguishing facts of this case is that there was only one physician's opinion. This was repeatedly emphasized by the Court of Appeal.

The *only* evidence in the record concerning the causative factors of Applicant's pulmonary disability came from Dr. Levister's reports. He tested her and set out the results showing sensitivity to various natural allergens. He also noted the exacerbating effects of industrial irritants such as those to which Applicant was exposed during her employment. He then concluded that *both* sets of factors contributed to her current disability. (original emphasis).

Both the WCAB and the WCJ accepted the medical opinion on apportionment, with the pivotal issue being whether the AME's report (opinion) constituted substantial evidence as to the relative percentages of apportionment. "There was *no* evidence that Applicant's disability was *solely* related to industrial exposure." (original emphasis). Neither the WCJ nor the Board rejected the general conclusion that some apportionment was appropriate. The Court of Appeal noted that if the WCJ was dissatisfied with the AME's apportionment analysis (the state of the evidence) she could have exercised her discretion to develop the record under Labor Code section 5701. However, since she did not exercise this discretion, "[w]hat she could *not* do was simply ignore Dr. Levister's opinion on apportionment. Dr. Levister's opinion was the *only* evidence in the record with respect to the issue of whether or not Applicant's disability was partially apportionable to nonindustrial causes."

**Warner v. W.C.A.B.** (2007) 72 CCC 1734(4<sup>th</sup> DCA)

**Case Summary:** CT injury ending 2/18/94, to sinuses. There was a preliminary F&A which issued on 8/27/97, on the issue of AOE/COE. This later trial involved the nature and extent of disability and related issues of apportionment (i.e., causation of disability v. causation of injury). The AME's report and opinion were deemed to constitute substantial medical evidence on apportionment based on SB 899 and current case law. Permanent disability before apportionment was 100%. Valid legal apportionment was 99.5% (unspecified non-industrial factors).

**Comments/Analysis:** This case left applicant with 0.5% industrial PD. An astounding reduction of a 100% award. I assume the WCJ rounded it up to 1% PD. Perhaps there was a need for ongoing medical care and treatment in which case the reduced award had some value.

**Khachikian v. W.C.A.B.** (2007) 72 CCC 1715 (writ denied; 2<sup>nd</sup> DCA)

**Case Summary:** Sparse facts on this writ denied case. WCJ found injury AOE/COE on a CT injury ending on 2/28/00, to applicant's psyche but no injury to alleged internal system. Applicant was a teacher. AME determined that 20% of applicant's disability was related to a non-industrial factor consisting of a personality disorder. Permanent disability before apportionment was 41%. Final award of PD to applicant after apportionment was 33%.

**Politz v. Zenith Environmental Pest Control, S.C.I.F.** (2007) 72 CCC 1725 (writ denied; 2<sup>nd</sup> DCA)

**Case Summary:** Applicant suffered an 8/28/99, specific industrial back and neck injury and a CT ending 7/99, to the back and neck. This case while only a writ denied case with limited facts, illustrates the radical change based on apportionment to causation and the broad potential net for legal apportionment under LC 4663 to pre-existing asymptomatic degenerative conditions if there is supportive substantial medical evidence. Board found 33 1/3% valid non-industrial apportionment based on the natural progression of asymptomatic degenerative disc disease involving the applicant's cervical and lumbar spine. The other interesting side note is that applicant argued (to no avail) the apportionment determination violated L.C. sections 124 and 3202. Labor Code section 124(a) provides that "[i]n administering and enforcing this division and Division 4 (commencing with section 3200), the division shall protect the interests of injured workers who are entitled to the timely provision of compensation." Labor Code Section 3202 is the familiar liberal construction section but it's application has been undercut by SB 899's changes to LC Section 3202.5 mandating that all parties shall meet their evidentiary burden of proof on all issues by a preponderance of the evidence. In essence, LC 3202 never operates as a substitute for proof but still may prove helpful in certain situations where a statute is truly ambiguous or the evidence in a case is extremely close and subject to variable interpretations by the trier of fact.

**Meszaros v. WCAB** (2006) (writ denied; 1<sup>st</sup> DCA)

**Case Summary:** Applicant suffered a November 13, 2002, admitted low back injury. She had been working for defendant for several years as a nurse's assistant. The AME indicated 42% permanent partial disability before apportionment. The AME opined that applicant's pre-existing condition caused 50% of her current disability. The WCJ awarded applicant 21% after apportionment.

Applicant's pre-existing condition consisted of multi-level degenerative disc disease which had developed over many years. The condition was asymptomatic and not labor disabling before the current industrial injury of November 13, 2002. The AME also opined that the mechanism of the current industrial injury was minor and would not have caused the same degree of disability absent the pre-existing condition. The WCAB found the AME's opinion constituted substantial medical evidence and satisfied the standards articulated by the en banc decision in Escobedo.

**Comments/Analysis:** This case illustrates a significant issue for both physicians and attorneys in terms of substantial medical evidence. The AME characterized the specific industrial injury as very "minor" in nature and therefore in terms of the cause of the applicant's resultant disability could not be a significant cause when compared to her pre-existing degenerative disc disease. Conversely, if the current industrial injury is significant or severe in nature compared to the pre-existing condition or factor, it could serve to undermine any significant apportionment under LC 4663. Depending on the particular facts of the case it might prove to be a fruitful area of inquiry in a doctor's deposition.

**Clarkson v. Verizon of California, Inc.**, (2007) 72 CCC xi; November, 2007, Cal.Wrk.Comp. P.D. LEXIS 100 (Noteworthy Panel Decision).

**Case Summary:** CT injury 7/14/03-7/14/04 to spine/back. AME's apportionment determination of 20% non-industrial constituted substantial medical evidence even though the AME's report did not expressly discuss the deleterious effects of applicant's work history in causing the back injury. However, the report did have a history of applicant's job duties and the length of his employment. Pre-existing factors related to degenerative arthritic changes to applicant's lumbar spine confirmed by review of x-rays and an MRI. Apportionment determination in large part was based upon the AME's review of the diagnostic x-rays and MRI.

**Comments/Analysis:** This is another case that demonstrates the significance of objective diagnostic studies in determining valid apportionment. While other aspects of a medical report may be lacking or not fully discussed, if a physician reviews and discusses relevant diagnostic testing, there is a high likelihood the report will constitute substantial medical evidence.

**Pena v. Alvarado Hospital** (2008) 73 CCC Sept.2008 xvi; 2008 Cal.Wrk.Comp.P.D. LEXIS 345 (Noteworthy Panel Decision)

**Case Summary:** Applicant suffered a slip and fall injury on September 8, 2006, resulting in admitted injuries to her lumbar and thoracic spine. Applicant's primary treating physician in his permanent and stationary report, determined applicant's lumbar PD using the range of motion method ("ROM") as indicated in the AMA Guides 5th Edition. The

PTP also found a ratable sleep disorder. He found no basis for legal apportionment. In contrast, the reporting panel QME determined applicant's lumbar impairment using the diagnosis related estimate ("DRE") method. He found no ratable sleep disorder. However, contrary to applicant's PTP, he did find a basis for 50% legal apportionment under Labor Code Section 4663.

This case sets forth a detailed and informative discussion of when it is appropriate to use the DRE method versus the ROM method in determining impairment. The Board upheld the WCJ's determination that the panel QME's use of the DRE method was appropriate and correct.

With respect to apportionment under Labor Code section 4663, the WCJ and Board relying on the Escobedo and Gatten cases, found the panel QME's estimate of 50% apportionment was premised on reasonable medical probability since it was based upon diagnostic MRI studies which confirmed a long history of pre-existing degenerative changes in the form of degenerative spondylolisthesis at the L4-5 level. Applicant's petition for reconsideration was denied.

**Paredes v. WCAB** (2007) 72 CCC 690 (writ denied, 6<sup>th</sup> DCA).

**Case Summary:** Applicant was employed as a tractor driver. He suffered two specific injuries and one CT injury. Involved body parts included applicant's left shoulder, neck, left lower extremity, low back, and bilateral upper extremities. The reporting physician was an AME in orthopedics. In his report of March 10, 2005, he diagnosed cervical spondylosis, post-op lumbar discectomy, and mild peripheral nerve neuropathy in the upper extremities bilaterally. With respect to the extent of permanent disability, the AME's initial report indicated the applicant's neck and back required a preclusion from semi-sedentary work. As to the upper extremities, there was a preclusion from forceful strength activities and fine manipulation with either upper extremity.

The AME apportioned 20% to the specific injury of May 20, 2000, and 70% to the specific injury of March 10, 2001. He also apportioned 10% to non-industrial factors of attritional changes of aging including a degenerative cervical disc.

The AME was deposed. He changed his opinion and indicated applicant was 100% permanently totally disabled and unable to compete in the open labor market. There were significant excerpts quoted from the AME's deposition testimony related to the apportionment issue. The AME candidly acknowledged he was confused as to whether or not the word "impairment" was synonymous with "disability" given the AMA guidelines. With respect to Labor Code Section 4663; the AME indicated there was pre-existing pathology. In assessing pathology the AME reviewed x-rays and MRI's taken of the applicant shortly after his first industrial injury. These diagnostic studies indicated mild stenosis present in the applicant's cervical spine. The AME testified he believed the underlying cervical pathology would have caused some reduction in the applicant's ability to perform work activity in the general open labor market. The case proceeded to trial. There was testimony from a rehabilitation expert. The WCJ issued instructions that the applicant was only able to work in a sheltered workshop situation and was not able to compete in the open labor market. The rater issued a rating of 100% permanent total disability on these instructions. The WCJ found applicant 100% permanently totally disabled without apportionment. He deferred a number of issues including allocation of liability between SCIF and CIGA as well as the calculation of permanent disability related to the ongoing disagreement on what formula to utilize.

Both co-defendants filed for reconsideration arguing the WCJ should have followed the AME's opinion and apportioned 10% to non-industrial factors. The WCAB granted reconsideration and amended the WCJ's Award on the apportionment issue finding 10% legal apportionment under Labor Code 4663 attributable to non-industrial pathology. There was also a focused discussion of the requirements mandated by the *Escobedo* decision. The WCAB noted that apportionment under SB 899 may be based on non-industrial pathology, "...if it is demonstrated by substantial medical evidence that the non-industrial pathology caused permanent disability." The Board also indicated it was unnecessary "to prove that the non-industrial pathology caused disability prior to the industrial injury, or that the pathology alone would have caused a particular amount of PD, absent the industrial injury." The WCAB also pointed out that the WCJ did not adhere to the requirements of *Escobedo* and was influenced by the fact the AME did not use the magical phrase or term "reasonable medical probability." With respect to the issue of approximation of a particular percentage of non-industrial disability, the fact a doctor approximates or estimates the percentage of permanent disability caused by non-industrial factors does not make the opinion inherently speculative, since an approximate

percentage is exactly what is required under Labor Code section 4663. The WCAB also noted that the Legislature specifically called for an approximation which inherently recognizes the difficulty of determining precisely the relative weight of the various causes of an employee's disability. The Board held that the AME's opinion satisfied the requirements of SB 899 and *Escobedo* for purposes of establishing 10% of applicant's disability was attributable to non-industrial causes. Applicant filed a petition for writ of review raising numerous arguments in an effort to convince the Court of Appeal to reverse the WCAB and provide applicant with an unapportioned 100% Award.

**Comments/Analysis:** While this is "only" a writ denied case is significant for a number of reasons. First, there is the issue of the pre-existing asymptomatic pathology in the form of "mild cervical stenosis and spondylosis." The diagnosis of this underlying pathology was based on diagnostic studies consisting of x-rays and MRI's taken shortly after the first specific injury of 5/20/00. The WCAB emphasized that based on SB 899 and the en banc decision in *Escobedo*, this could provide the basis for legal apportionment even if the non-industrial pathology did not cause disability before the industrial injury or "that the pathology alone would have caused a particular amount of PD, absent the industrial injury." Second, the WCAB stressed that an "approximation" of the percentage of non-industrial factors causing disability is consistent with L.C. 4663's mandate and does not result in a physician's opinion being characterized as "speculative." The AME's deposition testimony provided an adequate discussion and explanation as to the "how and why" the applicant's cervical degenerative condition was one of the causes of present permanent disability.

**Sallay v. Macy's West** (2007) 72 CCC July 2007, p. xv (Noteworthy Panel Decision)

**Case Summary:** Following trial the WCJ found permanent disability without apportionment. Defendant filed for reconsideration. The WCAB granted reconsideration and reversed the WCJ's finding of 50% valid apportionment related to applicant's left knee disability based on preexisting degenerative changes. The QME relied on a complete medical history as well as diagnostic x-rays and MRI studies of applicant's knees. The QME also set forth the basis for his opinion in the context of demonstrating familiarity with the concepts of apportionment under SB 899. The WCAB cited both the *Escobedo* and *E.L. Yeager (Gatten)* cases. Moreover at the trial level, the WCJ had improperly relied on applicant's testimony to rebut the opinion of the QME on apportionment.

**Kos v. Kimes-Morris Construction** (2007) 72 CCC xvi; 2007 Cal.Wrk. Comp. P.D. LEXIS 147 (Noteworthy Panel Decision)

**Case Summary:** Case involved a 3/18/02, specific injury to the spine. Valid/legal apportionment of 90% (degenerative disc disease) pursuant to LC 4663 of applicant's 100% total permanent disability award with the remaining 10% deemed industrial. This case involves the purported conflict between the California FEHA prohibition against age discrimination in employment (see Gov. Code sections 12940(a) and 11135) and apportionment under LC 4663. The Board construed LC 4663's mandate of apportionment to causation to permit apportionment to age related degenerative conditions on the basis section 4663 is more specific and must prevail over the more general age discrimination statutes.

**Comments/Analysis:** Evolving case law or legislation will determine whether age related conditions that are determined to be other "factors" under LC 4663 constitute age discrimination per se and discrimination "solely" based on age.

**Allen v. WCAB** (2008)(12/12/08); 6<sup>th</sup> DCA, not certified for publication).

**Case Summary:** Based on the medical evidence as opposed to the stipulations of the parties, applicant suffered a specific back injury on May 19, 2003. As a consequence, applicant had a surgical fusion.

The parties used an AME who issued a report and was deposed. Following the first trial, the WCJ relied on the AME report and also applied the 1997 PDRS. The WCJ found 40% permanent partial disability before 20% nonindustrial apportionment attributable to preexisting pathology in the form of a moderate disc collapse at L2-3 with related arthritis and stenosis. Defendant filed for reconsideration on the sole issue that the 2005 PDRS should have been used for determining disability since there was no pre-1/1/05 medical report indicating the existence of permanent disability. The WCAB granted reconsideration and then remanded the case on the limited issue of which PDRS should be applied

At the second trial, applicant's attorney changed tactics. He presented the testimony of a vocational rehabilitation expert on the loss of future earnings capacity ("FEC"). The vocational rehabilitation expert testified applicant's future loss of earning capacity was 100% based on her complete loss of "ability to work in the future." Following the second

trial, the WCJ once again found 20% of applicant's permanent partial disability was attributable to nonindustrial factors of pre-existing pathology. However, in applying the 2005 PDRS, the WCJ found applicant had permanent disability of 30% before apportionment.

With respect to three critical issues the WCJ ruled that: 1) the AME's apportionment determination constituted substantial medical evidence and was not speculative, 2) the apportionment determination did not constitute age-based discrimination under Government Code section 11135 and, 3) the testimony of applicant's vocational rehabilitation expert did not rebut or overcome the 2005 PDRS as applied to rating applicant's disability.

Defendant and applicant both filed for reconsideration. The WCAB denied petitions, adopting and incorporating the WCJ's opinion. Applicant filed a writ with the Court of Appeal. The Court of Appeal in a nine page decision addressed the following issues:

**1. The AME's report and deposition testimony constituted substantial medical evidence and was not speculative.**

The Court quoted significant portions of the AME's report and deposition testimony with respect to his opinion finding valid/legal 20% nonindustrial apportionment under Labor Code section 4663. The Court stated:

Considering his written report and deposition testimony, Dr. Haider's medical opinion that 20 percent of Allen's disability was caused by nonindustrial factors was based on considerably more than mere speculation. Dr. Haider found objective medical evidence of underlying pathology, particularly arthritis and stenosis. Dr. Haider formed his opinion by reviewing both the 2002 x-rays, taken before Allen's industrial injury, as well as more recent x-rays which showed "a compression fracture of L4 which was there before." Allen believes the Dr. Haider's opinion was based on speculation because he admitted there was no mechanism for predicting when or if Allen's preexisting pathology would have been labor disabling had she not sustained the industrial injury. Allen provides no authority for the proposition that an underlying pathology must be labor disabling before it may constitute a valid basis for apportionment. To the contrary, Allen fails to acknowledge that since the enactment of Senate Bill No. 899 in 2004, apportionment of workers'

compensation awards *must* be based on causation, not disability (Section 4663, subd. (a); *Marsh v. WCAB* (2005) 130 Cal.App.4th 906, 912.) An employer is now only "liable for the percentage of permanent disability directly caused by the injury arising out of and occurring in the course of employment." (Section 4664, subd.(a).) The Legislature enacted these provisions to "eliminate the bar against apportionment based on pathology and asymptomatic causes..." (*Brodie v. WCAB* (2007) 40 Cal.4th 1313, 1327.) Allen's contention that Dr. Haider was unable to precisely assess prior disability before the industrial injury was irrelevant as to his assessment of causation.

## **2. Alleged age-based discrimination.**

Applicant argued that the AME's opinion of 20 % nonindustrial apportionment adopted by the WCJ and WCAB constituted a violation of Government Code Section 11135, since it was an age-based classification. The Court of Appeal rejected this argument stating:

We need not determine the relationship between the Government Code provision and the workers' compensation laws here because we are not persuaded the WCAB's apportionment was based on Allen's age rather than her individual medical health. [T]he Legislature intended that apportionment of causation under section 4663 may be based on age related degenerative conditions." (*Kos v WCAB* (2008) 73 Cal Comp. Cases 529, 536 [writ den.].) Although Dr. Haider mentioned Allen was 60 years old and that it was a "factor" in her preexisting pathology, he explained that arthritis was common among individuals her age and added that "in this case I think it was more advanced than usual." As the WCJ found, "While the doctor did say age was a factor in the pathology, he meant that people develop arthritis as they age. His apportionment was to [Allen's] specific medical conditions, not simply to her being sixty years old."

## **3. The LeBoeuf Issue**

Applicant argued the WCAB should have relied on her vocational rehabilitation expert's opinion that she suffered a 100% inability to generate future earnings as opposed to 30% permanent partial disability under the 2005 PDRS. Applicant's argument rested solely and exclusively on Leboeuf. The Court in rejecting applicant's argument, indicated it

was not persuaded *LeBoeuf* applies after the enactment of SB 899 and even if it did apply, the vocational rehabilitation expert's opinion was inadequate or insufficient to rebut or override the 2005 PDRS. The Court also found applicant essentially waived the *Leboeuf* issue given the nature of the remand order.

Allen does not set forth any language in *LeBoeuf* that mandates the WCAB override the PDRS in favor of a vocational rehabilitation expert, let alone consider whether it applies after the adoption of Senate Bill No. 899. Senate Bill No. 899 repealed the requirement that the WCAB consider an injured employee's diminished ability "to compete in the open labor market" and replaced it with the obligation to consider "an employee's diminished future earning capacity", which is now statutorily defined as a schedule developed by the Division of Worker's compensation representing "a numeric formula based on empirical data and findings that aggregate the average percentage of long-term loss of income resulting from each type of injury for similarly situated employees." (Section 4660, subs.(a) & (b) (2).).

Regardless, even assuming *LeBoeuf* permits the WCAB to adopt a vocational rehabilitation expert's opinion of an employee's future earnings capacity in lieu of the PDRS, the WCAB in adopting the WCJ's reasoning, was unconvinced Ferra adequately assessed Allen's potential earnings capacity. As the WCJ explained, Ferra only considered the job of bookkeeper as relevant to Allen. The WCJ concluded Ferra's opinion was therefore "not good and sufficient on its face." Ferra's failure to consider additional jobs left the WCJ skeptical that Allen was precluded from any future earnings.

**Wallace v. WCAB** (2007) 72 CCC 561 (writ denied).

**Case Summary:** Applicant suffered an admitted 02/06/03, left knee injury. Multiple causes of disability including pathology of pre-existing asymptomatic non-disabling arthritis. WCAB rejected the AME's opinion on apportionment to pathology as being speculative. Instead, the Board relied upon the treating physician who operated on applicant's left knee. During the course of the surgery, the treating physician discovered applicant had significant pre-existing arthritis. Treating physician opined that 50% of applicant's 41% PD was non-industrial with applicant receiving a 20 ½% PD award.

**Andrews v. Freezer Queen Foods, Inc.**, (2007) (January 2008, CCC p.xiii, Noteworthy Panel Decision)

**Case Summary:** Applicant suffered two specific knee injuries on November 15, 2000, August 16, 2001, and also cumulative trauma ending on November 5, 2002. The AME pursuant to Labor Code section 4663, found valid non-industrial apportionment related to the factor of applicant's obesity. The AME opined that it was overwhelmingly medically probable applicant's obesity was a factor in causing her knee condition and resultant disability. The WCAB found the AME's opinion persuasive because it was based on accepted diagnostic tools as well as the doctor's medical expertise. More importantly, the AME provided an adequate basis and reasoning for his determination of non-industrial apportionment based on the standards articulated in Escobedo and Gatten.

**Case Comment:** The issue of obesity whether described or characterized as "morbid obesity" or "gross exogenous obesity" or by other terms, is a significant non-industrial "other factor" under LC 4663 valid legal apportionment. There are a number of cases in addition to Andrews that have found valid apportionment under LC 4663 related to obesity. See: Montague v. GAF Building Materials (2007) 2007 Cal.Wrk.Comp. P.D. LEXIS 189 (50% valid legal apportionment related to obesity); Davis v. Unikool (SCIF) (2008) 2008 Cal.Wrk.Comp. P.D. LEXIS 712 (25% valid apportionment to obesity); Republic Indemnity Co. Of America v. WCAB(Winner) (2007) 72 CCC 1175 (writ denied) (20% valid apportionment to obesity)

**Hernandez v. WCAB** (2007) 72 CCC 756 (writ denied, 3<sup>rd</sup> DCA)

**Case Summary:** The AME in orthopedics determined or found 71% overall PD, but then indicated 30% apportionment under Labor Code section 4663. The pre-existing "factors" in this case included spondylolisthesis which was not disabling before the industrial injury. The AME's opinion on apportionment was based on a review of applicant's medical history.

**Mills v. WCAB (Sunrise Builders)** (2008) 73 CCC 812; 36 CWCR 138 (writ denied; 5<sup>th</sup> DCA)

**Case Summary:** Applicant was employed as a drywaller for 43 years before starting work for defendant in 2002. His job duties were arduous based on the fact he worked as a combined drywall finisher and hanger. Prior to his date of hire, he had a documented

medical history of pulmonary problems consisting of end stage obstructive pulmonary disease.

Applicant fell from a scaffold on October 7, 2002, suffering admitted orthopedic injuries to his left foot, right ankle, both knees, hips, back, right shoulder, and ribs. He also alleged his orthopedic injury aggravated his underlying preexisting respiratory condition. Defendant denied this aspect of the claim. The parties selected an AME in orthopedics. During the course of his deposition, the AME opined applicant was 100% permanently totally disabled with his nonindustrial pulmonary condition being responsible for 60% of the combined total disability.

Applicant's QME on the other hand, determined his orthopedic injury did not contribute to the pathology of his lung disease, but that his pulmonary condition "deteriorated" much more rapidly due to the orthopedic injury. The defense QME concluded applicant's orthopedic injury did not "cause, exacerbate or aggravate" applicant's preexisting pulmonary disease which was responsible for 100% of his disability.

The case went to trial in 2007. The WCJ relied on the AME's opinion and found 40% of applicant's disability attributable to the industrial orthopedic injury, and 60% related to the nonindustrial preexisting pulmonary condition. Moreover, the WCJ determined applicant suffered no pulmonary or respiratory injury during the course of his employment with the defendant.

### **PROCEEDINGS BEFORE THE WCAB.**

Applicant filed for reconsideration contending the AME's opinion did not constitute substantial evidence and applicant's QME's report was more persuasive. The WCAB granted reconsideration issuing a separate decision adding additional reasoning to the WCJ's report and recommendation on reconsideration. The Board indicated that "...apportionment between industrial and nonindustrial factors depends upon the language used by the medical evaluators in addressing the issue of disability."

The Board also reviewed the AME's deposition and found applicant had actually suffered two separate injuries. One injury was an industrial orthopedic injury causing 40% permanent disability. Applicant also suffered a nonindustrial injury causing 60% permanent disability. As a consequence, applicant was entitled to a 40% award. Alternatively, if the WCAB had considered that the two injuries overlapped as opposed to being separate and distinct injuries, the Board would have subtracted the percentages of overlapping disabilities with applicant receiving a permanent disability award of approximately 10%.

## COURT OF APPEAL

Although applicant's injury occurred in 2002, prior to the enactment of SB 899, the matter was not submitted for decision until 2007, which resulted in the retroactive application of SB 899 and more specifically, Labor Code Section 4663. Marsh v. WCAB(2005) 130 Cal.App.4<sup>th</sup> 906 (Marsh), citing City of Fresno School District v. WCAB(Humphrey) 84 Cal.App.4<sup>th</sup> 1295. The Court of Appeal discussed at length applicant's argument related to the Humphrey case. Applicant argued SB 899 did not negate the Humphrey decision which applicant argued allowed apportionment to a subsequent nonindustrial injury overlapping with an industrial injury. The Court explained in detail that Humphrey was not only factually distinguishable, but also Humphrey focused on former Labor Code Section 4750.5 which was repealed by SB 899. Moreover, Humphrey actually involved a subsequent nonindustrial injury, not as in this case, a preexisting nonindustrial injury.

The Court then quoted a portion of the WCJ's report and recommendation on reconsideration as follows:

[T]he Humphrey case is factually distinct in that the applicant in that case suffered a nonindustrial heart attack after the industrial orthopedic injury occurred. In this case, voluminous, contemporaneous medical records clearly establish that applicant had end stage chronic obstructive pulmonary disease before the industrial orthopedic injury occurred. Based on this significant factual distinction alone, applicant's contention that Humphrey applies to this case, must be rejected. (original emphasis)

Applicant also argued that since he was able to work before the admitted orthopedic industrial injury he did not suffer from any prior disability and therefore the combined level of permanent disabilities sustained from both the industrial admitted injury and nonindustrial pulmonary condition should be entirely or largely attributable to his employment.

The Court indicated that in enacting SB 899, the Legislature specifically intended the "elimination of such liability on the part of the employer for "lighting up" a nondisabling preexisting disability, condition, or physical impairment...." The Court also stated applicant was attempting to apportion *disability* rather than causation of disability in direct contradiction to Labor Code Section 4663, subdivision (a).

The Court also rejected applicant's contention that the AME's opinion did not constitute substantial medical evidence. The AME issued three medical reports as well as being cross-examined. The AME reports were characterized as thorough, comprehensive, well reasoned, and persuasive. There was no basis or good reason to reject the opinion of an AME mutually selected by the parties because of his expertise and neutrality, citing *Powers v. WCAB*(1986) 179 Cal.App.3<sup>rd</sup> 775.

**Schaffer v. WCAB** (2006) 71 CCC 684 (writ denied, 4<sup>th</sup> DCA).

**Case Summary:** Applicant suffered a cumulative trauma injury ending August 12, 1992. She alleged orthopedic injuries as well as a compensable consequence psychiatric injury. Applicant had a variety of injuries including a severe overuse syndrome, bilateral carpal tunnel syndrome, myofascial pain syndrome, bilateral shoulder impingement syndrome, tennis elbow, and degenerative disc disease of the cervical spine. In addition she had a number of non-industrial medical and psychiatric conditions including asthma, osteoporosis, discoid lupus, obesity, insulin-dependent diabetes, hypertension, insomnia, fibromyalgia, hypothyroidism, peptic ulcer disease, gastroesophageal reflux disease, migraines, depression, anxiety, cervical disc bulging, bilateral hip pain, bilateral knee pain, and low back pain. A number of these non-industrial medical and psychiatric conditions predated her industrial injuries. Applicant was also diagnosed with a pain disorder.

The combination of applicant's orthopedic and disputed psychiatric conditions rendered her totally permanently disabled. In 2004, the WCJ found applicant's psychiatric injury was non-industrial. At the same time, the WCJ found her orthopedic injuries resulted in unapportioned permanent disability of 60%. Applicant filed for reconsideration which was granted. Pursuant to Labor Code section 5701, the WCAB appointed a psychiatrist to evaluate the applicant. He concluded that 25% of applicant's psychiatric disability was due to industrial causes and 75% was non-industrial.

With respect to applicant's orthopedic permanent disability, the WCAB found the defense QME's report constituted substantial medical evidence of a 60% orthopedic PPD without apportionment. The WCAB also affirmed the psychiatric opinion of 25% industrial and 75% non-industrial permanent disability. Combining the orthopedic and a psychiatric disability on the multiple disability table resulted in an overall permanent disability rating of 71 <sup>3</sup>/<sub>4</sub>%. Applicant filed for reconsideration which was denied and then subsequently filed a writ with the Court of Appeal. One of the issues raised by applicant was that the

WCAB had improperly disregarded a joint stipulation that SB 899 was not applicable to this case. The Court of Appeal determined the WCAB had properly disregarded the parties' stipulation since it conflicted with controlling case authorities. The Court of Appeal also agreed with the WCAB that the reports of the defense QME in orthopedics and the court appointed psychiatrist constituted substantial medical evidence in support of the 71 ¾% permanent disability award.

**Comments/Analysis:** There is no explanation as to the reason the WCAB after granting reconsideration, appointed a "regular physician"(a psychiatrist) under LC 5701. This was already after the WCJ had found no psychiatric injury AOE/COE. The other interesting issue is the WCAB's refusal to recognize the joint stipulation by the parties that SB 899 would not apply to the case since the stipulation was contrary to controlling case law and related statutes.

**Sherron v. American Cas. Co., of Reading Pennsylvania** (2008) 36 CWCR 201 (Order Denying Reconsideration).

**Case Summary:** The WCJ found applicant to be 100% permanently totally disabled before apportionment based on his inability to compete in the open labor market and lack of feasibility to benefit from rehabilitation. Applicant, a hod carrier, suffered a specific knee injury on June 30, 2003. He also alleged a compensable consequence psychiatric injury. Following trial, the WCJ determined applicant did not suffer a psychiatric injury based on the fact he had not worked for the required six months pursuant to Labor Code section 3208.3(b), and there was no "sudden and extraordinary" event exception.

With respect to the apportionment issue, the WCJ found 26% of applicant's permanent total disability attributable to non-industrial factors, specifically applicant's pre-existing learning disability. This pre-existing nonindustrial condition was confirmed by at least one of the qualified rehabilitation representatives and a QME in psychiatry.

As an aside, the WCJ applied the 1997 PDRS, since there was a permanent and stationary report in existence with work restrictions prior to January 1, 2005, even though applicant had a period of temporary total disability after January 1, 2005, related to a knee surgery. Applicant was determined to be permanent and stationary initially on June 2, 2004.

**COMMENT:** It is interesting to note that although the applicant was 100% permanently totally disabled related to his knee injury, the 100% finding was based on orthopedic factors combined with his inability to compete in the open labor market and lack of feasibility to participate in vocational rehabilitation. The 26% apportionment was based on Labor Code section 4663 attributable solely to a non-orthopedic factor of a pre-existing nonindustrial learning disability.

**Perez v. MSX International** (2008) 2008 Cal.Wrk.Comp. P.D. LEXIS 523

**Case Summary:** Following trial the WCJ awarded applicant 70% permanent disability without apportionment related to a specific injury of August 9, 2000, to applicant's left lower extremity, hip, back, buttock, left knee, and ankle. However, the WCAB rescinded the WCJ's decision on the basis that the AME's opinion did meet the *Escobedo* and *Gatten* standards and thus constituted substantial medical evidence.

The Board found valid section 4663 apportionment of 46% of applicant's overall back permanent disability was attributable to his degenerative disc disease based on an MRI taken one month after the industrial injury. The combination of the MRI coupled with the AME's detailed opinion, supported a retroactive prophylactic work restriction from heavy work that supported 46% nonindustrial apportionment related to applicant's spine.

However the same AME's opinion did not constitute substantial medical evidence to support or established nonindustrial apportionment of 50% related to applicant's knee disability attributable to pre-existing degenerative changes, since the AME failed to adequately explain "how and why" he arrived at his opinion on apportionment related to the knee.

**Comment:** This is an interesting case from two perspectives. First, we have valid 4663 apportionment to applicant's spine based on an MRI taken within a month of the industrial injury. The MRI must have shown severe degenerative disease related to applicant's spine that justified the AME basing apportionment on what appears to be a retroactive prophylactic work restriction of no heavy work. This obviously would not have constituted legal apportionment prior to SB 899/4663.

Second, while the AME's opinion related to the spine met the *Escobedo* and *Gatten* standards, the AME was not as thorough in his discussion/opinion on alleged apportionment to applicant's knee even though there was pre-existing degenerative disease. The lesson here is to dissect and isolate each medical report on a body part/condition basis to see if the doctor's opinion meets the *Escobedo/Gatten* "how and why" substantial medical evidence litmus test.

**Adamson v. Cendant Mobility** (2009) 2009, Cal. Wrk. Comp. P.D. LEXIS 110 (Panel Decision)

**Case Summary:** Applicant suffered an admitted June 30, 2000, neck injury. The mechanism of injury involved the applicant turning her neck in an “innocuous” manner resulting in her cervical injury. Applicant had related compensable consequence injuries including psyche, headaches, both upper extremities, etc.

Following Trial the WCJ found the applicant to be 100% permanently totally disabled as a result of and solely attributable to her orthopedic injuries independent of the other body parts and conditions. The WCJ did find injury to the applicant’s psyche, neck, headaches, and both upper extremities.

With respect to apportionment, the applicant’s primary treating physician indicated no legal apportionment. There was an AME in the case who issued two reports rendering an opinion that with respect to the applicant’s neck/cervical spine injury there was 75% industrial causation and 25% non-industrial apportionment attributable to the applicant’s significant underlying degenerative disease process in her cervical spine. The AME’s opinion was based on a review of an MRI of the applicant’s cervical spine taken four months after the specific injury of June 30, 2000, which showed spondylosis with osteophytes, disc bulging, and right neural foraminal narrowing at the C3-C7 levels as well as right uncovertebral spur with indentation of the right lateral process. In essence, the AME indicated the extensive multi level pathology reflected in the MRI of applicant’s cervical spine four months after the specific injury of June 30, 2000, was inconsistent with a minor specific incident or injury where applicant was injured by turning her neck.

Defendant filed for reconsideration. The WCAB reversed the WCJ and remanded the case for development of the record on apportionment with specific instructions to the WCJ.

The WCAB noted on remand that it appeared the WCJ applied the pre-SB 899 rules of apportionment as opposed to LC 4663 as adopted as part of SB 899 and as articulated in both the Escobedo and Gatten decisions. The Board noted as follows:

The language of Section 4663 does not limit the types of “other factors” that may be considered as non-industrial causes of permanent disability, then the “other factors” may include disability that was apportionable prior to SB 899,

i.e., the natural progression of a non-industrial condition or disease, a pre-existing disability, or a post-injury disabling event. In addition, the “other factors” now may include *pathology, asymptomatic prior conditions*, and retro active prophylactic work preclusions, provided there are substantial medical evidence established and these other factors have *caused permanent disability*.

As a consequence the Board found that the AME’s opinion on apportionment constituted substantial medical evidence consistent with *Escobedo* and *Gatten*.

**Godlewski v. Marketing Specialist (Wausau Insurance Company)** (2009)  
Cal. Wrk. Comp. P.D. LEXIS 162 (Panel Decision)

**Case Summary:** Applicant, a merchandiser, suffered a specific injury on November 13, 1998, to her neck and back. At Trial the matter was submitted on the medical record without testimony from the applicant. It was applicant’s contention that she was 100% permanently totally disabled. The defendants’ were asserting they were entitled to a minimum of 10% apportionment under LC 4663. The WCJ issued a Findings and Award finding applicant 90% permanently disabled with apportionment of 10% to non-industrial factors. Applicant filed a Petition for Reconsideration which was denied by the Board who adopted and incorporated the WCJ’s report and recommendation on Petition for Reconsideration.

**Discussion:** The orthopedic AME in this case evaluated the applicant on two separate occasions. He issued four reports and was deposed twice.

In terms of the factors supporting valid LC 4663 apportionment, four years before the industrial injury of November 13, 1998, applicant had a cervical spine condition that required a two level fusion at C5, 6, and 7 and in fact had plates and screws put in to her cervical spine as a result of that surgery. Moreover, related to the applicant’s lumbar spine, X-rays taken two years before the industrial injury of November 13, 1998, showed severe discogenic disease at L5-S1.

In his reports and depositions, the AME indicated that with respect to the cervical spine he was apportioning 30% to the prior fusion to the neck and also to the lumbar spine due to significant discogenic disease narrowing and stenosis. However, the WCJ in her decision found only 10% apportionment based on just the stenosis and spondylosis in the

applicant's neck alone. Also Dr. Angerman apportioned 10% non-industrial to the applicant's lumbar spine which the WCJ did not follow. As a consequence, the WCAB affirmed the WCJ's Trial decision awarding applicant 90% permanent disability after 10% valid LC 4663 apportionment.

**Comments/Analysis:** In actuality, applicant was quite fortunate that the WCJ only apportioned 10% given the severity of the applicant's lumbar spine discogenic disease confirmed by X-rays prior to her industrial injury and also the magnitude of the pre-industrial injury cervical spine surgery and the related degenerative condition.

**Knoll v WCAB (Employment Development Department)** (2009) 74 CCC 1379; 2009 Cal. Wrk. Comp. LEXIS 252 (writ denied)

**Case Summary:** Applicant suffered a cumulative injury to her wrist and hands working as an employment program representative for EDD. The reporting AME opined applicant's employment was the cause of her carpal tunnel syndrome and also affected her underlying non-industrial arthritis. With respect to apportionment, the AME indicated both the applicant's underlying arthritis as well as her carpal tunnel syndrome were contributing causes of her present disability and apportioned 50% to the underlying arthritis and 50% to the industrial employment aggravation of her underlying arthritis.

Notwithstanding the AME's opinion on apportionment, the WCJ in the first Findings & Award in 2006, determined applicant had 81% permanent disability without apportionment. Defendant filed a Petition for Reconsideration which was granted and the WCAB rescinded the Findings & Award remanding the case to the WCJ for further development of the record on the issue of apportionment.

The same AME evaluated the applicant in 2008, indicating again that with respect to the applicant's bilateral wrists and hands there were symmetric changes consistent with underlying arthritis. He again concluded, consistent with his first opinion, that apportionment should be 50% industrial and 50% non-industrial. The case was submitted for trial again and the WCJ issued a second Findings & Award finding the AME's apportionment determination was legally invalid and awarded applicant 81% permanent disability without apportionment. Defendant once again filed for Petition for Reconsideration which was granted. The WCAB reversed the WCJ's finding that the AME's opinion satisfied both the Escobedo and Gatten standard/guidelines for valid Labor Code § 4663 apportionment. The WCAB indicated as follows:

“We accept the AME's apportionment determination here, where he fully considered the significance of applicant's rheumatoid arthritis, obtained a

comprehensive medical history and obtained current X-rays. His analysis is clearly based upon his best medical judgment, is not speculative and fairly and comprehensively explains the basis for his determination. The WCJ was looking for a clear and specific delineation of the specific effects of the non-industrial factors. The AME using his best medical judgment, however, provided his own analysis of the effect of the non-industrial factors on the development of applicant's permanent disability. We are persuaded that the AME's opinion constitutes substantial medical evidence upon which a determination of apportionment must be based."

**Discussion:** This case again consistent with many of the cases finding valid Labor Code § 4663 apportionment that the doctor's opinion fully met the "how and why" substantial medical evidence standards of Escobedo and Gatten. The Board also, consistent with Gatten, indicated that evidence of prior disability or evidence of modified work performance is not a pre-requisite to valid legal apportionment under Labor Code § 4663.

**Awan v Circle K** (2010) Cal. Wrk. Comp. P.D. LEXIS 269 (WCAB Panel Decision)

**Case Summary:** The WCJ issued a Findings & Award of 36% permanent disability without apportionment related to a CT from September 13, 2004, to September 13, 2005, to the applicant's low back and lower extremities. Applicant was employed as a sales representative. Defendant filed a Petition for Reconsideration seeking apportionment based on the opinion of the AME. The WCAB reversed the WCJ and found 40% valid apportionment.

The AME in this case found 20% WPI for applicant's lumbar spine based on a DRE Category IV. However, applicant had a pre-existing underlying non-industrial congenital condition of lumbar spine instability. Before applicant suffered the industrial CT injury the underlying congenital lumbar spine instability had not caused any disability or need for treatment.

However, the underlying congenital lumbar instability was aggravated by the industrial cumulative trauma. The AME "...explained that the lumbar instability is and was primarily a result from an underlying or congenital condition aggravated by the industrial cumulative trauma warranting apportionment of 40% to the underlying pathology and 60% to the industrial cumulative trauma."

In reversing the WCJ and upholding valid 40% non-industrial apportionment to pathology, the WCAB cited Yeager/Gatten (2006) 71 CCC 1687 stating: "In fact,

apportionment may now be attributed to pathology and/or asymptomatic prior conditions provided there is substantial medical evidence establishing that these other factors have caused permanent disability.”

## **1.1 JOINT REPLACEMENT LINE OF CASES.**

**Stocks v. The Urban Group dba The Gables of Ojai** (2007) 2007 Cal.Wrk. Comp.P.D. LEXIS 233 (73 CCC February 2008 p.xxv, (noteworthy panel decision).

**Case Summary:** Applicant suffered a specific admitted injury on September 12, 2000, to the right knee and right hip. There was consequential knee replacement surgery. Applicant's disability was subject to apportionment based on pre-existing non-industrial multi-departmental knee joint degeneration. The defense QME determined the current level of disability and then parceled out causative sources.

"Although applicant's degenerative joint disease was no longer present after (sic) industrial injury due to knee replacement, according to the qualified medical evaluator pre-existing joint disease contributed to applicant's need for knee replacement which itself caused applicant pain and limitation."

Permanent disability before valid legal apportionment was 76%. Valid legal apportionment of 33% resulting in a final permanent disability award of 51%.

**Comments/Analysis:** In a recent lengthy panel decision the Board seems to have rejected what it characterized as the "Steinkamp theory". In Malcolm v. Kelly Staff Leasing (2008) 73 Cal.Comp.Cases 1710 (writ denied) 36 CWCR 176 ;(MON 323982; 323983; 6/2/08; order denying reconsideration), applicant fell on her knee which impacted her right hip. Prior to the industrial injury she suffered from severe pre-existing non-industrial multifocal osteonecrosis. She had resultant right hip replacement surgery. Following trial she was awarded 15% PD after apportionment of 25% based on an AME report finding non-industrial 4663 apportionment to the pre-existing right hip degenerative condition. Applicant argued the hip replacement surgery removed the pre-existing degenerative condition resulting in no basis to apply 4663 apportionment. The Board rejected this argument stating:

In finding, apportionment based on Dr. Berman's opinion, we decline to follow City of Concord v. WCAB (Steinkamp) (2006) 71 Cal.Comp.Cases 1203(writ denied) and Klein(sic) v. Episcopal Homes Foundation (2006) 34 CWCR 228 [2006 Cal.Wrk.Comp.P.D.Lexis 30], wherein no apportionment was found on the theory that knee replacement surgery had removed the pre-existing degenerative disease.

The results in *Steinkamp* and *Klein(sic)* are contradicted by the Supreme Court's statement in *Brodie* that the new approach to apportionment is to look at the current disability and parcel out its causative sources. In fact, the "*Steinkamp* theory" is less than ironclad because hip replacement surgery does not necessarily make the pre-existing osteonecrosis disease disappear in every case, and it begs the question of what is causing the disability now, where the need for surgery was caused by pre-existing degenerative disease in the first place.

**NOTE:** It appears the correct spelling for the *Klein* case cite hereinabove is: *Kien v. Episcopal Homes Foundation* (2006 Cal. Wrk. Comp. P.D. LEXIS 30; Noteworthy Panel Decision). Other recent cases of note finding **valid** 4663 apportionment in joint replacement scenarios include: *Markham* (2007) 72 Cal.Comp.Cases 265; *Gunter v. WCAB*(2008) 73 Cal.Comp.Cases 1699(writ denied); and *Garbarino v. Con Agra Foods, PSI*,(2008) 2008 Cal. Wrk. Comp. PD LEXIS 543.

***Williams v. WCAB(Pinkerton Security)*** (2009) 74 Cal.Comp.Cases 88 (writ denied, 1st DCA) (seven-page decision).

**Case Summary:** Applicant while employed as a security guard suffered an admitted right knee injury on May 8, 2002. Following trial a findings and award issued on November 12, 2004. Applicant received 32% permanent disability after valid Labor Code section 4663 apportionment based on a broken tibia he suffered many years before in a motorcycle accident

Subsequently, pursuant to his award of ongoing medical treatment, applicant had a total right knee replacement on November 11, 2005. Applicant filed a Petition to Reopen. There was a joint stipulation between the parties there was good cause to reopen.

In conjunction with the Petition to Reopen, applicant was examined by an AME to determine the extent of any new and further permanent disability, temporary total disability, and apportionment. The AME indicated a work restriction of semi-sedentary on a prophylactic basis related to the right total knee replacement. On the 4663 apportionment issue, the AME opined 50% of the disability was nonindustrial on the basis of severe right knee arthritis attributable to the aftereffects of the old 1990/91

non-industrial motorcycle accident, and 40% related to the industrial injury of May 8, 2002. The remaining 10% apportionment was attributable to a separate cumulative trauma injury.

The AME issued a supplemental report clarifying apportionment in terms of segregating legal apportionment and applying it only to the increase permanent disability over and above that reflected in the underlying original award of 32%. The AME also indicated the percentage figures he applied to determine nonindustrial versus industrial apportionment factors of disability were approximations based upon his expert opinion and that “applicants prophylactic work restriction was based primarily on the presence of the total knee replacement, necessitated by arthritis.”

The case proceeded to trial on the Petition to Reopen. The parties stipulated applicant had 68% overall PD before any applicable 4663 apportionment. There was a credibility aspect to the trial directly related to the apportionment issue. Applicant testified he was never told by a physician prior to the May 8, 2002, industrial injury that he was in need of a right knee replacement. However, in direct contrast to applicant's testimony, there was a medical report issued in 1997, 5 years before the May 8, 2002, industrial injury wherein applicant had been advised by his treating physician that he needed a total knee replacement.

Following trial, the WCJ issued a Findings and Award finding applicant had suffered 68% PD with no valid Labor Code section 4663 apportionment. The WCJ's determination that there was no valid 4663 apportionment was based upon her view that the total knee replacement removed the pre-existing degenerative arthritic condition and the semi-sedentary work restriction was based solely upon limitations related to applicant's artificial knee.

Predictably, defendant filed a petition for reconsideration on a number of issues including the WCJ's failure to find/determine any valid 4663 apportionment. Defendant argued that applicant's pre-existing severe arthritis was the primary cause for the total knee replacement which in turn caused additional permanent disability.

The WCAB granted reconsideration and rescinded the WCJ's decision. On the 4663 apportionment issue, the WCAB noted that the AME correctly followed the Board's 2006 en banc decision in *Vargas* limiting 4663 apportionment only to the segment or portion of any increased permanent disability over and above the 32% applicant had previously received under the 2004 Award.

More importantly, the Board stressed the AME clearly stated the prophylactic work restriction was based on applicant's total knee replacement and the need for the total knee replacement itself was due to the underlying severe arthritis. The AME's opinion constituted substantial medical evidence under both *Escobedo* and *Gatten* (*E.L. Yeager Construction Co., v. WCAB*) (2006) 145 Cal.App.4<sup>th</sup> 922) Consistent with a recent panel decision in *Stocks* and the writ denied case of *Markham*, the Board emphatically rejected the earlier 2006 panel decisions in *Steinkamp* and *Kien* which both held there was no valid 4663 apportionment related to pre-existing arthritis if the diseased arthritic joint had been removed by a total knee replacement.

The Board remanded the case back to the WCJ for further proceedings with a specific and explicit instruction for the WCJ to issue a new decision reflecting the AME's valid Labor Code section 4663 apportionment determination of 50% non-industrial.

On remand, the WCJ inexplicably ignored and disregarded the Board's unambiguous instruction and issued another Findings and Award of 68% without apportionment! Defendant filed a second petition for reconsideration. Predictably, the Board once again granted reconsideration. The Board amended the WCJ's findings on permanent disability, and attorney's fee to reflect 50% valid 4663 apportionment related to applicant's increased permanent disability. Of the overall 68% permanent disability, 36% constituted new and further disability above the prior 32% Award. Applying 50% apportionment to the 36% PD, left applicant with 18% new and further permanent disability based upon valid section 4663 apportionment. Applicant's writ petition was denied.

**Case Comment/Analysis:** In the evolving line of cases dealing with the pervasive issue of 4663 apportionment and joint replacement cases, this is the most important case to date. The Board in no uncertain terms ruled that the fact a joint replacement surgery may remove an underlying degenerative disease process or condition, does not eliminate the potential basis for valid 4663 apportionment. Based on the facts of this case, the Board held that there was a basis for valid 4663 apportionment. The salient factors emphasized by the Board were:

1. The AME reviewed an x-ray of applicant's right knee taken just days after the industrial injury showing severe degenerative changes.
2. The existence of a pre-industrial injury medical report from applicant's treating physician dated December 11, 1997 that

recommended a total right knee replacement at that time and probably in the future. Applicant was hesitant to undergo the knee replacement in 1997.

3. The AME's report at the time of the final MMI/P&S evaluation met the standards required by both *Escobedo* and *Gatten*.
4. "We agree with the majority in *Markham* that, when the medical evidence establishes that a combination of factors results in the need for surgery and consequent permanent disability, causation of the permanent disability lies with all the factors, even pathology removed by the surgery; and Labor Code section 4663 requires apportionment to those factors."

**Young v. Inns of the Monterey Peninsula** (2009) 2009 Cal. Wrk. Comp. P.D. LEXIS 183 (Panel Decision)

**Case Summary:** Applicant while employed as a front desk clerk suffered a specific injury on December 26, 2003, to her left knee. As a consequence of the knee injury applicant had a total knee replacement with a fair result as characterized under the AMA Guides. A total knee replacement with fair results indicates a 50% lower extremity impairment which converts to a 20% whole person impairment. The judge awarded the applicant 27% which reflected the adjustment for age and occupation and loss of future earning capacity. The judge also indicated no apportionment under LC 4663.

Defendant filed for reconsideration arguing that given applicant's underlying degenerative disease process there was a basis for valid LC 4663 apportionment.

The reporting AME in the case issued multiple reports. Initially he indicated that the applicant's underlying degenerative disease contributed to the response she had from the industrial injury and apportioned 50/50. The AME also indicated there was an argument to be considered raised by applicant's attorney that since applicant had a total knee replacement there was no longer any existing degenerative disease. In a subsequent decision, the AME indicated there was no valid apportionment to the pre-existing degenerative disease condition in the applicant's left knee due to the fact it was removed by virtue of the total knee replacement. "The degenerative disease in the left knee was present prior to the surgery and as a result of this surgery, this underlying disease got cured along with the treatment for the industrial injury of the left knee."

On reconsideration the WCAB affirmed the WCJ's determination that there was no valid LC 4663 apportionment. The Board noted that under the AMA Guides applicant's permanent disability rating was based exclusively on the fact of her knee replacement. In order to have valid legal apportionment under LC 4663, the Board noted that defendant would have to establish that the knee replacement surgery was caused at least in part by non-industrial factors. In that regard there was a complete failure of proof by the defendant in that they had not been able to get the AME to opine the applicant's underlying degenerative disease process in her left knee caused permanent disability by contributing to the need for the knee replacement.

**Comments/Analysis:** At first blush this early 2009 case seems to be at odds with the Board's holdings in a number of cases indicating that in joint replacement cases including knee replacements, there is a valid basis for LC 4663 apportionment. The holding by the WCAB Panel in this case, however, should put defendants on notice that they have to be very thorough in terms of substantial medical evidence by way of a doctor's report or on cross-examination an opinion that specifically indicates that any underlying degenerative joint disease process contributed to the need for any joint replacement and in this case the knee replacement. If it did not contribute to the need for the joint replacement, then based on this decision, there can be no valid LC 4663 apportionment. In essence the WCAB is laying out a roadmap for defendants on how to prove up valid LC 4663 apportionment in joint replacement cases consistent with their other recent decisions in *Stocks*, *Malcolm*, *Markham*, *Gunter*, and *Garbarino*.

**Alvizo v. State of California(SCIF)** (2009) 2009 Cal. Wrk. Comp. P.D. LEXIS 152 (Panel Decision)

**Case Summary:** Applicant, a legal secretary, suffered a cumulative trauma injury from 1986, to October 26, 1998, involving her bilateral shoulders, upper extremities, low back, bilateral feet, bilateral ankles and a non-admitted injury to her neck in the form of fibromyalgia. She also sustained a specific injury in 1986, to her left foot and right knee and also related fibromyalgia.

At the trial level the WCJ indicated that the medical factors of disability rated 90%. However, relying on the conclusions and opinions of two AMEs, one in internal medicine the other in orthopedics, determined that applicant was unable to work in the open labor market and therefore was determined to be 100% permanently totally disabled. There was no testimony from a vocational rehabilitation expert, either on behalf of applicant or defendant.

With respect to the apportionment issue, it involved a joint replacement in the form of a total knee replacement. The AME in orthopedics indicated that the applicant's knee replacement was less than successful. The WCJ did not find any valid LC 4663 apportionment related to any underlying degenerative joint disease process in the applicant's knee. The orthopedic AME was deposed twice. However, defendant failed to elicit any testimony from the AME regarding the approximate percentage of permanent disability related to the knee attributable to non-industrial factors. Moreover, the orthopedic AME indicated applicant's permanent disability was due to the poor results of her knee replacement surgery. In that regard, the defendant did not offer any evidence that non-industrial factors contributed to the poor surgical results.

Defendants' Petition for Reconsideration was denied and the Board upheld the WCJ's determination there was no valid legal basis for LC 4663 apportionment related to the applicant's knee replacement.

**Comments/Analysis:** In at least five prior cases, the WCAB appeared to consistently hold in a series of panel decisions and additional writ denied cases that the mere fact a joint replacement surgery removes the underlying degenerative disease process it does not preclude valid legal apportionment under LC 4663 if the underlying degenerative joint disease process contributed to the need for the joint replacement surgery. However, now we see in the *Young* and in this case, an erosion of those decisions to a certain extent. In the instant case valid LC 4663 apportionment was not established because defendant failed to show there were any non-industrial factors contributing to the unsatisfactory result the applicant had with respect to her knee replacement surgery. The WCJ's report on reconsideration in this case indicated that while defendant had established the need for the knee replacement surgery was in part non-industrial, it failed to establish that the permanent disability was apportionable.

**Campos v The Vons Companies, Inc.**(2010) 210 Cal. Wrk. Comp. P.D.  
LEXIS 402 (WCAB Panel Decision)

**Case Summary:** Applicant, a courtesy clerk and grocery stocker, suffered a CT from 1992 to March 1, 2004, to her bilateral knees. The Trial WCJ issued a Findings & Award in which the applicant received 39% permanent disability without apportionment. Applicant had joint employment during the CT period with Vons from August 7, 2002, to October 10, 2003, and also as a playground assistant for another employer from 1992 to March 1, 2004. The WCJ ordered Vons to administer the Award. Applicant had a right knee replacement on March 1, 2004, and a left knee replacement on March 17, 2009.

The reporting physician was an AME. With respect to apportionment, the AME initially indicated after applicant's first knee replacement in 2004, 60% apportionment to non-industrial factors consisting of her underlying degenerative rheumatoid condition and 40% to the industrial cumulative trauma. As to the 40% industrial component, 25% was attributable to Vons and 15% to the other employer.

However, after applicant's second knee replacement on March 17, 2009, the AME issued a new MMI/permanent and stationary report effectively "punting" on the apportionment issue by stating:

I would defer the issue of apportionment to the trier of fact, given the fact that this patient no longer has rheumatoid or degenerative arthritis in her knee, and her prior apportionment would be rendered moot because she has a knee replacement and should therefore have consideration for no apportionment pursuant to Labor Code § 4663, based on the complete replacement of the knee and no further evidence for degenerative rheumatoid disease.

The AME was then deposed and clarified his prior statement with respect to apportionment following applicant's knee replacement. He stated there was a legal issue on whether apportionment to non-industrial causation is proper where a total knee replacement eliminated the arthritis in the knee and that he would defer to the Appeals Board on that question. However, he still felt that "applicant's residual permanent disability results from her knee replacement surgeries". He also said "The need for knee replacement was caused by her arthritis and that the arthritis was 60% caused by her pre-existing non-industrial arthritis and 40% by her industrial aggravation."

On this medical record, the WCJ issued a Findings & Award of 39% permanent disability without apportionment. Vons filed a Petition for Reconsideration. The WCAB granted reconsideration and rescinded the WCJ's Findings & Award and substituted its own Findings of Fact and Award adopting the AME's apportionment opinion of 60% non-industrial apportionment and 40% industrial. After application of valid apportionment, applicant's 39% permanent disability Award was reduced to 16%. The WCAB deferred the issue of liability between Vons and Atascadero to subsequent mandatory arbitration.

**Comments/Analysis:** This case deals with the issue of valid apportionment to pre-existing pathology. In this lengthy and well reasoned Panel Decision, the WCAB described in detail the Escobedo/Gatten standard in terms of substantial medical evidence to support a valid apportionment determination. The Board felt the AME's opinion that 60% of applicant's knee disability was caused by non-industrial factors related to her pre-

existing underlying degenerative rheumatoid arthritis met the Escobedo/Gatten standard stating:

Thus, the case law is clear that, under the apportionment regime, there can be apportionment to pathology. Moreover, we disagree with the WCJ's assessment that Dr. Scheinberg made bare legal conclusions. Rather, we find that Dr. Scheinberg's opinion meets the standards of Gatten and Escobedo, as discussed above. In his initial report, Dr. Scheinberg adequately explained his opinion on apportionment noting that applicant had experienced right knee complaints for many years, that a pre-Vons employment, July 5, 2002 right knee MRI scan demonstrated degenerative chondromalacia in all three compartments and that applicant was being treated for rheumatoid arthritis in a number of other body parts, (i.e., her shoulders, low back, elbows, and feet).

Later, following applicant's surgeries, Dr. Scheinberg opined that applicant's need for the knee replacements was caused by her arthritis, that the arthritis was 60% caused by her pre-existing nonindustrial arthritis and 40% by her industrial aggravation, and that applicant's residual permanent disability results from her knee replacement surgeries.

On the issue of whether the bilateral knee replacements removed the underlying pathology, negating a basis for apportionment, the Board stated:

We realize that, in Steinkamp v City of Concord (2006) 2006 Cal. Wrk. Comp. P.D. LEXIS 24, writ den. sub nom. City of Concord v Workers' Comp. Appeals Bd. (Steinkamp) (2006) 71 Cal. Comp. Cases 1203, an Appeals Board panel held that because applicant's residual permanent disability was caused by his knee replacement and the symptoms associated with the replacement and because the knee replacement eliminated the underlying arthritis, there was no basis for apportionment. However, we decline to follow Steinkamp. Rather, we follow Williams v Pinkerton Security (2008) 2008 Cal. Wrk. Comp. P.D. LEXIS 880 writ. den. sub nom. Williams v Workers' Comp. Appeals Bd. (2009) 74 Cal. Comp. Cases 88, and Markham v Workers' Comp. Appeals Bd. (2007) 72 Cal. Comp. Cases 265 (writ denied), which held that apportionment was warranted where the need for the knee replacement surgery was due, at least in part, to pre-existing degenerative arthritis.(emphasis added)

**Benavides v Salinas Valley Memorial Hospital** (2010) 210 Cal. Wrk. Comp. P.D. LEXIS 273 (WCAB Panel Decision)

**Case Summary:** Applicant, a maintenance worker/custodian, received a Findings & Award on April 13, 2010, of 19% (the second Findings & Award in this case) without apportionment related to a specific November 22, 2006, injury to the right knee which resulted in a right knee replacement surgery.

Defendant filed for reconsideration arguing the Trial WCJ should have found 75% apportionment caused by non-industrial factors. The WCAB granted defendant's Petition for Reconsideration and rescinded the Findings & Award remanding the case to the trial level for the WCJ to issue a decision finding apportionment based on the opinions of the reporting QME in this case.

Applicant had a right knee replacement on January 31, 2008, with a "good result". The reporting QME indicated 75% of applicant's permanent disability to the right knee was due to non-industrial factors including prior injuries. The QME was deposed and testified that the "cause" for the right knee replacement surgery was 75% attributable to applicant's prior injuries and degeneration of the knee and 25% from the November 22, 2006, industrial specific injury. He also testified that the right knee replacement surgery had removed all of the arthritis that had been present prior to the surgery.

**Comments/Analysis:** From a procedural standpoint, this case is provocative. The WCJ issued the initial/first Findings & Award in this case finding no apportionment on July 2, 2009. The basis for the WCJ's determination of no apportionment in the first Findings & Award was that the right knee replacement surgery had removed the underlying pathology/arthritis so there is no basis for apportionment to non-industrial factors. Defendant predictably filed a Petition for Reconsideration. The WCAB granted reconsideration and remanded the case back to the WCJ for a new permanent disability rating based on the apportionment finding/determination of the QME, i.e., 25% industrial and 75% non-industrial. Moreover, the WCAB expressly rejected the WCJ's reasoning denying/disallowing apportionment by stating:

In general, the surgical removal of a diseased joint does not, standing alone, eliminate the other factors of disability. For example, if substantial medical evidence justifies finding that it was the industrial injury alone, without regard to the underlying, pre-existing pathology, that necessitated the surgery, and it is the surgical results alone that causes disability, then no apportionment may be justified.

However, if the medical evidence establishes that a combination of the underlying pathology and the industrial injury caused the need for surgery, then apportionment may be justified. In this regard, we observed that Labor Code § 4663 refers to apportionment of disability “caused by other factors both before and subsequent to the industrial injury.” If the underlying pathology existed before the injury, and if the medical evidence justifies it, there may be apportionment to the pathology existing before the surgery even after it has surgically been removed.

In this case, the WCJ chose not to follow the QME’s opinion that a portion of applicant’s permanent disability was caused by other factors, and therefore did not apportion permanent disability. Instead, he accepted applicant’s argument that removal of the pre-existing pathology during surgery removed any basis for apportionment. This conclusion is incorrect, because Dr. Mays determined that applicant required total knee replacement surgery due in part to his underlying degenerative condition and to prior injuries. Thus, under the facts of this case, the industrial injury alone did not cause the need for the replacement surgery, and therefore, there must be some apportionment of the resulting permanent disability. Dr. Mays’ opinion that there should be 75% apportionment to non-industrial factors for applicant’s right knee disability is persuasive and there is no good reason not to follow it.

We note that the position taken by the WCJ, that the surgical removal of disability causing degenerative pathology precludes apportionment to such pathology, has been disapproved in several recent Appeals Board decisions. (Williams v Workers’ Comp. Appeals Bd. (2009) 74 Cal. Comp. Cases 88 [writ denied]; Gunter v Workers’ Comp. Appeals Bd. (2008) 73 Cal. Comp. Cases 1699 [writ denied].)

In both Williams and Gunter, the Appeals Board reversed findings that there should be no apportionment of knee disability where the injured worker underwent knee replacement surgery. In Gunter, the WCJ had concluded that because the applicant underwent bilateral knee replacement, his new knees lacked the disabling arthritic condition, and thus only disability arising from the replacement surgery could be rated. The Board concluded that there should be apportionment to the “other factors” that caused the need for total knee replacement surgery. When the medical evidence establishes that a combination of factors results in the need for surgery and consequent permanent disability, causation of the permanent disability lies with all the factors, even the pathology removed

by the surgery. Apportionment to those factors is required by Labor Code § 4663.

The Appeals Board similarly held in Williams that apportionment to the underlying pathology that caused the need for the knee replacement surgery was required.

As Dr. Mays concluded here that applicant's need for total knee replacement surgery was caused both by his industrial injury and his pre-existing degenerative condition and prior injuries, Labor Code § 4663 requires apportionment to be applied to those factors.

Notwithstanding the specific remand and instructions by the WCAB after the judge's first Findings & Award of July 2, 2009, the WCJ ignored the Board's remand directions/instructions and issued a second Findings & Award on April 13, 2010, again awarding applicant 19% permanent disability without apportionment. Predictably defendant filed a Petition for Reconsideration for a second time. The Board granted defendant's Petition for Reconsideration, rescinded the Findings & Award of April 13, 2010, and returned the matter to the trial level for the judge to issue a new decision consistent with the QME's opinion on apportionment. The Board also added additional reasoning in support of why apportionment was required under Labor Code § 4663 related to the applicant's knee replacement. The Board stated:

In addition to what we said in our earlier decision, under Labor Code § 4663, "the WCAB must find what percentage of the permanent disability was directly caused by the injury and what percentage was caused by other factors." Escobedo v Marshalls (2005) 70 Cal. Comp. Cases 604, 612 (Appeals Bd. en banc) The Supreme Court has explained that "a new approach to apportionment is to look at the current disability and parcel out its causative sources-nonindustrial, prior industrial, current industrial-and decide the amount directly caused by the current industrial source. This approach requires thorough consideration of past injuries, not disregard of them." (Brodie v Workers' Comp. Appeals Bd. (2007) 40 Cal. 4th 1313, 1328 [72 Cal. Comp. Cases 565]).

The Board further buttressed its decision by stating:

The applicant's permanent disability in this case was caused, in large part, by non-industrial factors. Dr. Mays opined that applicant's need for surgery was mostly caused by non-industrial factors. It is logical to us, just as it was logical to Dr. Mays, that the same factors causing applicant's need for surgery caused the applicant's resultant permanent disability.

The provision of medical treatment does not constitute an intervening cause serving to completely break the chain of causation between the non-industrial factors leading to the injured worker's surgery and applicant's resultant permanent disability. Indeed, almost every injured worker in the workers' compensation system receives medical treatment between his or her injury and the time that the injured worker becomes permanent and stationary. If medical treatment received after an injury is held to break the causative chain of disability, taking the WCJ's reasoning to its logical conclusion, then no permanent disability would ever be subject to apportionment. Clearly, this is a result neither compelled by the language of Labor Code § 4663, nor intended by the Legislature in promulgating it.

## **2. Failure of Proof (Defense).**

**Lewis Tile v. WCAB (McCalip)** (2009) 74 CCC 53 (writ denied, 3rd DCA) (19 page decision)

Applicant while employed as a tile setter sustained a severe head injury as a result of a motor vehicle accident on November 4, 1998. He was in a coma for an extended period of time. He underwent brain surgery shortly after the injury. As a consequence of the injury and surgery, he suffered a variety of symptoms and conditions including; memory loss, seizures, physical, neurological and cognitive defects, difficulties with concentration, thinking, anger, and self-esteem.

At trial the primary issues were nature and extent of permanent disability and apportionment. Defendant alleged there was valid Labor Code section 4663 apportionment based on applicant's long history of continuous marijuana usage since the age of 13. Following trial, the WCJ found applicant's head injury resulted in 38% permanent disability after valid 4663 apportionment related to other factors consisting of applicant's marijuana use. With respect to apportionment, the WCJ relied on the opinion of the defense psychiatrist. Applicant filed a petition for reconsideration essentially arguing there was insufficient evidence to support any valid Labor Code section 4663 apportionment. The WCAB granted reconsideration and rescinded the WCJ's findings to reflect applicant suffered 100% total permanent disability without apportionment. The WCAB noted that the defense medical report was from a psychiatrist, while applicant's QME's was a neuropsychologist. Applicant's neuropsychologist opined that in brain injury cases, it is inappropriate to apportion to purely psychiatric or psychological factors since "a brain injury is completely-a completely different animal than a purely psychiatric injury." Under the 1997 PDRS, applicant probably fell under the "Post -- Traumatic Head Syndrome" category. Under the AMA guides, Chapter 13, brain injury symptoms and complications are rated under the nervous system impairment guidelines as opposed to psychiatric guidelines.

Applicant's QME report in neuropsychology was detailed, comprehensive, and better reasoned than the report from the defense psychiatrist. The Board also felt in brain injury cases, neuropsychology was the more appropriate field than psychiatry. Applicant's medical report met the Escobedo and Gatten standard for substantial medical evidence. Finally, it was acknowledged that applicant's QME had a long-established reputation as an expert in brain injury cases. All of these factors and considerations supported a 100% total permanent disability finding without apportionment.

In finding no valid 4663 apportionment, the Board stressed that "...applicant's current permanent disability is directly traced to the severe brain injury he incurred in the traffic collision and not to any pre-existing psychological factors or use of marijuana."

**Kinley v. Orange County Department of Education** (2007) 72 CCC xv; 2007 Cal.Wrk.Comp. P.D. LEXIS 109 (Noteworthy Panel Decision).

**Case Summary:** Specific injuries of 8/11/98, and 9/5/00, as well as a CT from 7/90-10/20/00. All three injuries related to the back. WCAB held the AME's apportionment determination did not meet the standards mandated by the *Escobedo* en banc decision. The AME focused on the condition of applicant's back at the time of the industrial injury (apparently the CT), and failed to state "how and why" the degenerative changes were the cause of, or contributing to 12½% of applicant's present disability of 100%.

**San Mateo County Transit District v. WCAB (Reddy)** (2008) 73 CCC 438 (writ denied)

**Case Summary:** Applicant suffered a 4/5/04 specific injury to the neck and left minor upper extremity. Applicant was awarded 33% permanent disability without apportionment based on the report of an AME. Defendant under the theory (guise) of "newly discovered evidence" attempted to get the WCJ and the Board to reopen discovery related to the WCAB case files for applicant's three prior work injuries, two of which occurred while the applicant was working for this same employer. Before the case was submitted the WCJ requested the actual physical case files under the theory they were public records and discovery would not have to be reopened. However, the WCJ's review of the computer records related to applicant's prior cases indicated that none of the cases resulted in actual Awards and therefore no 4664 conclusive presumption of permanent disability. More importantly during the course of litigation, defendant failed to take applicant's deposition. As a consequence, defendant failed to exercise due diligence in investigating the prior claims before discovery closed. Defendant failed to prove that any of applicant's current PD was attributable to his three prior workers' compensation injuries.

**Comments/Analysis:** It would seem the three prior claims/injuries involved some or all of the same body parts as the current injury. Even without the benefit of a deposition, since two of the injuries involved the same employer, it would seem there was some way for a diligent defense attorney or adjuster to obtain the medicals or other records related to the prior injuries.

**Seabright Ins. Co. v. WCAB (Fitzpatrick)** (2008) 36 CWCR 32 (3<sup>rd</sup> DCA; not certified for publication).

**Case Summary:** Applicant, a 59 year old teacher suffered a specific injury on 12/5/01, to her upper and lower back, hips, and knees. With respect to the apportionment issue, applicant's QME issued two reports. In his first report he indicated that with respect to applicant's back condition, she was limited to between semi-sedentary and sedentary work with some additional restrictions without apportionment.

Applicant's QME then issued a supplemental report in which he reviewed defense medical reports and also the Escobedo decision. He changed his opinion and apportioned 10% of applicant's permanent back disability as being caused by pre-existing asymptomatic osteopenia diagnostically confirmed by bone density studies. There were also other reports from a treating physician and defendant's QME that indicated 50% and 35% apportionment caused by applicant's pre-existing condition.

After multiple hearings and decisions the WCJ issued a final award of 68% permanent partial disability after apportionment of 10% related to applicant's pre-existing osteopenia based on applicant's QME report. Applicant filed a petition for reconsideration raising several issues including that any apportionment to applicant's osteopenia was invalid as not being supported by substantial medical evidence. Applicant also argued the apportionment determination by the WCJ assigned fault to the injured worker and apportioned to risk factors of age and gender related conditions that were discriminatory and violated both California and federal law. The WCAB denied reconsideration. Applicant filed a writ with the Court of Appeal.

The Court of Appeal reversed the WCAB's apportionment determination indicating there was insufficient reasoning and explanation from applicant's QME as to the reason or reasons for the change in his apportionment determination reflected in his supplemental report. In his supplemental report, the QME merely stated he had reviewed the Escobedo decision and he felt it required apportionment and then simply "threw out the 10% figure

without analysis." The Court of Appeal characterized this as an unexplained and unsupported conclusion which did not constitute substantial medical evidence. As to applicant's arguments of age and gender discrimination, the Court of Appeal held that on remand the WCAB might determine that apportionment was unwarranted so there was no need to address these issues. However, they did note that on the present record, applicant had failed to support her argument or allegation that osteopenia is age and gender related discrimination with sufficient supporting authority. The WCAB's decision was vacated and remanded for further proceedings.

**Comments/Analysis:** The CWCR's editor's note reflects this was the second opinion from the Third DCA dealing with alleged age and gender discrimination. The first was *Vaira v. WCAB* (2007) 72 CCC 1586, 35 CWCR 307, where the Court was careful to point out the distinction between apportionment to age related conditions contributing or causing PD versus apportionment to age or gender alone.

The more provocative issue is one of possible reverse discrimination since the PDRS is structured to award higher PD ratings and greater benefits to older workers.

**Asher v. Pactiv Corp.** (2008) (Noteworthy Panel Decision)

**Case Summary:** Applicant received an award of 33% permanent disability without apportionment related to a November 21, 2002, low back injury. The AME opined there was legal/valid apportionment based on Labor Code section 4663 attributable to applicant's pre-existing degenerative disc disease. However, the AME's opinion on apportionment was rejected as conclusory and therefore not consistent with the standards articulated in *Escobedo* related to substantial medical evidence. There was no "how and why" analysis and a failure to "quantify" how applicant's degenerative disc disease contributed ("caused") a percentage of permanent disability. More importantly, there was no discussion or analysis by the AME to distinguish applicant's pre-existing degenerative disc disease as being solely or directly related to the aging process itself as opposed to being a factor that is age variable. If apportionment to a pre-existing degenerative disc disease condition is based solely or exclusively on age, it may constitute a form of discrimination prohibited by Government Code section 11135(a).

**Coca Cola Bottling Co., v. WCAB(Saucedo)**(2006) 71 CCC 279 (writ denied; 2<sup>nd</sup> DCA).

**Case Summary:** Applicant was employed as a forklift operator. He suffered a specific admitted injury on June 11, 2001, to his back and left leg. He also alleged a cumulative trauma injury to his back, left leg, and carpal tunnel during the period 1976 to June 11, 2001. Applicant's first treating physician took x-rays of his lumbar spine and diagnosed him with lumbosacral syndrome with degenerative disc disease and left radiculopathy. Applicant changed treating physicians. The second treating physician ordered an MRI which indicated the applicant had a scoliotic curve in his spine. He diagnosed applicant with spondylosis of the lumbar spine and attributed his back problems to obesity. Applicant weighed approximately 300 pounds. The second treating physician recommended applicant undergo a weight loss program. After the specific injury of June 11, 2001, applicant continued to work full time as a fork lift operator with no lost time from work.

The parties used an AME in orthopedics. He issued an initial report dated November 17, 2003. The AME noted applicant's obesity. He found applicant had suffered a CT injury in addition to the specific injury. Both injuries became P&S on different dates. Significant work restrictions were imposed by the AME. With respect to apportionment of disability between the two injuries, the AME determined the CT injury was responsible for 100% of the disability to applicant's wrists. The specific injury was responsible for 100% of the disability to applicant's low back and left ankle. The AME issued a supplemental report and was deposed. With respect to the issue of apportionment, he testified the MRI findings related to applicant's spine could be due to the "evolutionary" process, but it would be speculative to consider these changes contributed to applicant's back problems.

The first trial on all issues including PD and apportionment occurred in October of 2004. Applicant testified that he continued to work without any lost time but worked with significant pain. The WCJ awarded applicant 83% PPD without apportionment. Defendant petitioned for reconsideration raising the issues of overlap and duplication. In response, the WCJ vacated her award and the case was set for another trial with the rater crossed examined on alleged overlap/duplication issues. In May of 2005, the WCJ issued her second F&A, once again awarding applicant 83% permanent disability without apportionment. Defendant filed a second petition for reconsideration alleging the AME's reports and deposition testimony did not constitute substantial medical evidence since he failed to address apportionment under Labor Code sections 4663 and 4664 as interpreted in the Escobedo decision.

In her report on reconsideration, the WCJ recommended that reconsideration be denied. She indicated the AME adequately addressed apportionment under both Labor Code sections 4663 and 4664. Based on both the AME's opinion and applicant's credible trial testimony, the WCJ found no legal basis for apportionment to applicant's non-industrial degenerative disc disease. The Board adopted and incorporated the WCJ's report without further comment on the issues.

**Comments/Analysis:** The lesson in this case involves the intersection of advocacy and burden of proof. The first issue relates to what objective evidence there was to support 83% PD. The available facts do not discuss any significant diagnostic test findings as to any of the involved body parts or any surgical history. In terms of potential apportionment, the lumbar MRI showed degenerative disc disease and scoliosis. Second, the best opportunity for defendant to establish valid legal apportionment under LC 4663 was at the deposition of the AME. Either the MRI findings were minimal with respect to applicant's lumbar degenerative disc disease or applicant's attorney was successful in getting the AME to testify that any attempt to apportion to the underlying degenerative disc pathology would be speculative. There was no mention or reference to the *Gatten* case, so perhaps this case was decided prior to the Court of Appeal's decision in *Gatten*.

**Grossmont Hospital v. WCAB(Powell)** (2007) 71 CCC 85 (writ denied).

**Case Summary:** Applicant suffered a specific injury on January 31, 1998, related to her back, bowel, bladder, and psyche. She was employed as a registered nurse. Applicant's treating physician found her permanent and stationary as of September 14, 2001, limiting her to semi-sedentary work. He issued a supplemental report on January 27, 2003, after reviewing the findings of applicant's vocational rehabilitation counselor who opined applicant was not vocationally feasible due to her disability. As a consequence, applicant's treating physician declared her 100% permanently totally disabled.

Defendant's QME determined applicant to be permanent stationary on January 5, 2000, limiting her to heavy work and from constant prolonged sitting or prolonged standing such that she would be unable to be in a weight-bearing position for greater than four hours during the course of an eight hour workday. He also issued a supplemental report disputing applicant was 100% permanently totally disabled.

Following trial, the WCJ issued a findings and award on June 16, 2005, finding applicant to be 100% permanently totally disabled with no apportionment. Defendant filed a

petition for reconsideration of raising a number of issues including apportionment. In his report on reconsideration the WCJ indicated he had reviewed the en banc decision from the board in *Escobedo*. He also indicated defendant had the burden of establishing the approximate percentage of permanent disability that was not caused by the industrial injury. Based on his review of the defense QME report, the WCJ concluded defendant had not met its burden on apportionment.

He characterized the QME's determination of apportionment as not constituting substantial evidence since it was conclusory and contradictory. The defense QME premised his apportionment determination on the fact applicant had symptomatic arthritic disease related to her back prior to the specific injury to January 31, 1998. The defense QME indicated 50% of applicant's current impairment was related to her industrial injury and 50% related to factors outside of the industrial injury. The WCJ commented on the fact the defense QME offered no basis or reasoning for the percentages he assigned other than the fact applicant had pre-existing arthritis which was in part due to the natural aging process.

The WCJ also pointed out that portions of the defense QME's report were inconsistent. The significant inconsistency related to the fact the defense QME indicated the *predominant* cause of applicant's current level of disability or impairment was related to non-industrial factors not related to the industrial injury to his back. The judge did not understand that if non-industrial causes were predominant then why did the defense QME reach an apportionment determination of 50% industrial and 50% non-industrial. As a consequence he concluded the defense QME's determination that 50% of the applicant's disability allegedly attributable to degenerative arthritis was not convincing. The WCAB denied reconsideration and adopted and incorporated the WCJ's report.

**Comments/Analysis:** The Court of Appeal in denying defendants writ made several interesting observations. Since both medical reports contained apportionment determinations they met the threshold requirements of LC 4663 and *Escobedo*. The Court indicated both reports did not constitute substantial medical evidence because the respective apportionment determinations were conclusory. However, it does not matter that applicant's report is conclusory and therefore does not constitute substantial medical evidence because it is defendant that has the burden of proving legal apportionment. Since the defense QME's report did not meet the substantial evidence test, defendant was unable to meet its burden of proof.

**Sierra Bible Church v WCAB (Clink)(2007) 72 CCC 21 (writ denied, 5<sup>th</sup> DCA)**

**Case Summary:** Applicant suffered a specific back injury on June 17, 2002, while working as a custodian. She was examined by an AME in orthopedics. The AME issued an initial report dated September 23, 2004, in which he determined applicant's permanent partial disability was solely attributable to the specific injury of June 17, 2002, without apportionment. The AME issued a second report on January 19, 2005, essentially affirming his previous report of no apportionment. The AME was deposed on March 24 2005, and completely reversed his prior opinions, indicating non-industrial apportionment of 75% allegedly attributable to applicant's underlying degenerative disc disease.

Following trial, the WCJ found 75% of the applicant's disability was attributable to the pre-existing degenerative disc disease based on AME's deposition. Applicant was awarded 25% permanent partial disability with a dollar value of \$16,277.50 and future medical care and treatment. Applicant filed a petition for reconsideration. The primary contention/argument on reconsideration was that the WCJ's apportionment determination was invalid and inconsistent with the Escobedo decision. The WCJ in his report on reconsideration recommended the WCAB deny reconsideration and that his apportionment determination of 75% to non-industrial causation should be affirmed. The WCAB granted reconsideration and reversed the WCJ.

Defendant filed a writ. The Court of Appeal quoted large portions from the cross-examination/deposition testimony of the AME. While the AME in general terms identified the specific type of degenerative disc disease process he failed to indicate the applicant personally suffered from any underlying pathology as opposed to the general population. The AME opined that every individual after the age of 20 begins to suffer from a particular type of degenerative disc disease and there may be no symptoms. The Court of Appeal was careful to distinguish the facts in the present case from those in the Gatten case. In Gatten, the injured worker had pathology but with related symptoms and treatment. In Gatten there was also a definitive diagnostic MRI taken before the industrial injury that showed degenerative changes had already begun. In the instant case, there was apparently no MRI diagnostic study that demonstrated the nature and severity of any changes attributable to applicant's degenerative disc disease process.

In essence the AME's opinion was speculative and did not constitute substantial medical evidence to establish apportionment under Labor Code section 4663. The WCAB awarded applicant 77% permanent partial disability without apportionment.

**Comments/Analysis:** The WCAB and the Court of Appeal were both perplexed by the fact that the AME issued two separate medical reports finding significant permanent disability without apportionment, and then reversed himself completely during his deposition and found 75% non-industrial apportionment. A careful reading of the excerpts of the AME's deposition confirm that the percentage figure was not supported by any detailed discussion as to "how and why" a progressive degenerative disc disease purportedly common to anyone over the age of 20, was causing actual disability personally to this injured worker.

**Fry's Electronics v. WCAB(Moghadam)** (2007) 72 CCC 131(writ denied, 6<sup>th</sup> DCA).

**Case Summary:** The WCJ relying on a range of the medical evidence awarded applicant 80% permanent partial disability without apportionment. Defendant filed a petition for reconsideration claiming the WCJ should have apportioned 25% of the applicant's permanent disability to his pre-existing back injury with related surgery and pathology based on the Defense QME report. Applicant had a prior 1969, back injury which resulted in surgery in the form of disc fusion.

On reconsideration, defendant alleged that both Labor Code sections 4663 and 4664 were applicable. The WCJ indicated that section 4664 was not at issue since there was no prior award of disability. Therefore the discussion on apportionment focused exclusively on Labor Code Section 4663 and whether defendant had met its burden of proof under the standards articulated in the Escobedo en banc decision. There was an extensive excerpt from the WCJ's report on reconsideration. The WCJ indicated the defense QME failed to adequately explain or discuss "how and why" the applicant's prior back injury and related surgery with resultant pathology was the cause of any of his current disability. The WCJ indicated it was not sufficient to show there is pathology without an explanation of how and why the pathology caused either a pre-existing actual work restriction or eventual permanent disability. Applicant testified he had completely rehabilitated himself from his prior 1969, back injury and related surgery and had no work limitations for approximately 20 years before his industrial injury. Moreover, the

defense QME did not provide the reasoning behind his choice of 25% as the specific figure for apportionment. The WCJ concluded the defense QME's report was not supported by sufficient reasoning. The WCJ also opined she felt that if an industrial injury lights up a quiescent condition which would not have caused disability absent the intervening industrial injury then apportionment is not warranted. The WCJ was also careful to point out that in previous decisions on other cases she had found legal apportionment based on pathology when the *Escobedo* requirements had been satisfied.

**Kaiser Foundation Hospitals v. W.C.A.B.(Tremoureaux)**(2006) 71 CCC 538 (writ denied; 6<sup>th</sup> DCA)

**Case Summary:** One of the injuries in this case involved an old cumulative trauma ending June 1, 1989, to applicant's wrist. With respect to the old injury, applicant received a stipulated award on November 6, 1996, of 18 ¾% permanent disability. There were also two new dates of injury including a July 24, 1998, specific and a CT ending October 30, 2000. Both of the new injuries involved applicant's upper extremities.

A trial was held on March 30, 2005, with the primary issues being permanent disability and apportionment. At trial applicant asserted she was 100% permanently totally disabled based on the reports of her treating physician. She also argued she was entitled to a finding or determination of 100% permanent total disability pursuant to the conclusive presumption set forth in Labor Code section 4662. Applicant also argued defendant was not entitled to subtract on a percentage basis, her old award of 18 ¾% permanent disability and was only entitled to take credit for the total permanent disability payments made under the prior award.

The defense QME agreed applicant was 100% permanently totally disabled. However, defendant argued applicant was only entitled to an 81 ¼% percent permanent disability award after apportionment and subtraction of her prior 18 ¾% permanent disability award.

The WCJ issued a joint findings and award on June 21, 2005, awarding applicant 81 ¼% permanent disability after apportionment and subtraction of the 1996, stipulated award of 18 ¾% permanent disability pursuant to Labor Code Section 4664(b). Applicant filed for reconsideration. She argued that she was entitled to the conclusive presumption of permanent total disability pursuant to Labor Code Section 4662 since she suffered the loss of use of both hands. Applicant also argued the WCJ committed error in apportioning any of her current total permanent disability award to the prior stipulated award under Labor Code Section 4664.

In his report on reconsideration, the WCJ recommend reconsideration be granted and that applicant should be awarded 100% permanent total disability and agreed with applicant's contention the conclusive presumption of permanent total disability under Labor Code Section 4662(b) applied. The judge also indicated the subtraction method of apportionment pursuant to Labor Code Section 4664 (b) was inappropriate.

The WCAB granted reconsideration. In the Board's opinion and decision after reconsideration, the panel amended the WCJ's decision finding applicant was 100% permanently totally disabled pursuant to the conclusive presumption of labor code section 4662(b). That presumption of total permanent disability was based on medical evidence indicating applicant had lost the use of both hands. While the Board made reference to the case of *Nabors v. Piedmont Lumber and Mill Company* (2005) 70 CCC 856, the panel also indicated *Nabors* did not apply to the facts of this case. *Nabors* involved a straight subtraction method of apportionment.

Here, we conclude that, although section 4664(b) applies and, therefore, it is conclusively presumed that applicant's 18.75% permanent partial wrist disability existed at the time of the subsequent injuries at issue herein, the conclusive presumption of permanent total disability pursuant to section 4662(b) also applies and precludes apportionment of any kind, including apportionment to a prior award under section 4664(b).

The WCAB concluded that evidence of the applicant's prior award could not be used to rebut the Labor Code Section 4662(b) conclusive presumption of permanent total disability.

Moreover, our conclusion that the evidence of prior disability under section 4664(b) cannot rebut the conclusive presumption of permanent total disability pursuant to section 4662(b) is supported by the plain language of section 4664(c)(1), which precludes the "accumulation of all permanent disability awards issued with respect to any one region of the body" from exceeding 100% over the injured employees lifetime "*unless the employee's injury or illness is conclusively presumed to be total*" (Italics added by WCAB.) pursuant to section 4662. Properly, therefore, as applicant's permanent disability for the loss of use of

both hands is conclusively presumed to be total pursuant to section 4662(b), her lifetime accumulation of awards for her upper extremity “region of the body” under section 4664(c)(1), may exceed 100%.

**Gibson v. Mendocino Solid Waste Management Authority** (2007) 72 CCC xiii; 2007 Cal.Wrk.Comp. P.D. LEXIS 104; 36 CWCR 39(Noteworthy Panel Decision).

**Case Summary:** Applicant suffered a cumulative trauma injury to the neck. Defendant argued there was a valid legal basis for apportionment based on “normal” degenerative changes. A report from a panel QME opined that 75% of applicant’s 37% permanent disability was industrial and 25% was attributable to the “normal” degenerative changes. The panel QME’s apportionment determination did not constitute substantial medical evidence due to failure to explain the basis for his percentage determination. There was no “how and why” discussion by the doctor as to the reason applicant’s degenerative changes were the cause of 25% of his current disability.

The unrepresented employee alleged a cervical injury of uncertain date. It appears from the facts the employer sent the worker to a treating physician who issued a report on May 29, 2003. The treating physician found the employee had the onset of right shoulder and right arm complaints in approximately April of 2002. The treating physician also determined there was no specific injury and concluded applicant suffered a cumulative trauma injury ending on February 7, 2003.

The employer then initiated the unrepresented panel QME process with the employee. The unrepresented panel QME found the worker permanent and stationary in early 2005, with work restrictions. In terms of apportionment and injury dates, the unrepresented panel QME indicated that 50% of applicant’s disability was attributable to a specific injury, 25% was attributable to a CT injury, and 25% to “normal degenerative aging”.

Defendant then obtained a private rating of the panel QME report which rated 32% after application of 25% apportionment due to the “degenerative aging process.” Based on this private rating, defendant and the unrepresented employee, entered into a Request for Stipulated Award of 32%. The requested Stipulated Award was filed with the WCAB. The presiding judge reviewed the case and sent the unrepresented panel QME report to the DEU for a rating. The DEU rating reflected 45% permanent disability without apportionment. The presiding judge also noticed the date of injury might be in error and set the case for a hearing on adequacy before another judge.

At the conclusion of the adequacy hearing, there was a defense motion to obtain a supplemental report from the panel QME on the issue of apportionment. The WCJ denied the motion. A findings and award issued on July 16, 2007. Applicant received 37% permanent disability without apportionment. The judge also disapproved the proposed Stipulations with Request for Award that had been previously submitted. Defendant filed for reconsideration alleging there was no evidence to support a cumulative trauma injury. Defendant also argued a supplemental report from the panel QME should have been obtained. Third, the permanent disability award was subject to apportionment.

The WCJ prepared a report on reconsideration which discussed in detail the procedural requirements for unrepresented workers in non-litigated and litigated cases. With respect to the non-litigated process, the unrepresented panel QME report is supposed to be sent to the DEU for a summary rating. If there is an apportionment issue in the unrepresented panel QME report, the case is referred to a WCJ for a determination as to whether or not the claimed apportionment is legal. Only after the DEU summary rating is prepared and served on the parties do other options come into play. The parties have the option of settling the case based on the summary rating. If there is no settlement based on the summary rating, either of the parties, can file an application for adjudication and the case then becomes litigated.

In this particular case defendant failed to follow the required procedures for unrepresented workers in the non-litigated track. First, while the case was still in the non-litigated posture they ordered a private rating and formulated a settlement. By doing so they essentially “gambled” as to whether or not the proposed settlement would be approved. Once the proposed settlement was submitted for approval, the evidentiary record remained closed unless the assigned WCJ finds good cause to develop the record. In this case there was no excuse or justification for defendant’s failure to follow the proper procedures in processing a settlement related to an unrepresented worker in the non- litigated track.

With respect to the apportionment issue, the WCJ stated that in his opinion no experienced workers compensation professional would conclude that the unrepresented panel QME’s apportionment determination was valid/legal. This was because the panel QME did not explain his reasoning at all. The QME’s apportionment determination was a mere conclusion without supportive reasoning. If the defendant actually wanted a determination as to whether or not apportionment was legal they should have filed an application and then obtained a report constituting substantial medical evidence on apportionment. If defendant had filed an application for adjudication they would have had the opportunity to cross-examine the panel QME and also may have obtained a supplemental report. In this case defendant did neither.

There was also an issue related to the date of injury. The WCJ relied on the initial treater's opinion which was more persuasive than the panel QME on the date of injury issue and also that applicant suffered a CT injury as opposed to a specific injury. The WCAB adopted and incorporated the WCJ's report on reconsideration as their own.

**Yellowhair v. Hair Masters** (2008) 2008 73 CCC xiii (September); 2008 Cal. Wrk. Comp. P.D. LEXIS 356 (Noteworthy Panel Decision).

**Case Summary:** Applicant suffered a 9/14/2004, injury to her head and neck. The WCJ originally awarded applicant 24% permanent partial disability before apportionment based on Labor Code section 4663 of 25% industrial and 75% to a subsequent nonindustrial motor vehicle accident. On reconsideration, the WCAB reversed the WCJ's permanent disability finding of 24% reducing it to 16% before apportionment, since there was no substantial evidence that applicant sustained a shoulder injury that accounted for 8% of the original 24% permanent disability awarded by the WCJ.

On the apportionment issue, the WCAB also reversed the WCJ's Labor Code section 4663 apportionment determination, on the basis the reporting QME provided no analysis or basis for his apportionment determination under the standards set forth in Escobedo v. Marshalls(2005) 70 CCC 604 (en banc). As a consequence, the WCAB awarded applicant 16% permanent disability without apportionment.

**Guild v. Kaiser Foundation Hospital, Kaiser Permanente Medical Care Program** (2009) 2009 Cal. Wrk. P.D. LEXIS 123 (Panel Decision)

**Case Summary:** In this very lengthy twelve page panel decision, the WCAB affirmed a WCJ's determination that applicant was 100% permanently totally disabled without any valid orthopedic LC 4663 apportionment but with valid LC 4663 apportionment related to the applicant's psychiatric injury. However, the applicant was deemed to be 100% permanently totally disabled on the orthopedic injury/aspects of the case so the valid LC 4663 apportionment related to the psychiatric claim was essentially moot.

**Facts:** Applicant, a registered nurse, suffered a specific injury on February 17, 1996, to her back and a compensable consequence psychiatric injury. Applicant had three back surgeries and also was characterized as having failed back surgery syndrome. It was determined or established that prior to her back injury of February 17, 1996, applicant

had an underlying degenerative joint disease process in the form of a Grade I (first degree) spondylolisthesis at L5-S1. The AME in the case issued numerous reports over several years and was also deposed on numerous occasions. With respect to LC 4663 apportionment related to applicant's back/orthopedic condition the AME preliminarily indicated that applicant's pre-existing pathology in the form of spondylolisthesis caused approximately 15% of her overall back permanent disability. He also indicated that applicant had a number of subsequent back injuries related to slip and falls, etc. that he thought were also apportionable in the sense they were causing approximately a 20% standard or equivalent to a preclusion from heavy lifting when all the post February 17, 1996, injuries were taken into consideration.

However, the WCAB in making a determination of no valid LC 4663 non-industrial apportionment either before applicant's specific injury of 1996 to the pre-existing spondylolisthesis, or to the subsequent injuries provided a comprehensive and detailed analysis.

**Discussion:** The Board agreed with the AME the applicant did have an underlying degenerative joint disease process that clearly existed before the industrial specific injury. However, the Board also indicated there was no basis for LC 4663 apportionment to the applicant's pre-existing spondylolisthesis for different reasons than the AME concluded. Essentially the Board noted that prior to applicant's first spine surgery her spondylolisthesis was stable and non-symptomatic. It was the industrial injury and the first back surgery that caused the applicant's underlying degenerative joint condition in the form of spondylolisthesis to destabilize causing these conditions to become worse. The applicant's first back surgery was necessitated by her industrial injury. The Board indicated that "In light of this, we concluded the disability related to applicant's spondylolisthesis and spondylolysis was a "direct result" or "directly caused" by the industrial injury within the meaning of sections 4663(c) and 4664(a)." The Board also noted that this analysis or assessment was consistent with a long line of "compensable consequence" cases suggesting that where an employee's disability is caused or increased by industrially-related medical treatment, such disability is considered to be the direct and natural consequence of and relate back to the original industrial injury citing the *Heaton*, *Fitzpatrick*, *Deauville*, and *Hazelweldt* cases.

With respect to defendants' contention there was valid legal apportionment to a series of non-industrial injuries the applicant had after the specific industrial injury of February 1996, the Board indicated that the extent and effect of applicant's subsequent injuries was essentially too vague to support valid legal apportionment under LC 4663.

However, the Board did indicate that under the principles of overlap under both LC 4663 and 4464, disability is apportionable only to the extent that there is overlap. The Board did note that with respect to the applicant's back, there was overlap between the underlying overall limitation of sedentary work which rates a 70 standard under the old schedule and a preclusion from heavy lifting which rates a 20% standard which was what the AME attributed to the series of back injuries the applicant had after the industrial injury. However, the overlap of factors of disability was negated by the fact the AME had rendered an opinion in his deposition that on some days the applicant's pain symptoms were so bad she basically was confined to home, was not capable of maintaining a work schedule on a regular basis, and would have difficulty maintaining even a four hour work day and would need to take a break of a minimum of ten minutes every hour. Since these are independent factors of disability, there is no overlap between these four factors of orthopedic disability and the preclusion from heavy lifting. These four factors alone absent any other factors of disability rate 100%.

**Manes v Tenneco, Inc.** (2010) 2010 Cal. Wrk. P.D. LEXIS 299 (WCAB Panel Decision)

**Case Summary:** A Findings & Award issued finding that applicant, a shipping clerk, suffered a cumulative trauma to his left shoulder and neck causing permanent total disability (100%). The WCJ rejected a 2% apportionment determination by the AME. Defendant filed a Petition for Reconsideration.

The AME apportioned 2% permanent disability to cumulative non-industrial trauma of activities of daily living and leisure and recreational activities described in part as:

“...small game hunting and fishing on vacations and weekends. He built non-flying plastic model airplanes five to six hours per week. He engaged in light gardening such as planting a small vegetable garden and tending to the vegetable plants five to six hours per week. He shot pool six to ten hours per week and swam three to four hours per week. He went camping and traveling on vacations and weekends. He did not use a home computer.”

In rejecting the AME's apportionment determination/opinion the WCAB found it did not meet the Escobedo/Gatten standard of substantial evidence. In that regard the Board stated:

Unlike the medical reports in Escobedo and Gatten, the AME report in the present case does not offer an explanation as to how and why any of

applicant's non-industrial activities contributed to his current disability. Dr. Rudner mentions no prior symptoms, treatment, testing, or diagnosis related to any non-industrial activities or conditions.

To further explain why the AME's opinion on apportionment did not constitute substantial medical evidence under the Escobedo and Gatten standard the Board stated as follows:

As the Gatten Court explained, pre-injury treatment, symptoms, or disability is not necessary to find apportionment under post-SB 899 law; but, in Gatten, the reporting physician relied on an MRI, taken soon after the injury, which showed pre-existing degenerative changes. In this case, the AME gives no reasons for his conclusion on apportionment. He points to nothing to show a connection between applicant's disability and his non-industrial activities. Dr. Rudner does not even state which body part is disabled as a result of the "cumulative nonindustrial trauma." A list of activities of daily living and recreational activities, appearing in the same report as a conclusory and general statement that 2% of applicant's permanent disability is attributable to those activities, does not satisfy the standards established in Escobedo and Gatten.

### **3. Range of The Medical Evidence.**

**O'Nesky v. W.C.A.B.** (2007) 72 CCC 1555 (writ denied).

**Case Summary:** Industrial 7/8/96, right knee injury. Applicant also suffered a subsequent 2003, non-industrial incident/injury involving a horse falling on his right leg. WCJ relied on the applicant's QME to determine overall PPD but then used the range of the evidence standard in determining the percentage of apportionment. Part of the WCJ's apportionment determination was based on applicant's lack of credibility in describing his right leg injury and resultant disability from the 2003, horse incident when compared to the actual treatment records. Prior to apportionment, applicant had 55% PD. Application of 50% non-industrial apportionment reduced his award to 27 ½%.

**Comments/Analysis:** Two things are significant in this case. First, we have a non-industrial injury that is 7 years "subsequent" to the industrial injury as the basis for apportionment. Second, the WCJ's used the range of the medical evidence on the percentage of apportionment attributable to the 2003, subsequent horse injury. Although the respective apportionment percentages are not specified in the case summary, it can be assumed that applicant's QME probably had little if any apportionment attributable to the 2003 injury, while the defense QME's apportionment percentage figure no doubt exceeded the 50% used by the WCJ.

**Kooy v Lawry's Restaurant** (2007, Panel Decision MON 0218864; MON 0218866)

**Case Summary:** Applicant received an award of 71.25% PD after apportionment. Defendant filed for Reconsideration alleging among a number of issues that the WCJ erroneously determined the extent of apportionment based on the "range of evidence." There were two AME reports. One report was in psychiatry and the other in rheumatology. The AME in psychiatry opined that 10-40% of applicant's overall PD was caused by non-industrial factors. The AME in rheumatology indicated non-industrial apportionment in the range of 10-20%. The Board denied reconsideration noting that the WCJ did not actually apply the range of the evidence standard since there were only

separate reports from AME's in different fields. However, the Board stated:

Furthermore, we are not persuaded by defendant's assertions, without supporting legal authority, that it is error to determine the extent of apportionment based on a "range of evidence." Rather, as we previously noted, "an apportionment determination may properly be made by a WCJ based on a range of evidence."

**Important citation:** With respect to the WCAB's overall discretion to use range of the medical evidence is the California Supreme Court case of *US Auto Stores v. WCAB* (1971) 4 Cal.3d 469; 36 Cal.Comp.Cases 173. "A WCAB decision is supported by substantial evidence if the degree of disability found by the referee is within the range of evidence in the record. It is not necessary that there be evidence of the exact degree of disability." (at pp 474-475).

**Guild v. Kaiser Foundation Hospital, Kaiser Permanente Medical Care Program** (2009) 2009 Cal. Wrk. P.D. LEXIS 123 (Panel Decision)

**Case Summary:** Applicant, a registered nurse, suffered a specific injury of February 17, 1996, to her back and psyche which caused 100% permanent total disability. There was an AME in orthopedics and a QME in psychiatry.

With respect to LC 4663 apportionment the QME in psychiatry indicated that there was valid LC 4663 apportionment based on non-industrial psychiatric/psychological causes in the *range* of 10% to 20%. The Board then provided a very focused discussion as to the correct principles and analysis applicable when a physician gives a range of apportionment percentages. The Board indicated the correct legal analysis in such a situation is as follows:

While "approximate" percentages of apportionment based on causation are appropriate (Lab. Code, § 4663(c)), where a physician gives a range of apportionment percentages, we have the power to select any particular apportionment percentage within that range. (*Gay v. Workers' Comp. Appeals Bd. (1979) 96 Cal.App3d 555, 565 [44 Cal. Comp.Cases 817]*) ("We are cognizant that it may at times be a formidable task for a physician to state precise figures on apportionment... Accordingly, it is permissible for the physician to state his opinion on apportionment in terms of the reasonably medically probable range... The appeals board

may then... determine the issue of apportionment based upon the range of the evidence in the record.”); See also *Serafin*, 33 Cal.2d at p. 94 (the WCAB “may make a determination within the range of the evidence as to the degree of disability”); *U.S. Auto Stores v. Workers Comp. Appeals Bd. (Brenner)* (1971) 4 Cal.3d. 469, 474-475 [36 Cal. Comp.Cases 173] (a “decision is supported by substantial evidence if the degree of disability found by the [WCAB] is within the *range* of evidence in the record. It is not necessary that there be evidence of the exact degree of disability.” (Court’s italics).) Given Lossy’s statement that to “quantify the contribution of such remote events is clearly somewhat arbitrary,” we will find psychiatric apportionment at the bottom end of the range he specified, i.e., 10% psychiatric apportionment.

**Comments/Analysis:** The WCAB’s analysis and approach as to the application of the range of the medical evidence standard with respect to apportionment are consistent with the *O’Nesky* and *Kooy* cases cited above. However, in contrast to those two cases, the Board’s discussion in this case is very precise and focused and leaves no doubt that the range of the medical evidence standard applies not only to permanent disability issues but equally to apportionment.

#### 4. Overlap Issues. (Burden of Proof)

**E. & J. Gallo Winery v. WCAB (Rubio)** (2008) 73 CCC 1206; 36 CWCR 197 (5<sup>th</sup> DCA, writ denied, not certified for publication)

**Case Summary:** Applicant suffered an April 22, 2004, injury to his left shoulder. There was some evidence he also had a prior 1999, injury to his upper spine with work restrictions related to his left upper extremity. With respect to the 2004, injury, an AME issued three reports. With respect to the prior 1999, injury, there was a QME report issued on May 10, 2000.

Following trial the WCJ issued a 15% permanent disability award without any apportionment to the prior 1999, injury. Defendant filed for reconsideration claiming applicant had received a prior 11% permanent disability award. Moreover, defendant contended applicant never revealed the prior 11% permanent disability award.

The WCJ submitted a report on reconsideration indicating there was no evidence in the record applicant had ever received an 11% prior disability award. Even if it were to be assumed applicant had a prior 11% award, defendant failed to prove that any prior disability attributable to the old 1999, injury overlapped with any current disability related to the 2004, left shoulder injury. The WCAB adopted and incorporated the WCJ's decision and denied defendant's petition for reconsideration indicating there was no legal basis for apportionment under either Labor Code Section 4664 or 4663.

Defendant filed a writ arguing applicant's award should have been reduced by the 11% prior award and had met its burden of proving that a prior industrial injury overlapped with the current injury. Moreover, defendant (contrary to *Kopping*) argued that applicant had the burden of proving he was entitled to an unapportioned award of permanent disability.

In discussing and analyzing defendant's contentions, the Court of Appeal citing *Kopping v. WCAB* 142 Cal.App.4<sup>th</sup> 1099, held defendant had the burden of proof on apportionment including any issues related to overlap. There was discussion by the Court related to the AME report in which the AME opined applicant had a prior prophylactic work restriction from the 1999, injury of no heavy lifting above shoulder level related to his left upper extremity based on the May 10, 2000, QME report. The AME opined there was valid 4664 apportionment and 11% should be subtracted from applicant's award.

The Court of Appeal's discussion referenced and emphasized the WCJ's report on reconsideration indicating that with respect to the 2004, shoulder injury; applicant had

objective factors of disability including loss of range of motion to the left shoulder as well as surgery. There was also a 1% whole person impairment add-on for pain. With respect to the QME evaluation and report dealing with the old 1999, injury, there was no loss of range of motion and no surgery. Therefore the applicant had new factors of disability related to the 2004, injury that were not in existence with respect to the 1999, injury and medical reporting from the QME. The Court of Appeal, WCJ, and WCAB concluded that the AME's report indicating 11% apportionment to the 1999, injury did not constitute substantial medical evidence because the AME did not explain in detail how the disability from the 1999, injury would overlap with the disability attributable to the new 2004 injury. The AME "merely stated his conclusions and has given no support for his conclusion." The Court of Appeal concluded defendant failed to meet its burden of proof related to apportionment due to overlapping injuries (disabilities).

***Brault v. State of California, Department of Justice*** (2007 Cal.Wrk.Comp. P.D. LEXIS 134; (Noteworthy Panel Decision); 72 CCC xii; December 2007).

**Case Summary:** Based on scant facts, this is a difficult case to fully analyze. Applicant received an unspecified permanent disability award for a 1/6/95, injury under the 1997 PDRS. Applicant's PD for the current/new injury of 12/29/98, was calculated under the 2005 PDRS. The WCAB held defendant was not entitled to credit for the prior disability award per se due to the fact the rating methods under the two different PDRS's were irreconcilable. However, the Board did find 1% valid legal apportionment based on a medical determination that the old injury produced (caused?) disability "equivalent" to 1% when calculated under the 2005 PDRS.

**Comments/Analysis:** This is a very significant case dealing with a complex and provocative issue of "overlap" under the *Kopping* case. How does a defendant prove up overlap between the two different permanent disability rating schedules (PDRS)? Is a medical report required as it was in this case to "determine" what an old schedule disability would translate to under the 2005 PDRS. Ultimately, the Court of Appeal will have to resolve this issue.

**Interim Technologies v. WCAB (Lashbrook)** (2007) 72 CCC 1549 (writ denied).

**Case Summary:** Applicant suffered two CT injuries, one ending 12/5/96, the other 1/7/00, and one specific injury on 1/1/95, involving cervical spine and headaches. There were AME's in orthopedics and neurology. WCAB found there was no overlap between applicant's factors of disability for the cervical spine and headaches. As a consequence, there was no basis for valid/legal apportionment.

**Balbirnie v. City of Long Beach** (2007) Cal.Wrk.Comp.P.D. LEXIS 131; (Noteworthy Panel Decision) 72 CCC xii, December 2007

**Case Summary:** Two cumulative traumas: 5/21/73-9/30/03 and 5/21/73-8/20/02, and two specific injuries: 8/5/99 and 8/19/03. Applicant received 74% permanent disability after apportionment under LC 4663 to unspecified non-industrial factors. However, under the standards articulated under Kopping v. WCAB (2006) 142 Cal.App.4<sup>th</sup> 1099; 71 CCC 1229, defendant failed to meet its burden of proof to establish valid/legal apportionment under LC 4664(b). Under LC 4664(b), defendant was claiming 10% and 6% permanent disability related to two prior stipulated awards and also a prior compromise and release that settled for \$12,500.00.

The 2 prior stipulated awards of 10% and 6% permanent disability did not set forth or contain any work restrictions. More importantly, the two prior stipulations were to different body parts than those alleged in the current cases. With respect to the C&R, there was no specificity as to the basis for the \$12,500.00 settlement in terms of ratings or work restrictions.

**Comments/Analysis:** Although the facts are sparse in this case it is still a good example of the rather difficult burden defendant's face in some cases under Kopping and LC 4664(b) in establishing a "prior award of permanent disability."

**Hickey v. County of Sacramento Sheriff's Department** (2007) January, 2008, CCC p. xx. (Noteworthy Panel Decision)

**Case Summary:** Applicant suffered a cumulative, low back injury ending on March 14, 2005. He also had a prior 1994, back injury which was resolved by a stipulated award for 14% PD. Defendant could not prove up legal/valid apportionment based on 4664 since there was a failure to show overlap. There was no indication of what factors of disability formed the basis for the prior award of 14%.

**Montague v. GAF Building Materials** (2007) January, 2008 CCC p.xxii, (Noteworthy Panel Decision)

**Case Summary:** This case involves apportionment issues under Labor Code sections 4663 and 4664. Applicant suffered bilateral knee injuries related to a specific injury of 8/1/02, and a cumulative trauma from August 2002 thru September 2003. He also had a prior stipulated award of 6¾% for an old 1988, ankle injury.

The Labor Code section 4663 issue related to applicant's pre-existing degenerative joint disease involving his bilateral knees. The Board found the QME's 4663 apportionment determination met the standards articulated in Gatten. The QME's opinion was based on a diagnostic MRI evidencing pre-existing arthrosis in applicant's bilateral knees. There was a detailed discussion of the interplay between applicant's work duties and the degenerative disease process of osteoarthritis. The QME stated his apportionment opinion was based on reasonable medical probability. However, the portion of the decision dealing with Labor Code 4663 does not specify the percentage of non-industrial apportionment attributable to applicant's pre-existing osteoarthritis.

Although defendant prevailed on the Labor Code section 4663 apportionment issue, they were not successful in proving apportionment under 4664(b) related to applicant's prior 1988 award of 6¾% for an ankle injury. In essence defendant failed to demonstrate or prove up any overlapping factors of disability stemming from the 1988, left ankle injury related to the current bilateral knee injuries. The old stipulated award did not provide factors of disability related to the 1988, ankle injury. Moreover, the QME did not provide any factors of disability to establish that overlap actually existed even though his opinion stated there was "complete overlap". Also, applicant's treating physician, contrary to the defense QME found no overlap. In conclusion, defendant failed to meet their burden of proof under Labor Code section 4664 (b).

**Portillo v. ATI Systems Int.** (2007) 73 CCC 2/08; (Noteworthy Panel Decision), p.xxiii)

**Case Summary:** This is a case involving both Labor Code Section 4663 and 4664 apportionment principles.

With respect to applicant's current date of injury of January 3, 2006, body parts injured included the left ankle, left knee, and left wrist. Applicant suffered a prior injury on November 11, 1999, for which there was Award related to left knee, left ankle, foot, and low back. The AME in the case found valid Labor Code 4663 apportionment of 20% of the applicant's current left ankle injury caused by the prior injury of November 11, 1999, but indicated no apportionment from the prior 1999, injury related to applicant's left knee and left wrist. Therefore there was 20% valid Labor Code section 4663 apportionment only to applicant's left ankle.

The 4664 issue involved overlap and duplication. The WCJ ruled defendant was not entitled to credit pursuant to 4664 regarding any permanent disability award for the January 3, 2006, injury to the left ankle, left knee and wrist injuries based on the prior award related to the November 11, 1999, injury involving applicant's left knee, left ankle, left foot and low back. The reason the WCJ found no valid 4664 apportionment was based on the fact the prior 1999, injury and related body parts were rated under the 1997 PDRS. In contrast, the most recent injury of January 3, 2006, and involved body parts were rated under the 2005 PDRS. In conclusion, the AME chose to assign a specific percentage of disability caused by the prior injury and that percentage was subtracted from applicant's overall permanent disability pursuant to 4663.

**Parker v. County of Los Angeles** (2008) 2008 Cal.Wrk.Comp. P.D. LEXIS 255, 3/17/08 (Noteworthy Panel Decision).

**Case Summary:** Applicant, a deputy sheriff had an old award for an admitted back and neck injury that issued on 4/23/01, for 30% permanent disability. The stipulated award was based on an AME report and was rated under the 1997 PDRS. Applicant returned to work and suffered an additional specific injury as well as a cumulative trauma to his low back resulting in two separate surgeries. The case proceeded to trial with the primary issues nature and extent of disability and apportionment. With respect to the two new injuries, they were rated under the 2005 PDRS based on the AMA guides. Defendant argued that under LC 4664 they were entitled to the conclusive presumption with the prior 30% award subtracted from applicant's present overall disability under the Welcher and Brodie cases. Applicant argued that defendant was not entitled to apportionment under 4664 since there was a failure to prove overlap.

The WCJ (whose opinion was adopted and incorporated by the Board) ruled that defendant had failed to meet the burden of proof as to overlap under LC 4664, but was entitled to 25% apportionment under LC 4663. There were two distinct reasons defendant failed to prove overlap under 4664. First, applicant's old 2001, award of 30% was related to both the back and neck. The two new injuries involved only the back and defendant could not segregate out on a percentage basis what portion of the old award was for the neck and what portion related to the back. Second, the old award was determined and rated under the 1997 PDRS and the 2 new injuries under the 2005 PDRS. The WCJ pointed out that the two rating schedules utilize different criteria in determining PD.

However, based on an AME report related to the two new injuries, the WCJ found a legal basis for 25% apportionment to "other factors" under LC 4663, specifically the prior 1999, injury that involved the applicant's back. Applicant was awarded 17% PD after apportionment of 25%.

***Minvielle v. County of Contra Costa/Contra Costa Fire, legally uninsured*** (2008) 36 CWCR 199 (Opinion and Decision after Reconsideration) (Cuneo, Brass, Moresi) (Noteworthy Panel Decision, LEXIS)

**Case Summary:** Applicant a firefighter suffered a specific November 22, 2004, injury to his back. He also had a prior October 8, 1992, back injury with related spinal surgery while working for the same employer. The old 1992 injury resulted in a May 4, 1995, award of 27½ % permanent partial disability.

Primary issues at trial were the nature and extent of permanent disability and apportionment. The parties entered into joint detailed stipulations related to permanent disability calculations. The case was submitted on the record without testimony. The parties stipulated that with respect to the most recent injury of November 22, 2004, that under the AMA guides, permanent disability would be 31% before apportionment.

Following trial the WCJ issued an award of 4% permanent partial disability after applying apportionment pursuant to Labor Code section 4664(b). The WCJ also found that Labor Code section 4663 apportionment was inapplicable based on the AME report, since applicant was able to demonstrate that he had rehabilitated himself completely from the after effects of the prior injury of October 8, 1992.

Applicant filed a petition for reconsideration raising several arguments. Applicant argued that the any apportionment pursuant to Labor Code section 4664(b) was not legal because

defendant failed to prove overlap between the old injury and the new injury. Moreover, the WCJ had committed error by simply subtracting the percentage of permanent disability awarded in the old case from the percentage of permanent disability found in the new case. With respect to a secondary overlap issue, applicant contended that the permanent disability caused by the 1992 injury was rated under the 1950 PDRS as opposed to the permanent disability from the 2004 injury, which was rated under the AMA guides, 5th edition and the new PDRS.

In a lengthy 10 page decision, the WCAB rescinded the WCJ's decision since there was no proof of overlap between the permanent disability caused by the old 1992 injury, and any permanent disability caused by the new 2004 injury.

The permanent disability caused by the 1992 injury was calculated using the 1950 schedule and the permanent disability caused by the injury in this case was calculated using the AMA guides, and it is not appropriate to simply subtract one percentage from the other in order to apportion pursuant to section 4664 because different standards were used to calculate the permanent disability caused (sic) each injury. The case is returned to the trial level to determine if the two injuries can be rated under the same standard such that apportionment can be applied pursuant to section 4664."

The Board agreed with the WCJ's determination that the record did not support apportionment pursuant to section 4663 because the AME found applicant was completely rehabilitated from the earlier 1992 injury. It was undisputed applicant was essentially asymptomatic, worked without limitations, and did not seek medical treatment or care for over a decade.

## **BURDEN OF PROOF ISSUES**

The WCAB citing *Kopping*, held that "defendant has the burden of proving overlap before apportionment under section 4664 will apply." (emphasis added). The Board elaborated on this point by stating:

Under *Kopping*, a defendant must prove *both* the existence of a prior award and overlap of the permanent disability caused by the two injuries in order to obtain section 4664 apportionment. Contrary to the view of the WCJ, overlap is not proven merely by showing that the second injury was to the same body part because the issue of overlap requires a consideration of the factors of disability or work limitations resulting from the two injuries, not merely the body part injured.

## **OVERLAP PRINCIPLES WHEN DIFFERENT PERMANENT DISABILITY RATING SCHEDULES ARE USED.**

Citing a line of cases beginning in 1938 up to 2007, the Board indicated that pursuant to the *Mercier* case, in certain situations, there can be valid overlap established even though the injuries are to different parts of the body. Moreover, current section 4664 does not change the law requiring the need to consider the same factors of disability in order to determine overlap.

In the instant case, unlike the facts in *Kopping*, the overlap issue has an added dimension or complication due to the fact the percentages of permanent disability caused by the two injuries were calculated using different standards. Applicant's 1995 award was rated under the 1950 PDRS. This rating schedule considered applicant's ability to compete in the open labor market and was based on a work restriction of no heavy lifting. In contrast, the permanent disability caused by the current 2004 injury, was rated using the AMA guides that considers WPI. Moreover, the AMA guides provide two distinct methods of calculating permanent disability; one is based on a diagnostic related estimate (DRE) and the other considers range of motion (ROM).

Because of these fundamentally different standards, you cannot just subtract the 27.5% permanent disability under the prior 1995 award from the 33% permanent disability caused by the current 2004 injury which was premised on the ROM standard in the AMA guides. When permanent disability is rated under different standards, overlap cannot be demonstrated or established under most circumstances.

The short answer is that section 4664 apportionment does *not* apply when the injuries are rated under different standards because overlap is not shown. In order to properly apportion pursuant to section 4664, the issue of overlap must be addressed by using the same standard to calculate the permanent disability caused by each of the injuries. This is an issue of proof based upon substantial medical evidence.

## **APPLYING THE PRINCIPLES TO THE FACTS OF THIS CASE**

In this case the AME found no basis for apportionment under section 4663 since the applicant had demonstrated complete rehabilitation from the disability attributable to the prior 1992 injury.

The critical issued that remained was whether there was any basis for apportionment pursuant to section 4664. The AME addressed this issue in a series of supplemental reports. He indicated that under the DRE method there was 13% WPI. Using the ROM method, the WPI was 21%. He also recommended a 2% add on for pain for either method.

In a separate supplemental report, the AME addressed the thorny issue of whether he could retroactively estimate the disability attributable to applicant's 1992 spine injury under the AMA guides. This AME was also the AME in the 1992 case! He opined that at the time of his P&S exam of applicant in 1995, applicant would be in the lower end of a DRE Category III, resulting in a 10%WPI. Even though the AME attempted to provide an estimate as to an AMA assessment of PD for the old 1992 injury, he failed to use the same method that was used in determining PD for the current 2004 injury. The PD related to the 2004 injury, was based or calculated using the ROM resulting in 31% PD. The AME used the DRE method in retroactively determining an estimate of AMA guide PD related to the 1992 spine injury. As a consequence, the WCAB remanded the case back to the trial level "to determine if it is possible to rate the 1992 injury under the same standard (ROM) as the 2004 injury in order to assure that the issue of section 4664 apportionment is properly addressed."

**Procedural Note:** Defendant ultimately filed a writ with the First District Court of Appeal which was denied on July 29, 2010. As of August 11, 2010, defendant has filed for Writ of Review with the California Supreme Court.

**Martinez v. A.B.L. Trucking, Inc., Zenith Insurance Co.** (2008) 2008 Cal. Wrk.Comp.P.D. LEXIS 248 (Noteworthy Panel Decision)

**Case Summary:** From a procedural perspective, defendant's petition for reconsideration was granted and the Findings & Award issued by the WCJ was rescinded.

Applicant a cement truck driver suffered a specific injury on April 26, 2006, to his low back, left shoulder, neck, and left leg. The WCJ issued a Findings and Award wherein applicant was awarded 12% permanent disability without apportionment under Labor Code sections 4663 or 4664. Applicant also suffered a previous injury on September 4, 2001, to his low back and left shoulder and received an Award of 37% permanent disability based on work restrictions under the 1997 PDRS.

Defendant filed a petition for reconsideration alleging that based on the report of the AME for the current injury, there was no increase in applicant's permanent disability above the 37% previously awarded for the prior injury of September 4, 2001.

The AME reporting on the current injury of April 26, 2006, reviewed the report(s) from the AME who examined the applicant related to the old injury of September 4, 2001. With respect to applicant's low back, the former AME had diagnosed low back grade I spondylolisthesis, along with a resolved left shoulder contusion. In terms of the AMA Guides, as applied to the current injury, the AME used the DRE method for determining applicant's impairment as it related to the current injury. The AME indicated 7% WPI. (Chapter 15, Table 15 - 7, section III (A)). Alternatively, the AME also opined that if work restrictions were applicable to the current injury, that based on the confirmed presence of grade I spondylolisthesis, applicant would be precluded from heavy lifting and repetitive bending and stooping. The AME indicated there were no work restrictions for the left shoulder.

With respect to the old injury of September 4, 2001, it was determined by the prior AME, that applicant had work restrictions of no heavy work, and a 50% loss of pre-injury capacity related to his low back and left shoulder. These restrictions formed the basis for the old 37% award.

The AME reporting to the parties on the new injury of April 26, 2006, opined there was no increase in applicant's current disability above the 37% level related to the old injury of September 4, 2001. In fact, applicant's current physical findings and subjective complaints were less severe than they were when he was evaluated in conjunction with the old injury of September 4, 2001.

Based on this evidence the Board stated "... we are persuaded that defendant established overlap pursuant to section 4664 and that applicant does not have permanent disability as a result of the injury herein." As a consequence, the Board rescinded the WCJ's determination of 12% PD; finding applicant was not entitled to any permanent disability. Moreover, there were no funds against which to award attorney's fees.

**Case Comment:** This is one of the few cases where a defendant has been successful in "bridging" the two PDRS rating schedules. In this case it was a bridge linking work restrictions. Theoretically, the same approach could work linking WPI assessments. However, this "bridging" of the two rating schedules is contingent on a very persuasive medical report that meets the substantial medical evidence test as it relates to apportionment as articulated in the *Escobedo* and *Gatten* cases. Defendant would also have to prove overlap under *Kopping*.

**Kulish v Crosetti Orchards, Cambridge Integrated** (2008) 2008 Cal.Wrk.Comp. P.D. LEXIS 84 (Noteworthy Panel Decision)

**Case Summary:** Defense petition for reconsideration denied. This case involves a focused discussion of overlap in the context of Labor Code section 4664(b). Applicant suffered a specific low back injury on February 5, 1996, resulting in 80% permanent disability (ultimately reduced to 57% under section 4664(c)(1). He had a prior back injury in 1986. He received an award of 43% permanent disability related to this injury.

Defendant failed to obtain or introduce at trial any evidence related to what factors of disability were involved, or how the prior award of 43% was calculated. Given this failure of proof, the WCJ properly concluded there was no legal basis for apportionment under Labor Code section 4664(b).

Defendant unsuccessfully argued the Brodie decision overturned the decision in Kopping. However, the WCAB pointed out that contrary to defendant's argument/contention, the Brodie opinion actually cited with approval the Kopping decision not once but twice! The Brodie Court never stated that Kopping was overruled. More importantly, the Brodie opinion specifically referenced overlap. Consequently, overlap remains a viable component of the apportionment equation.

There was also an ancillary issue related to the applicability of section 4664(c)(1), which operates to limit the combined permanent disability from, or related to one region of the body, to 100% over an employee's lifetime. Based on the facts of this case, applicant had already received an award of 43% permanent disability for the back region, therefore the maximum allowable permanent disability for his current injury is limited to 57%. ( $100\% - 43\% = 57\%$ ).

**Case Comment:** Even though defendant received the benefit of a reduction of applicant's PD from 80% to 57% based on the applicability of section 4664 (c)(1), they argued applicant should have only received an award of 37% ( $80\% - 43\%$  (the prior award)).

**Goodman v. Pine Ridge Elementary School District** (2008) 73 CCC Sept. 2008 xv; 2008 Cal.Wrk.Comp.P.D. EXIS 333 (Noteworthy Panel Decision; Opinion and Order denying defense Petition for Reconsideration)

**Case Summary:** Following trial the WCJ issued a Findings and Award wherein applicant was awarded 42% permanent disability without apportionment related to a CT injury to her bilateral elbows. Defendant filed for reconsideration arguing the WCJ should have found apportionment based on overlapping disabilities. The parties used an

AME in orthopedics. Applicant had a documented prior specific low back injury on March 11, 1998, which settled by Stipulated Award for 12% permanent disability. With respect to the current CT injury, to applicant's bilateral upper extremities, the rating followed by the WCJ was: 7 - 35% - 322G - 38 - 42.

The Board cited the *Kopping* case, that when Labor Code section 4664 apportionment is alleged or claimed, defendant has the burden of proving overlap between the current permanent disability and any previously awarded disability. Although the AME discussed both work restrictions and subjective factors of disability related to the prior low back injury, the actual prior Stipulated Award for 12% did not expressly indicate whether the prior Award was based on work restrictions or subjective factors of disability. Based on the particular facts of this case, there was no evidence that any factors of disability for the low back overlapped with the work restrictions for the upper extremities. Since defendant failed to prove overlap, the WCJ was correct in issuing a Findings and Award of 42% PD without apportionment.

**Galvez v. Fontana Unified School Dist., PSI** (2008) 73 CCC Sept. 2008, xv; 2008 Cal.Wrk.Comp. P.D. LEXIS 331 (Noteworthy Panel Decision).

**Case Summary:** Applicant while employed as a police officer, sustained a cumulative trauma injury to his cardiovascular system resulting in 63% permanent disability without apportionment. Defendant filed for reconsideration arguing there was a basis for legal apportionment related to a prior award of 29:2% PD which should be a deducted from applicant's current permanent disability award of 63% under Labor Code section 4664(b). There was a joint stipulation at trial that applicant received a prior stipulated award of 29:2% permanent disability on November 25, 1996, related to a spine injury.

In her report on reconsideration, the WCJ stated one of the reasons she found no basis for legal apportionment under section 4664, was her view that section 4664 “does not permit apportionment between injuries involving separate regions of the body resulting from separate dates of injury.” The WCAB indicated the WCJ was wrong in conceptualizing or reading Labor Code section 4664 as prohibiting apportionment between injuries involving separate regions of the body and attributable to separate dates of injury. Specifically citing the *Strong* case (en banc), (which was approved in part and disapproved in part in *Kopping*), the WCAB stated:

[A]s was true before the repeal of former section 4750 and continuing with the enactment of new section 4664, an employee is not entitled to be compensated for permanent disability resulting from a new industrial injury to the extent that this permanent disability is overlapped by prior permanent disability, even where the prior permanent disability involves and/or includes different regions of the body." (*Strong*, supra, 70 Cal.Comp.Cases at pp. 1469-1470, (original emphasis).)

The WCAB held that "apportionment is permitted for prior permanent disability awards involving a different region of the body if it is adequately established in the record." (Meaning overlap is established or proven).

Although the prior 1996 award establishing 29:2% permanent disability related to applicant's back was admitted as a joint exhibit at trial, there was no specificity or proof establishing the basis or method of how the 29:2 permanent disability was derived i.e., such as work restrictions or subjective factors of disability. There was no evidence introduced as part of the record to establish any overlapping factors of disability which resulted in the prior 1996 award of 29:2% permanent disability.

The WCAB also characterized the deposition testimony of the AME in the current case as ambiguous, since he had not been presented with any medical reports or other documentation during the deposition to support defendant's contention that there was a specific work restriction that formed the basis for the prior award. As a consequence, the WCAB held that defendant failed to meet its burden of proof as to overlap under *Kopping*.

***The Earthgrains Co., et al., v. WCAB (Hansen)*** (2008) 73 CCC 1000 (writ denied, 5<sup>th</sup> DCA)

**Case Summary:** Applicant worked as a route salesperson and supervisor. He filed a claim alleging a cumulative trauma injury for the entire period of his employment from 1988 to June 28, 2002. He alleged injuries to his knees, spine, and upper extremities. With respect to the CT injury, applicant was represented by counsel.

During the course of his employment with the same employer, applicant received three prior stipulated awards all related to orthopedic injuries. He represented himself with respect to all of the prior injuries and stipulated awards. Applicant received a stipulated award of 7.75% permanent disability on July 12, 1989, related to a specific injury of September 22, 1988, to his right knee. On May 1, 1993, he received a joint stipulated

award related to specific injuries which occurred on December 14, 1990, and January 28, 1992, to his low back. With respect to the December 14, 1990 injury, he was awarded 10.75% permanent disability and 16.75% for the January 28, 1992 injury. In January of 2002, approximately five months before his last day of work, applicant had left total knee replacement surgery. The reason applicant retired in June of 2002, was because his treating physician indicated he needed a two level back fusion surgery. He had the back fusion surgery on July 18, 2002, which was within 30 days of his retirement date. Defendant paid for the surgery. In addition to the two-level spinal fusion surgery in July of 2002, applicant later had a right total knee replacement in March 2003.

Following trial, the WCJ found injury AOE/COE on a cumulative trauma basis related to applicant's bilateral knees and spine. He was awarded 49% permanent partial disability after subtracting/factoring in adjustment for the prior disability awards pursuant to Labor Code section 4664(b). The WCJ relied on applicant's QME report to determine PD, finding it more reliable and persuasive than the defense QME report. Neither applicant's QME, or the defense QME found any valid basis for Labor Code section 4663 apportionment.

Defendant filed a petition for reconsideration raising a number of issues including arguments of entitlement to additional apportionment under Labor Code section 4663, statute of limitations, temporary disability, and that the WCJ had erroneously determined applicant's permanent and stationary date.

With respect to the apportionment issue, the Court of Appeal affirmed the determinations of the WCJ and WCAB related to valid Labor Code section 4664 (b) apportionment and that there was no legal basis for apportionment under Labor Code section 4663. Defendant argued entitlement to additional apportionment under section 4663 based on applicant's medical history which indicated a high school football injury along with a pre-existing degenerative spinal condition combined with applicant's age and weight. Defendant was forced to concede that both QME's determined there was no valid basis for legal apportionment under section 4663. The WCAB's decision was affirmed by the Court of Appeal except for the issue related to the correct determination of applicant's permanent and stationary date.

The Court of Appeal remanded the case back to the Board solely on the issue of determining applicant's P&S date. The Court noted there were a number of medical reports reflecting or indicating that applicant was permanent and stationary no later than March 2004, contrary to applicant's QME report, which indicated applicant was permanent and stationary in August of 2006. The court stressed that applicant's QME had simply stated in his report that the applicant "is" permanent and stationary without any indication of "when" he achieved his permanent and stationary status.

**Oswalt v. WCAB** (2006) 71 CCC 1243 (writ denied; 1<sup>st</sup> DCA)

**Case Summary:** In 1997, while working as a police officer, applicant injured his right ankle. In approximately the year 2000, he began working as an apprentice embalmer. In October of 2001, he suffered multiple injuries to his low back. The case went to trial on the issues of nature and extent of permanent disability and apportionment. Applicant testified that before his 2001, low back injuries, he had completely rehabilitated himself from the old 1997, right ankle injury. He also testified his 1997, right ankle injury settled by way of a compromise and release. Defendant did not introduce the actual compromise and release document. However, defendant did produce a 1997, medical report describing applicant's work restrictions related to the 1997, right ankle injury.

The QME after reviewing medical records related to the 2001, multiple back injuries and the prior 1997, right ankle injury concluded applicant did not suffer any permanent disability. Based on medical reports from the QME, the WCJ found applicant's pre-existing disability from the 1997, right ankle injury "completely overlapped" the permanent disability caused by his 2001 injuries to his low back. Therefore he found the October 2001, low back injuries did not cause any compensable permanent disability.

Applicant filed a petition for reconsideration. In his report and recommendation on reconsideration the WCJ recommended the WCAB deny the petition for reconsideration. The WCAB adopted and incorporated the WCJ's opinion. Both the WCJ and the WCAB relied on Labor Code section 4664(b) that applicant was not entitled to any permanent disability since there was a complete overlap of disabilities between the old 1997, right ankle injury and the 2001, multiple back injuries. Predictably, applicant filed a petition for review with the Court of Appeal. The WCAB conceded error. The Court noted that section 4664(b) establishes a conclusive presumption. The Court of Appeal indicated the WCAB had previously ruled in an en banc decision that defendant bears the burden of proving the existence of a prior award of permanent disability under section 4664(b). If defendant meets this burden a conclusive presumption applies. If the conclusive presumption is established, an injured worker is not permitted to show medical rehabilitation from the disabling effects of the earlier injury. Moreover, the Court of Appeal indicated that the WCAB held it was the applicant's burden to disprove overlap between the current and prior disability in order to obtain any permanent disability citing the *Strong* case.

The Court of Appeal did note that the WCJ found applicant had not disproved overlap existed. The WCJ therefore applied the conclusive presumption of Labor Code section 4664(b).

The Court of Appeal held the WCJ and the Board erred since the only evidence of a compromise and release with permanent disability was based on applicant's testimony that he settled the 1997, right ankle injury by way of a compromise and release. Citing the *Posquotto* case, the Court of Appeal indicated that an order approving a compromise and release in and of itself without more does not constitute an award of permanent disability sufficient to apply or establish the conclusive presumption of Labor Code Section 4664 (b). Since defendant failed to establish a prior award of permanent disability applicant could avoid apportionment by demonstrating that he had medically rehabilitated himself from the 1997, right ankle injury before he suffered his 2001, multiple back injuries. The Court of Appeal remanded the case back to the trial level for the WCJ to determine whether applicant's claim of medical rehabilitation was credible and if so whether his prior permanent disability may nevertheless be an other factor that is causing his current disability pursuant section 4663 consistent with the *Pasquatto* decision.

**McGlover v. Healthsouth Corporation**(2008)(2008)73CCC xv (September); 2008 Cal.Wrk.Comp.P.D. LEXIS 340 (Noteworthy Panel Decision).

**Case Summary:** Applicant suffered a low back injury on August 28, 2002. The WCAB found valid Labor Code section 4663 apportionment of 50% to "other factors" related to applicant's prior 1999, low back and neck injury. In addition to valid Labor Code section 4663 apportionment of 50%, defendant wanted additional apportionment under Labor Code section 4664 (b) related to applicant's prior award of 18% stemming from the 1999 injury.

The WCAB denied the defense request for additional apportionment under Labor Code section 4664(b), on the basis that any further apportionment over and above the 50% awarded under Labor Code section 4663 would be "duplicative and result in a windfall to defendant."

**Sherry v. Connelley's Fine Furniture** (2008) 2008 Cal.Wrk. Comp P.D. LEXIS 562

**Case Summary:** Applicant suffered two specific injuries on January 20, 1992, and May 26, 1993. Based on a combination of orthopedic work restrictions, psychiatric disability, and an inability to compete in the open labor market, applicant was found to be 100% permanently totally disabled. There was no basis for Labor Code section 4664(b) apportionment to a prior 1989 award for a back injury since defendant failed to prove overlap of disabilities.

**Pacheco v. Regents of the University of California** (2008) 2008 Cal.Wrk. Comp. P.D. LEXIS 590.

**Case Summary:** Police officer has a prior award of 21% PD related to a low back injury in 1998. Applicant filed a new CT also involving her back through 2/3/06. The 1998 back injury was rated under the 1997 PDRS and the new CT under the 2005 PDRS. The WCAB found defendant could not avail themselves of 4664(b) because of a failure to prove overlap of factors of disability under *Kopping*. The two rating schedules are premised upon completely different definitions and factors of permanent disability.

**Robinson v County of Sonoma** (2009) 2009 Cal.Wrk. Comp PD LEXIS 177(panel decision)

**Case Summary:** This is an interesting case involving whether it is legally possible for a defendant to obtain in the same case both Labor Code 4663 and 4664(b) apportionment. Applicant was employed as a corrections officer. In 2001 he suffered a low back injury necessitating 2 surgeries at the same disc level. The case settled by a stipulated award in 2004, under the 1997 PDRS for 21% PD, based on work restrictions.

Applicant then suffered an admitted neck injury on 6/27/2005. The parties used an AME for the new case. The AME indicated that with respect to new injury to the neck applicant had overall disability/impairment of 31% before apportionment. He also indicated there was 20% apportionment under 4663 related to applicant's moderate/advanced cervical degenerative condition. It appears both attorneys essentially agreed that there was valid 4663 apportionment and therefore the PD would be 25% for the neck after apportionment. The sticking point before trial was that defendant contended that they were also entitled to 4664(b) apportionment based on the prior 21% award for the low back. At trial the WCJ awarded applicant only 8% PD and essentially gave the defendant both 4663 and 4664 apportionment.

Not surprisingly, applicant filed for reconsideration. The WCAB granted reconsideration and remanded the case back to the trial level for further development of the record. Like the parties, the Board felt there was substantial medical evidence to support valid 4663 apportionment of 20%. The sticking point for the Board was 4664 and the problem with overlap and whether on the present record defendant had met their burden under *Kopping* to prove up overlapping factors of disability. The AME with respect to the 2005 cervical injury properly used the DRE impairment method. However, in attempting to assess impairment under the AMA Guides for applicant's 2001 low back injury, the AME used the ROM method to describe the low back impairment. In remanding the case back the Board indicated that valid 4664 apportionment could only be established if the AME

could use the DRE method for both the old low back injury and the 2005 neck injury. Only in this way can the WCJ and the Board determine whether there are true overlapping factors of disability from the current injury and the old injury. The Board did summarize in succinct fashion their understanding of overlap as follows:

Overlap of permanent disability occurs when factors of disability resulting from the current injury duplicate factors resulting from a different injury or condition, regardless of whether the injuries affect different body parts. (*Mercier v WCAB (1976) 16 Cal. 3d 711; 41 CCC205*.) To the extent that permanent disabilities overlap, the injured worker is not entitled to recover twice for the same affected or diminished abilities. (State Comp. Ins. Fund v. IAC (Hutchinson)(1963) 59 Cal. 2d 45; 28 CCC 20.) However, permanent disabilities do not overlap if they affect different abilities to compete in the open labor market and earn. (*Sanchez v. County of Los Angeles (2005) 70 CCC 1440 (Appeals Board en banc)*).

**Argent v. City of Escondido** (2009) 2009 Cal. Wrk. Comp. P.D. LEXIS 153 (Panel Decision)

**Case Summary:** This is yet another case where defendant has made a valiant attempt to avail themselves of the conclusive presumption under LC 4664(b) related to the existence of a prior permanent disability Award. In this case we have a police officer where at the trial level the WCJ found that he had suffered a cumulative trauma from July 31, 1998, to February 10, 2005, to both upper extremities. Under the AMA Guides the judge found applicant had suffered 21% permanent disability prior to apportionment. However, the WCJ then subtracted 14% permanent disability attributable to a prior Award where applicant had suffered an injury to both wrists as a result of a cumulative trauma from July 30, 1997, to July 30, 1998. Following the WCJ's application of LC 4664(b) apportionment of 14% the applicant was left with 7% permanent disability.

Not surprisingly, applicant filed a Petition for Reconsideration which was granted. The WCAB then rescinded the WCJ's Award noting there was no legal basis for valid Labor Code Section 4664(b) apportionment due to the fact defendant had not met their burden under *Kopping* to show both the existence of a prior Award and an overlap of the permanent disability caused by the two injuries.

Consistent with numerous prior cases, the Board noted the applicant's prior Award of 14% was under the 1997 Permanent Disability Rating Schedule and that schedule, as applied to the applicant's earlier injury, was based on an ability to work in the open labor market and moreover there was a work restriction of no very heavy lifting. With respect to the new CT injury, it was ratable under the AMA Guides and those rating standards are based on whole person impairment (WPI) and sensory deficit standards.

The WCAB noted that even though the reporting physician with respect to the applicant's new CT injury ending on February 10, 2005, attempted to specify work restrictions in order to bridge the 2005 PDRS schedule with the 1997 PDRS schedule, this was essentially statutorily prohibited since this involved a post January 1, 2005 injury, a doctor is required to evaluate and rate the disability and whole person impairment under the AMA Guides and not use work restrictions.

**County of Los Angeles v WCAB (Barnett)** (2010) 75 Cal. Comp. Cases 155; 2010 Cal. Wrk. Comp. LEXIS 4 (writ denied)

**Case Summary:** Applicant, a deputy sheriff for the County of Los Angeles, suffered a 1994 specific back injury for which he was award 31% permanent disability. Predictably, applicant continued to work for the County of Los Angeles filing a cumulative trauma claim for the period of March 19, 1994, to March 2005. The parties utilized an AME in orthopedics. With respect to the cumulative trauma injury, the AME indicated under the AMA Guides applicant had 13% whole person impairment which, after adjustment for age and occupation, resulted in 24% permanent disability. The AME was deposed, primarily on the issue of apportionment under Labor Code § 4664 related to the prior 31% permanent disability Award which was rated under the 1997 PDRS. The AME initially indicated that Labor Code § 4664 could be applied by simply subtracting the earlier 31% permanent disability Award under the 1997 PDRS from the current permanent disability rate under the 2005 PDRS. However, during the course of the deposition he changed his mind indicating there was essentially no way to compare a WPI rating under the AMA Guides with a permanent disability under the 1997 PDRS schedule dealing with work restrictions and inability to compete in the open labor market.

The case went to trial with defendant asserting there was a valid basis for Labor Code § 4664(b) apportionment and the conclusive presumption applied to the 31% permanent disability applicant received for his 1994 specific injury. Following trial, the WCJ issued a Findings & Award and then an Amended Findings & Award finding applicant suffered a CT to his spine related to the new CT injury causing 24% permanent disability without apportionment under Labor Code § 4663 or 4664. Defendant filed a Petition for Reconsideration. The WCJ recommended the Petition be denied.

**Discussion:** The WCJ indicated under the *Kopping* case with respect to Labor Code § 4664(b) apportionment, that defendant had to prove the existence of the prior Award as well as any resulting disability or disabilities overlap with respect to the old 1994 specific injury and the new cumulative trauma under the AMA Guides. Both the WCAB and WCJ noted:

“The record shows that the same standard was not used to rate the permanent disability caused by the 1994 injury and the permanent disability caused by the current cumulative trauma injury. The AME confirmed that there is no way to compare the two ratings. Because the permanent disability caused by each injury was determined under different standards and defendant did not prove overlap between the two injuries, the percentage of permanent disability awarded for the 1994 injury can not be subtracted from the percentage of permanent disability found to be caused by the current cumulative trauma injury.”

***Vigil v San Diego Unified School District*** (2009) 2009 Cal. Wrk. Comp. P.D. LEXIS 557 (Panel Decision)

**Case Summary:** Applicant, a lead iron worker, suffered a cumulative trauma injury from December 13, 2005, to December 13, 2006, to his lumbar spine.

Before the CT injury, he had received two prior 22% permanent disability Awards. The first Award was on March 17, 2001, for a specific injury of July 2, 1998, to the lumbar spine. The second award was on November 16, 2006, related to a specific injury of July 7, 2003, related to a cervical spine injury resulting in surgery. Both of the prior Awards were rated using a 1997 PDRS. The current CT injury was rated under the 2005 PDRS (AMA Guides).

The parties utilized an AME in orthopedics. Initially the AME found the applicant TTD pending his recovery from spinal surgery.

Fifteen months after applicant’s surgery, the AME issued a MMI/permanent and stationary report. The AME spent a considerable portion of his report trying to deal with the apportionment issue as it related to the applicant’s two prior 22% permanent

disability Awards. Before apportionment, the AME determined 24% WPI before adjustment for age and occupation. He then tried to reconcile and resolve how to convert the two 22% prior Awards. He estimated that if the AMA Guides had been used when the applicant received his prior Award with respect to applicant's lumbar spine, he would have received "something like a 15% whole person impairment were there AMA Guides used back then." He then recommended subtraction of that 15% from the overall 24% WPI leaving the applicant with 9%. He then moved on to the cervical spine and acknowledged that it was essentially impossible for him to translate the prior 22% Award for the applicant's neck fusion. He noted that the prior 22% Award for the cervical spine was based on a three level fusion. He concluded he could not imagine whether one used the 1997 PDRS, or the current 2005 AMA Guides PDRS, either would result in as little as 9%, which was the balance left after subtracting the 15% for the prior lumbar spine Award.

The AME concluded there was 0% impairment related to the applicant's new cumulative injury at the San Diego Unified School District!

The WCJ issued a Findings & Award in 2009, finding the injury caused permanent disability in an amount to be determined. The WCJ found defendant had not met its burden in establishing overlap between the applicant's prior lumbar disability as reflected in at least one of the prior 22% Awards. The WCJ felt he could not simply subtract 22% from the 47% (24% WPI after adjustment for age and occupation) to determine Labor Code § 4664 apportionment. The WCJ made a finding there was no valid Labor Code § 4664 apportionment, but he left open the possibility of possible Labor Code § 4663 apportionment and directed the parties to either settle the case or obtain a supplemental report from the AME focusing on Labor Code § 4663.

Both parties filed Petitions for Reconsideration. It was defendant's contention that applicant was only entitled to 3% permanent disability which reflected 47% minus the two prior 22% Awards pursuant to Labor Code § 4664. Applicant took the position that defendant had failed to demonstrate overlap and applicant was entitled an unapportioned Award at 47% permanent disability.

**Discussion:** Although this is a Panel Decision, it is an extensive ten page decision with a very focused analytical discussion of the Labor Code § 4664(b) overlap problem and its intersection with Labor Code § 4663. The WCAB Panel took a considerable period of time going over the prior Panel Decision in *Minvielle v County of Contra Costa* (2008) 36 Cal. Wrk. Comp. Rptr. 199. In *Minvielle* which discussed the Court of Appeal Decision in *Kopping v WCAB* (2006) 142 Cal. App. 4th 1099, 71 Cal. Comp. Cases 1229, it is almost impossible for a defendant to meet their burden in proving overlap when prior injuries were rated using a different standard than the current injury. "We are not aware of any binding cases establishing how to prove overlap in such a case. It is no surprise,

therefore, that the AME in this case was uncertain as how to proceed, and that the WCJ determined that defendant failed to meet its burden.” This Panel noted that even though *Minvielle* was not binding they fully endorsed its reasoning.

With respect to the Labor Code § 4664(b) issue, the matter was remanded back to the trial level to provide the AME an opportunity to try and convert applicant’s prior disability to an AMA Guides impairment using a method consistent with his description of the impairment resulting from the current injury. If the AME was able to do this conceptually, and his opinion constituted substantial evidence, then it might be possible for defendant to demonstrate apportionment under Labor Code § 4664. However, the Board in its discussion section appeared to manifest the belief that it would be almost impossible for an AME to make such a determination.

However, the Board also felt that there was possible Labor Code § 4663 apportionment related to the applicant’s two prior 22% Awards. They indicated with respect to Labor Code § 4663:

“Section 4663(c) specifically refers to prior industrial injuries, and the WCJ, on return of this matter, should consider whether applicant’s previous industrial injuries constitute other factors contributing to his current disability. However, under Section 4663, as opposed to Section 4664, applicant is entitled to show, as the applicant did in *Minvielle*, that he has rehabilitated himself from his prior injury, although the prior injury might still be an “other factor” causing some disability. *Pasquotto v Hayward Lumber* (2006) 71 Cal. Comp. Cases 223, 236-237 (Appeals Board en banc).”

The final determination of the Board was to remand the entire case back to the trial level for supplemental medical reporting from the AME on both Labor Code §§ 4663 and 4664(b) apportionment.

**Comments/Analysis:** With respect to any issue involving a defendant attempting to meet their burden of proof under Labor Code § 4664(b) as to the conclusive presumption of a prior Award, both this case and *Minvielle* provide the definitive analytical road map. There is little doubt that upon a proper analysis in this case there will be a basis for Labor Code § 4663 apportionment. However, the author believes it will be almost impossible for the AME in this case to convert the prior factors of disability under the 1997 PDRS related to the applicant’s two prior 22% Awards into 2005 PDRS AMA Guides impairment. As a consequence, defendant will be left with some degree of Labor Code § 4663 apportionment if the applicant does not prove he rehabilitated himself from the two prior injuries which resulted in his 22% Awards.

**Kaus v State of California (CHP)** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 239 (WCAB Panel Decision)

**Case Summary:** Applicant was employed as a California Highway Patrol Officer. A Findings & Award issued finding a cumulative trauma from April 14, 1996, to April 14, 1997, to her back. This injury/claim was previously settled by way of a Stipulated Award on January 28, 1999, for 20% permanent disability. Applicant filed a timely Petition to Re-Open on the January 28, 1999 Award claiming new and further permanent disability. The WCJ found no increase in permanent disability on the Petition to Re-Open. However, the WCJ found applicant to be permanently totally disabled (100%) related to a May 18, 1999 specific injury without apportionment.

Defendant filed a Petition for Reconsideration claiming a legal basis for apportionment under Labor Code § 4664. The Board granted defendant's Petition for Reconsideration and reversed the WCJ finding 20% valid apportionment under Labor Code § 4664 by analogy to Labor Code § 4663.

**Comments/Analysis:** There were a number of procedural complexities in this case including a long set of stipulations by the parties which the WCAB found good cause to disregard/set aside. The first apportionment issue the Board dealt with was Labor Code § 4664(b) and 4664(c)(1)(D), related to the prior Award of January 28, 1999, for 20% permanent disability to applicant's back/spine.

The burden of proof in this case for defendant was under the Kopping case in terms of overlapping factors of disability related to the 1997 PDRS rating schedule and not the AMA Guides and the 2005 PDRS. In essence, defendant had the burden of proving overlap between the factors of disability related to the 20% Stipulated Award for the CT injury to applicant's back and spine on April 14, 1997, and the disability from the 1999 specific injury that resulted in 100% permanent total disability.

The 1997 CT injury resulted in work restrictions of no heavy lifting and no repetitive bending. With respect to the 1999 specific injury, the 100% permanent total disability status was based primarily on applicant's medication usage. However, in the absence of medication usage there would be a limitation to sedentary work and no repetitive bending and stooping. The Board indicated that "absent the issue of medications, there is overlap between the work restrictions resulting from the 1997 and 1999 injuries."

The Trial WCJ found no overlap relying on the old 1976 Mercier case. The WCJ concluded there was no overlap of permanent disability between the 1997 and 1999 injuries relying on Mercier since the permanent disability resulting from the 1999 specific

injury was due to medication usage that effects a different ability to compete in the open labor market.

The Board in reversing the WCJ found the Mercier holding to be superceded by SB 899 and the Supreme Court's decision and holding in Brodie. In finding a basis for overlap and applying Labor Code § 4664 the Board stated as follows:

Under the circumstances of this case, we disagree. Mercier predates SB 899 and the Supreme Court's more recent decision in Brodie. There the Supreme Court emphasized that the new approach to apportionment "requires thorough consideration of past injuries, not disregard of them." (Brodie v Workers' Comp. Appeals Bd. (2007) 40 Cal. 4th 1313 [72 Cal. Comp. Cases 565 at 576].) Although the WCJ is correct that Dr. Nguyen finds applicant totally disabled due to the effects of her medications, Dr Nguyen gave specific apportionment percentages in his January 8, 2009 deposition. Therein the doctor apportioned applicant's current 100% permanent disability to 10% for the 1987 claim, 10% for the 1990/1991 claims, 20% for the 1997 claim and the remaining 60% for the 1999 claim. By analogy to apportionment under section 4663, Dr Nguyen's opinion supports a finding of 20% apportionment under section 4664(b). (See E.L. Yeager Construction v W.C.A.B. (Gatten) (2006) 145 Cal. Applicant. 4th 922 [71 Cal. Comp. Cases 1687] and Andersen v Workers' Comp. Appeals Bd. (2007) 149 Cal. Applicant. 4th 1369 [72 Cal Comp. Cases 389]: A physician only needs to make a determination based on his medical expertise of the approximate percentage of permanent disability caused by the degenerative condition, and Labor Code 4663(c) requires no more. Apportionment under section 4664(b) is further supported by the testimony at the end of Dr Nguyen's deposition, page 20. Although the doctor testified that applicant is permanently totally disabled based on the effects of taking her pain medications, he responded to the question "what part of the body would that-what region of the body would that affect the medication" by testifying that "it would affect the cognitive part but it's also linked to the back, but it does not physically affect the back. It would affect the cognitive function." (Italics added.)

Unlike the WCJ, we do not find the effect of pain medications on applicant's cognitive function to be the equivalent of an additional, non-overlapping factor of spinal disability. Rather, it is included in that disability as a symptom caused by her failed back syndrome. When applicant sustained her last back injury in 1999 and underwent multiple surgeries resulting in failed back syndrome and significant medication

usage, she started that journey with a back disability from the 1997 injury which still is conclusively presumed to exist. The apportionment of 20% of her overall total disability to that prior disability is justified by Dr. Nguyen's opinion and is required by SB 899's regime of apportionment based on causation. (See Phillips v Workers' Compensation Appeals Bd. (2008) 73 Cal. Comp. Cases 402 [writ denied]; Nooner v Workers' Comp. Appeals Bd. (2009) 74 Cal. Comp. Cases 300 [writ denied].)

Therefore, we will grant reconsideration, reverse the WCJ's finding of no apportionment, and subtract 20% from applicant's permanent disability award, for a final PD of 80%.

## 5. Petitions to Reopen.

**Vargas v. Atascadero State Hospital, S.C.I.F.** (2006) 71 CCC 500 (WCAB opinion en banc).

**Case Summary:** Following the trial on the petition to reopen, the WCJ issued a recommended rating of 91.2%. The chronology in this case is extremely significant. The rating instructions and recommended rating were issued on April 8, 2004. On April 12, 2004, applicant filed a DOR requesting cross examination of the rater which was set for May 20, 2004. SB 899 was enacted on April 19, 2004. The WCJ immediately notified the parties that he would apply the apportionment provisions of SB 899 and further development of the record would be addressed at the May 20<sup>th</sup> hearing. At the May 20, 2004, hearing the WCJ affirmed his overall assessment of PD on the Petition to Reopen at 91.2%, but also ordered development of the medical record to address SB 899 apportionment issues. Applicant filed for Removal arguing the newly enacted apportionment provisions of SB 899 cannot be applied retroactively where medical reports were obtained prior to the enactment of SB 899.

The WCAB relying on the cases of *Marsh v. W.C.A.B.*(2005) 130 Cal.App.4<sup>th</sup> 906, 70 CCC 787 and *Kleemann v. WCAB* (2005) 127 Cal.App.4<sup>th</sup> 274, 70 CCC 133, held that the apportionment provisions of SB 899 apply to any Petition to Reopen that was pending and not final at the time SB 899 was enacted on April 19, 2004. However, consistent with Section 47 of SB 899, the new apportionment provisions cannot be applied retroactively to reach back and reduce or revisit the basis for any award that was final before SB 899 was enacted. “[T]he new apportionment statutes cannot be used to revisit or recalculated the level of permanent disability, or the presence or absence of apportionment, determined under a final order, decision, or award issued before April 19, 2004.” (*Vargas, supra.* 71 CCC at 507.)

The Board also held that with respect to any increased PD awarded on the Petition to Reopen, the apportionment provisions of SB 899 could be fully applied as long as there is substantial medical evidence establishing the other “factors” set forth in LC section 4663 are a cause of applicant’s increased disability.

**Slaughter v. Centinela Hospital Medical Center** (2008) panel decision(order granting reconsideration and decision after reconsideration).

**Case Summary:** Applicant received an award of 77.5% PD on October 12, 2000, as a result of a February 7, 1996 injury to her back and psyche. At the time of the original award and before any petition to reopen, applicant had been diagnosed with non-industrial multiple sclerosis and chronic fatigue syndrome. Following a trial on applicant's petition to reopen, the WCJ determined her disability had increased to 100%. The WCJ found no basis for valid/legal 4663 apportionment. There were five AME's in different medical specialties reporting in the case. Defendant filed for reconsideration contending in essence that they were entitled to 4663 apportionment related to the progression of applicant's non-industrial conditions between the time of the award in 2000 and her MMI/P&S status under the Petition to Reopen. The WCAB granted reconsideration and remanded the case back to the WCJ to develop the record under McDuffie.

Under Vargas, the fact that applicant's non-industrial medical conditions may have existed at the time of the prior award does not prevent or preclude physicians from considering whether those non-industrial conditions may be present contributing causes of applicant's present increased level of disability. The question the WCAB posed to the WCJ and the five reporting AME's was what percentage of the increase of applicant's PD from 77.5% to 100% was or is due to the effect of her non-industrial conditions. The Board also found the WCJ's analysis (or lack of analysis and proof) of the application of LeBoeuf to justify applicants 100 PTD award was not supported by the record.

**Rocha v. TTX Company** (2008) 73 CCC Sept.2008 xiv; 2008 Cal.Wrk.Comp.P.D. LEXIS 348 (Noteworthy Panel Decision)

**Case Summary:** On August 22, 2002, the underlying case settled by way of stipulated award for 39% permanent disability. The parties stipulated applicant sustained injury to his back, chest, and psyche. Following a trial on applicant's petition to reopen, the WCJ found applicant to be 100% permanently totally disabled an increase of 61% PD. Defendant tried to raise the defense of good-faith personnel action under Labor Code section 3208.3. The WCAB ruled that the prior stipulated award of 8/22/08, wherein applicant suffered a psychiatric injury, precluded defendant from reopening and re-litigating the issue of psychiatric injury AOE/COE.

With respect to the issue of apportionment as it relates to the Petition to Reopen, the board cited Vargas v. Atascadero State Hospital (2006) 71 CCC 500 (Appeals Board en banc), holding that the apportionment provisions of SB 899 apply only to the issue of increased permanent disability alleged and ultimately proven in a Petition to Reopen. In this case defendant failed to present any substantial medical evidence that legal apportionment should apply to applicant's increased 61% permanent disability i.e.; the difference between the prior 39% award and his current 100% permanent total disability award. Moreover, the Board denied a post trial defense request to reopen or develop the record, since defendant had the full opportunity before and at the time of trial, to obtain and present evidence that a portion of applicant's increased permanent disability was caused by nonindustrial factors. On this issue the Board relied on the case of Telles Transport v. WCAB (Zuniga)(2001) 92 Cal.App.4th 1159; 66 CCC 1290.

**Bunnie Orange v. Hilton Hotel Corp., Specialty Risk Services** (2008) 2008 Cal.Wrk.Comp.P.D. LEXIS 14 (Noteworthy Panel Decision)

**Case Summary:** Following trial the WCJ issued a findings and award wherein applicant while employed as a housekeeper, received 54% permanent disability without apportionment related to a cumulative trauma injury to her bilateral shoulders and neck. The WCJ used the 1997 PDRS for rating purposes.

The WCJ also dismissed applicant's multiple petitions to reopen related to an earlier CT and specific injuries to her right shoulder resulting in 18% permanent disability based on a finding that all of her increased permanent disability was solely attributable to the new cumulative trauma injury. Interestingly, the WCJ allowed defendant a credit for the **dollar** value of the prior 18% stipulated award against the 54% permanent disability awarded applicant on the new CT injury.

Defendant filed for reconsideration predictably arguing the 2005 PDRS should have been used to rate applicant's disability. Defendant also contended the prior 18% permanent disability award should have been subtracted on a percentage basis not a dollar basis from applicant's current award of 54% permanent disability.

The WCAB granted reconsideration and rescinded the findings and award remanding for further proceedings on the dual issues of which rating schedule should be used and for a more focused analysis of the overlap issue. The WCAB instructed the WCJ to initially determine if the prior 18% stipulated award for the two prior injuries/cases overlapped in

any way with the permanent disability from the current injury CT injury, citing the *Kopping*, *Sanchez*, and *Strong* cases. The Board emphasized defendant had the burden of proof on overlap.

If defendant on remand successfully proves overlap, the percentage of disability (18%) is to be subtracted from the permanent disability found in the current case (54%). The difference between the two percentages (not dollars) is then used to calculate the dollar value of permanent disability connected consistent with the *Brodie* and *Fuentes* cases.

**Case Comment:** If applicant had prevailed on one or both of her petitions to reopen, then the WCJ would have been correct to subtract or give defendant credit for the dollar value of the prior 18% award. However, since the 54% PD in this case was entirely attributable to the new CT injury, a percentage from percentage formula is correct.

***Cruz v Santa Barbara County Probation Dept.***(2008) (WCAB, Noteworthy Panel Decision)

**Case Summary:** Petition to reopen filed on May 6, 2003, related to an underlying 59% permanent disability award on a cumulative trauma low back injury. The primary issue in the case involved the applicability of Labor Code section 4663 apportionment to petitions to reopen under the WCAB's en banc decision in *Vargas v. Atascadero State Hospital* (2006). *Vargas* essentially held that Labor Code section 4663 does apply to petitions to reopen, but only to the actual segregated component of new and further permanent disability and not to permanent disability attributable to the original injury that resulted in the underlying permanent disability award of 59%.

In this case, the AME improperly apportioned or attempted to apportion 75% of applicant's a new and further disability to pre-existing non-industrial factors or conditions related to the original injury. The AME failed to isolate/segregate and discuss in a "how and why" fashion as required by *Escobedo* what approximate percentage of applicant's pre-existing non-industrial factors of permanent disability were attributable to the new and further disability, as opposed to the original injury.

**Milivojevich v United Airlines** (2007) 72 CCC July 2007, p. xiv; 35 CWCR 317 (Noteworthy Panel Decision).

**Case Summary:** This case involves a petition to reopen. The WCJ relying on the AME's opinion found 40% of applicant's increased permanent disability apportioned to unspecified non-industrial factors. Applicant filed for reconsideration which was granted. The WCAB reversed the WCJ finding the AME's opinion did not constitute substantial medical evidence under the *Escobedo* standards. The AME failed to properly distinguish causation of injury versus causation of permanent disability. The AME also failed to adequately explain and discuss in a "how and why" fashion the purported non-industrial factors that caused a percentage of applicant's disability. In addition, the AME did not articulate his opinion within the context of reasonable medical probability.

**Wilson-Marshall v. W.C.A.B** (2007) 72 CCC 1736(writ denied, 4<sup>th</sup> DCA)

**Case Summary:** Before the trial on the Petition to Reopen for new and further disability the parties stipulated applicant was 100% PTD. The only issue was apportionment. The WCJ relying on the AME in psychiatry apportioned 10% of applicant's increased PD resulting in a 99% award after apportionment. The WCJ based his application of apportionment on the increased PD on *Vargas v Atascadero State Hospital*(2006) 71 CCC 500(Appeals Board en banc opinion).

**Comments/Analysis:** I am confused by the math. Assuming the previous award of 71%, defendant would be entitled to take credit for the dollar value of this award against any new and further PD. If the parties stipulated applicant was 100% before any apportionment then the new and further disability would be 29%. Ten percent of 29% would then equate to 2.9% rounded to 3% which would leave the applicant at 97%. So how the applicant received a 99% award is beyond my skills in mathematics at least based on the facts provided. There is also an interesting procedural note. Originally on 8/14/07, applicant filed for a petition for writ of review in the Fourth Appellate District. The Writ was eventually denied. However, for some reason on 8/20/07, just 6 days later, applicant filed a writ with the Second Appellate District, which was the wrong district. The Supreme Court predictably ordered the case transferred to the Fourth District where the writ was quickly denied.

**Charon v. Ralphs Grocery Company** (2008) 73 CCC xv (September); 2008 Cal.Wrk.Comp P.D. LEXIS 326 (Noteworthy Panel Decision).

**Case Summary:** This case involves a petition to reopen related to an August 15, 1997, psychiatric injury that resulted in an award of 48% permanent disability. Following a trial on the petition to reopen, the WCJ, relying on an AME report, apportioned 15% of applicant's total permanent disability to non-industrial factors.

Applicant filed a petition for reconsideration. The WCAB reversed the WCJ's apportionment determination on the basis the AME failed to specify and discuss what portion of applicant's 15% non-industrial apportionment was due to factors in existence before the 48% stipulated award issued in 1997, and what portions if any, were attributable to non-industrial factors that came into existence after applicant suffered new and further permanent disability.

**Comments/analysis:** This is another case illustrating the principle that based on the WCAB's en banc decision in Vargas, valid Labor Code section 4663 apportionment on a petition to reopen is strictly limited to the increased permanent disability and not to any previously awarded disability. It is extremely important that the respective parties advise and inform any reporting physician(s) of how to properly apply Labor Code section 4663 consistent with Vargas.

**Johnson v. City of Los Angeles** (2009) 74 CCC 1 (not certified for publication, 2nd DCA, 18 ½ page decision!)

**Case Summary:** Applicant worked as a sanitation truck operator for the city for over 20 years. During the course of his long employment, he suffered a number of industrial injuries with related awards. He received a stipulated award of 44% permanent disability for a 1975, injury to his neck, back and shoulders. He also had a 1987, injury to his right shoulder with a related award of 13%. In 1991, a right knee injury resulted in an award of 35% permanent disability.

In addition to the above referenced injuries he claimed five additional specific injuries and one cumulative trauma. Applicant was seen by an AME. Following trial the WCJ after applying Wilkinson found 42% permanent disability related to the spine, and 13% for the shoulders. Applying the multiple disabilities table, resulted in a 51% permanent disability award which issued in May of 2001. In August of 2001, applicant filed a petition to reopen related exclusively to the cumulative trauma injury. The same AME examined the applicant and issued two reports, one in 2002, and the other in 2006.

In his 2006 report, the AME indicated the permanent disability related to applicant's knees and shoulders had increased. Diagnostic x-rays of applicant's knees reflected severe degenerative disease. With respect to 4663 apportionment, the AME apportioned 50% of applicant's increased permanent disability to the industrial component and 50% to applicant's degenerative disease. Medical records established applicant had degenerative disease of the knees since 1992. He was also 70 years old and weighed 360 pounds.

The case was tried on the petition to reopen and whether applicant's increased permanent disability was subject to apportionment under Labor Code sections 4663 and 4664. The WCJ issued a findings and award finding increased permanent disability of 89% without apportionment notwithstanding the AME's opinion, that there was 50% valid non-industrial 4663 apportionment. The WCJ in denying defendant any 4663 apportionment, noted the AME did not apportion between the increased permanent disability that arose before and after the joint findings and award issued in 2001.

**Reconsideration Proceedings:** Defendant filed for reconsideration raising both jurisdiction and also that applicant's increased permanent disability was subject to 4663 apportionment under *Vargas*. (2006) 71 CCC 500 (Appeals Board en banc opinion). The Board denied defendant's reconsideration and the City filed a writ.

**Court of Appeal:** The Court of Appeal found there was jurisdiction to reopen under Labor Code section 5410 and not under sections 5803 and 5804. The Court also found the city had waived the issue of the limitations period by not raising it in a timely manner. As to the apportionment issues, the Court denied any 4663 apportionment for the disability previously awarded for applicant's 1975 and 1987 injuries, since applicant had medically rehabilitated himself from these injuries based upon the joint trial stipulations the parties.

The key remaining apportionment issue was how to apply *Vargas* to the particular facts of this case. The Court reiterated the *Vargas* holding that on a petition to reopen, only the increased portion of the permanent disability from the date of the underlying award forward to the MMI/P&S evaluation is subject to 4663 apportionment. The previously awarded permanent disability is not subject to 4663 apportionment.

Therefore, the WCJ is correct that the increased permanent disability alleged in the petition to reopen is not subject to duplicate apportionment by the previously awarded right knee disability under section 4664(b) and

*Vargas*. The permanent disability and apportionment finally adjudicated under prior awards may not be reopened based on section 4664(b), even if the prior awards remain unchanged and there is no reimbursement of previously awarded compensation.(p.17)

However, with respect to the Labor Code section 4663 issue, the Court annulled the portion of the WCJ's and Board's decision which denied defendant potential Labor Code section 4663 apportionment related to applicant's knees as to the increased permanent disability from the May 2001, award up to the AME's P&S evaluation and report in 2006.

But we disagree with the WCJ's conclusion that the record also precludes apportionment to the degenerative disease of the knees that existed after the joint findings and award. Although the city did not obtain from Dr. Sohn apportionment between the *increased* knee disability caused by the degenerative disease of the knees before and after the joint findings and award, Dr. Sohn provided the approximate percentages of disability caused by the industrial injuries and degenerative disease in compliance with section 4663. And Dr. Sohn concluded that the *increased* permanent disability occurred between 2002 and 2006, which is after the joint findings and award.(p.18)

The Court of Appeal remanded the case back to the trial level citing the need to develop the record. The Court indicated that “[u]nder the circumstances, we conclude that the city should be afforded an opportunity to demonstrate whether Dr. Sohn can provide substantial evidence of the *increased* knee disability caused by the degenerative disease of the knee after the joint findings and award.”(p.19).

**Rowe v County of San Diego** (2009) 2009 Cal. Wrk. Comp. P.D. LEXIS 470 (Panel Decision)

**Case Summary:** This is a very dense and complicated twelve page Panel Decision but is worth analysis especially with respect to applying Labor Code §§ 4663 and 4664 apportionment to Petitions to Re-Open. For purposes of this analysis, the focus will be on the Petition to Re-Open aspect/component of the Decision.

The procedural history/background is somewhat complicated. The current litigation involved an alleged cumulative trauma ending on February 8, 2005, to applicant's back, right hip, and pelvis. Also involved was a Petition to Re-Open related to the applicant's right knee for which he suffered an injury on July 31, 2002. Applicant also alleged in the

Petition to Re-Open that as a compensable consequence of the right knee injury, he also injured his back, right hip and pelvis.

Applicant had two prior Awards. The first Award was on November 4, 1994, was for 13% related to two injuries to the applicant's back in 1991. The second Award was on December 30, 2003, to the applicant's right knee which resulted in an Award of 42% permanent disability for a date of injury of July 31, 2002. Applicant filed a timely Petition to Re-Open on March 5, 2005, related to the December 30, 2003, right knee 40% Award.

On May 26, 2006, there was a Findings & Award that there was good cause to re-open but no determination of actual permanent disability. Applicant had right hip replacement surgery on January 11, 2007.

The May 26, 2006, Findings & Award, in addition to finding there was good cause to re-open the July 31, 2000 injury, also found applicant suffered a cumulative trauma injury ending on January 22, 2004, to his right hip, back and pelvis. Following the right hip replacement surgery on January 11, 2007, applicant was deemed permanent and stationary on November 7, 2008. A trial was held in June of 2009, with extensive pre-trial and trial stipulations of the parties. The most significant stipulation by the parties was that for both the new CT claim and the Petition to Re-Open there was no apportionment under Labor Code § 4663. Therefore the only viable basis for apportionment in both cases was Labor Code § 4664. Both applicant and defendant filed Petitions for Reconsideration.

**Discussion:** With respect to the Petition to Re-Open for New and Further of the right knee 42% Award of December 30, 2003, the reporting physician indicated factors of disability under the 1997 PDRS. It is important to note the underlying prior Award of 42% was only to the right knee. The reporting physician indicated before apportionment, permanent disability of 48% on the Petition to Re-Open. Also all of the permanent disability was attributable to the right hip. The real issue in this case came down to whether or not, pursuant to Labor Code § 4664, defendant could receive credit for the 13% prior Award to the applicant's back related to the increased disability of 6% on the Petition to Re-Open related to the applicant's hip. Clearly they are different parts of the body. However, the WCJ and the Board applied the reasoning of the *Vargas* decision (*Vargas v Atascadero State Hospital*) (2005)71 Cal. Comp. Cases 500 (en banc). In *Vargas* the Board held that apportionment whether under Labor Code § 4663 or 4664 would apply only to the increased permanent disability, and could not be legally applied to any permanent disability and apportionment previously determined by a final Order. The Board stated:

“We observed, however, that apportionment of the increased permanent disability alleged in applicant’s Petition to Re-Open may include not only disability that could have been apportioned prior to SB 899 but may also include disability that formally could not have been apportioned. (*Vargas* at 507).”

Since the parties had stipulated there was no basis for Labor Code § 4663 apportionment, the WCJ and WCAB considered only Labor Code § 4664 apportionment. The prior Award of 13% permanent disability for the back was conclusively presumed to exist and may be applied against any increased permanent disability as long as the defendant was able to satisfy and prove up overlap between the prior disability for the back and the current increased disability related to the right hip. It is defendant’s burden under *Kopping* to demonstrate and prove up overlap between the applicant’s prior disability and the current disability.

Since the prior Award for the back and the current disability for applicant’s hip were both under the 1997 PDRS, the overlap issue was easier to prove up than it would have been if there were two different schedules, i.e., the 1997 PDRS versus the 2005 PDRS. The problem with respect to the different parts of the body was discussed by the Board as follows:

“Even though the back and right hip are in different regions of the body, the work restrictions imposed by Dr. Auerbach in 1994, precluding Rowe from very heavy work, overlap and are subsumed in Rowe’s current permanent disability for the right hip, set forth by Dr. Greenfield in his November 7, 2008 report, using the 1997 PDRS...”

This resulted in the WCJ and the Board subtracting the prior 1994, 13% back Award from the applicant’s increased current disability attributable to the right hip and resulted in the applicant not receiving any permanent disability on his Petition to Re-Open!

**Comments:** This is another case which demonstrates the precise analysis that must occur under *Vargas* and how, in some circumstances, it is very complicated to apply Labor Code § 4663 and 4664 apportionment to only the increased disability between the time of the prior award and the present MMI/permanent and stationary determination. In this case the overlap issue was at least simplified by the fact the disability determination under Labor Code § 4664(b) was related to the same rating schedule, i.e., the 1997 PDRS. If it had been between the 2005 PDRS and the 1997 PDRS there would have been a different result in this case and defendant would not have been able to prove overlap.

**Balderas v GTE Corporation** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 270 (WCAB Panel Decision)

**Case Summary:** This case involves a Petition to Re-Open for New and Further Disability. On the Petition to Re-Open, the WCJ found applicant 100% permanently totally disabled without apportionment. The Petition to Re-Open was premised on a prior Award of 57% permanent disability involving the applicant's neck, upper extremities, spine and right shoulder.

Defendant filed a Petition for Reconsideration which the Board characterized as "unusually complicated." On reconsideration, defendant raised Labor Code § 4664(b) apportionment which the WCAB summarily rejected since a Petition to Re-Open deals with disability caused by the same injury not overlapping disability between a new injury and an old injury.

The second defense argument based on Benson was also rejected by the WCAB. Since the Petition to Re-Open only dealt with one injury, reliance or citation to Benson was characterized by the Board as "inappropriate." The Board stated:

Benson requires multiple awards when there are multiple injuries, not, as defendant seems to believe, when there is a single injury to multiple body parts.

As to Labor Code § 4663 apportionment, defendant failed to meet its burden to prove/demonstrate what specific factors other than the industrial injury caused increased permanent disability since the 57% prior award per the Vargas en banc decision by the Board. With respect to application of the Vargas holding to the present facts the Board stated:

Defendant is correct that a finding of 100% permanent disability pursuant to LeBoeuf does not preclude apportioning permanent disability to other factors. The reason there was no apportionment in this case, however, had nothing to do with LeBoeuf. There was no apportionment because defendant failed to provide substantial evidence justifying apportionment of any of the permanent disability beyond the previously awarded 57% to any factors other than applicant's stipulated cumulative trauma industrial injury.

**Comments/Analysis:** Interestingly, the Board also indicated that the opinion of a vocational rehabilitation expert on the issue of apportionment is totally improper. With respect to apportionment since a vocational rehabilitation expert is not a physician it is fundamentally outside the area of the vocational rehabilitation expert's expertise to comment on or give an opinion on apportionment.

**Tull v General Lighting Service (CIGA)** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 391 (WCAB Panel Decision)

**Case Summary:** This case involves a Petition to Re-Open on a August 14, 2000 Award where the applicant received 48% permanent disability related to three dates of injury including a May 22, 1997 injury, a May 1998 injury and a CT ending on June 21, 1998. Applicant filed a timely Petition to Re-Open for New and Further Disability.

The WCJ issued a Findings of Fact, Award and Order on April 27, 2010, finding that on the Petition to Re-Open, while applicant was employed as an electrician, there was 84% permanent disability after apportionment.

Applicant filed a Petition for Reconsideration essentially alleging he was 100% permanently totally disabled and the WCJ had improperly found apportionment under Labor Code § 4663 of 30% related to a cervical injury applicant suffered in July of 1994 in Virginia which resulted in two cervical surgeries in 1994 and 1995.

The WCAB granted applicant's Petition for Re-Consideration and reversed the WCJ finding the applicant to be 100% permanently totally disabled without any Labor Code § 4663 apportionment.

**Comments/Analysis:** This case is another graphic example of the difficult/complex analysis that has to be done with respect to assessing apportionment on a Petition to Re-Open under the en banc decision from the Board in Vargas. Notwithstanding a valiant effort by the orthopedic AME in multiple reports and multiple depositions and an analysis by the WCJ, both the orthopedic AME and the WCJ did not apply the Vargas holding correctly. There was no dispute with respect to the AME, the Trial Judge and the Board all agreeing that the applicant was 100% permanently totally disabled. The real issue was how to properly apply apportionment on the Petition to Re-Open. In essence the WCAB held that neither the judge nor the AME could re-visit any disability or potential apportionment factors related to the old 1994 Virginia injury that resulted in the two cervical surgeries because that had been factored in to the August 14, 2000 prior Award. In reversing the WCJ and finding 100% permanent total disability, the Board articulated how the holding in Vargas should be correctly applied as follows:

In our en banc decision Vargas v Atascadero State Hospital (2006) 71 Cal. Comp. Cases 500 (Appeals Board en banc, we held: (1) that the new apportionment provisions of SB 899 apply to the issue of increased permanent disability alleged in any petition to reopen that was pending at the time of the legislative enactment on April 19, 2004, regardless of the date of injury; (2) that consistent with Section 47 of SB 899, the new apportionment statutes cannot be used to revisit or recalculate the level of permanent disability, or the presence or absence of apportionment, determined under a final order, decision, or award issued before April 19, 2004; and (3) that in applying the new apportionment provisions to the issue of increased permanent disability, the issue must be determined without reference to how, or if, apportionment was determined in the original award. (Vargas, supra, 71 Cal. Comp. Cases at pp. 502, 507-508.)

While Dr. Potter ultimately apportions 30% of applicant's disability to the 1994 Virginia injury, his reports and deposition make it clear that he was essentially changing his opinion about how apportionment should have been calculated under the 2001 Award. However, in accordance with our holding in Vargas (and the Court of Appeal's holding in Marsh), Dr. Potter cannot legally revisit the presence or absence of apportionment under the 2001 Award in light of the fact that the 2001 Award is now final, there being no petition for reconsideration or appellate review of it. Moreover, we note, as did the WCJ, that defendant did not file a timely petition to reopen to reduce the 2001 Award. Thus, in practical terms, Vargas requires that the 48% permanent disability awarded pursuant to the 2001 Award remain intact without revisiting or recalculating the presence or absence of apportionment attributable to any pre-existing cause, including the 1994 Virginia injury.

Moreover, Dr. Potter makes it clear that all of the increased permanent disability subsequent to the 2001 Award is due to applicant's California industrial injuries, without apportionment to any other cause.

Therefore, it was improper for the WCJ to apply the 30% apportionment to the applicant's increased disability. (Emphasis added.)

## 6. Benson Issues. (Benson v. WCAB (2009) 170 Cal.App.4<sup>th</sup> 1535

Lavigne v. County of Los Angeles, PSI (2008) 2008 Cal.Wrk.Comp.P.D. LEXIS 242 (Noteworthy Panel Decision)

**Case Summary:** The WCJ issued a joint findings and award involving four injuries suffered by a firefighter. The joint award related to three specific injuries and one cumulative trauma injury to applicant's ears, knees, hands, back, right foot and left hand resulting in a joint award of 89% permanent disability without apportionment.

Defendant filed for reconsideration contending the 2005 PDRS should have been applied and that there was also a legal basis for apportionment under Labor Code section 4663. Defendant also argued the Benson case required a separate finding of permanent disability for each date of injury.

On the Benson issue the Board noted that absent limited circumstances, combined awards of permanent disability for multiple injury dates previously permitted under the Wilkinson case are no longer proper. Pursuant to SB 899, the WCAB must determine and apportion the cause of disability for each injury separately. The WCJ's joint findings and award was rescinded and the case returned for further proceedings before a different WCJ, since the previously assigned WCJ had retired.

See also, Ryan v. Penske Truck Leasing (2008) 2008 Cal.Wrk.Comp.P.D. LEXIS 17 (same issue, same holding).

University of the Pacific v. WCAB(Hern)(2006) 71 CCC 312 (writ denied; 3<sup>rd</sup> DCA)

**Case Summary:** On 7/21/99, applicant suffered an admitted specific injury to his right upper extremity. The case resolved by way of stipulations with request for award. Applicant was awarded 24 ½% permanent disability. On July 2, 2003, applicant filed an application for adjudication alleging a cumulative trauma injury to his back and both knees. The end date of the CT was 5/31/03. The CT claim was amended to add an alleged injury to both upper extremities. Applicant also filed a petition to reopen the specific injury claim of July 21, 1999, alleging new and further disability. Defendant stipulated there was good cause to reopen applicant's specific injury claim.

The case went to trial in May of 2005. The parties relied on their respective QME's. Following trial, the WCJ issued recommended rating instructions based on the report

from applicant's QME. The DEU specialist recommended a permanent disability rating of 90%. Neither party filed a motion to strike the recommended rating or requested to cross examine the rating specialist. The WCJ applied the *Wilkinson* case and issued a joint Findings Award & Order awarding applicant 90% permanent disability with defendant to receive credit against the new joint PD award for the money paid pursuant to the prior stipulated award of 24 ½%. The WCJ found the report from applicant's QME more persuasive than the defense QME.

Defendant filed a petition for reconsideration. Defendant argued the 24 1/2% permanent disability award issued on 7/1/02, related to the 7/21/99, injury should have been subtracted from the new and further disability that resulting from applicant's 7/21/99, specific injury and also from the permanent disability sustained as a result of applicant's CT injury. Defendant also argued the report of applicant's QME did not justify a 90% permanent disability rating.

In his report on reconsideration, the WCJ indicated that defendant did not file a motion to strike the rating specialist's rating nor did defendant request an opportunity to cross-examine the rater resulting in a waiver of that issue. More importantly, the WCJ applied the *Wilkinson* case and stated that although there were two separate injuries, the first settled by stipulated award and was timely reopened. Defendant also stipulated there was good cause to reopen the old award. There was a no objection from the parties that both injuries were permanent and stationary at the same time. In essence, the WCJ concluded defendant had failed to meet its burden of proof to establish that the WCJ's method of apportioning applicant's permanent disability was erroneous. The WCAB panel on reconsideration adopted and incorporated the WCJ's report without further comment on the issues. Defendant filed a petition for writ of review essentially raising the same issues they had raised on reconsideration. The writ was denied by the Court of Appeal.

**Comments/Analysis:** This case was decided prior to *Benson*. Under *Benson* the WCJ would have to separate the CT and the Petition to Reopen on the old specific injury and issue separate awards. Defendant would receive credit for the dollar amount of the prior Award applied only against any increase in disability over 24 ½% on the old specific injury. It is the editor's opinion that defendant would not be entitled to any dollar credit related to any disability related to the new CT injury since *Benson* requires the awards and related disability related to both injuries be analyzed and segregated into separate awards.

**LaPlante v. WCAB(Wal-Mart Stores)**(2009) (2009 Cal.App. Unpub. LEXIS 6235) 5<sup>th</sup> DCA, not certified for publication.

**Case Summary:** Applicant suffered two admitted injuries. One was a specific injury and the other a cumulative trauma. Both injuries involved multiple orthopedic body parts and injury to applicant's psyche. In November 2007, the WCJ issued a joint F&A of 78% PD, with a dollar value of \$114,655.00. Defendant filed for reconsideration claiming that despite the fact both injuries had become P&S at the same time, the WCJ should have issued separate awards, since Wilkinson was abrogated by SB 899. During the same week that the WCAB issued its en banc decision in Benson the WCJ issued a report on reconsideration, recommending the WCAB deny defendant's petition for reconsideration.

Based on its decision in Benson, the WCAB rescinded applicant's 78% award and remanded the case to the WCJ to rate the injuries separately. Applicant filed a writ with the Court of Appeal. Based on Benson and the decision of the First District Court of Appeal in Benson, the Fifth District also concluded Wilkinson is inconsistent with the apportionment reforms of SB 899 and the WCAB must apportion the cause of disability for each industrial injury.

**Forzetting V. WCAB** (2009) 74 CCC 689 (2<sup>nd</sup> DCA, not certified for publication, 2009 Cal.App. Unpub. LEXIS 4874)

**Case Summary:** Applicant, a forklift operator suffered two specific injuries. The AME in the case apportioned the resultant disability to each separate injury. The WCJ then issued separate awards of 47% and 23%. Applicant filed for reconsideration contending that the ratings should have been combined under Wilkinson and former LC section 4750. The WCAB denied reconsideration relying on its recent en banc decision in Benson and that Wilkinson had been superseded by SB 899's apportionment provisions.

Applicant then filed a petition for writ of review which was denied. However, the Supreme Court then directed the Court of Appeal to vacate their denial and to set the case for oral argument. Following further argument the Court of Appeal once again affirmed the WCAB's denial of applicant's petition for reconsideration. The Court engaged in a lengthy and thorough analysis and discussed section 5303 indicating there cannot be a merger of specific and CT injuries and shall not for any purpose whatsoever merge into or form a part of another injury. Both sections 4663 and 4664 are consistent with the section 5303. Both Brodie and Benson hold that the bases for permitting merger have been repealed and replaced. "Now, each injury must be separately apportioned for cause under sections 4663 and 4664 and PD awards may not be combined."

**Young v WCAB** (2010) 75 CCC 307; 210 Cal. Wrk. Comp. LEXIS 32 (writ denied)

**Case Summary:** Applicant, a heavy equipment operator, suffered a specific injury on January 9, 1992, related to his lumbar spine, lower extremities, gastrointestinal system, and psyche. He also suffered a cumulative trauma injury from June 27, 1993, through June 27, 1994, to the same body parts and conditions. Applicant was deemed permanently totally disabled by AMEs in orthopedics and psychiatry.

Following trial, the WCJ issued two separate Findings & Award on January 16, 2007, apportioning applicant's permanent disability equally between his two injuries pursuant to Benson v WCAB (2009) 170 Cal. App. 4th 1535, 74 CCC 113. As a consequence, applicant received two Awards, one for the specific injury for 59 1/4% permanent disability, and the other for the cumulative trauma injury, also for 59 1/4% permanent disability.

Applicant filed a Petition for Reconsideration contending the WCJ should not have apportioned permanent disability between the specific and cumulative trauma injuries. Applicant raised Labor Code §§ 4453(d) and 4453.5.

**Discussion:** The WCAB denied applicant's Petition for Reconsideration and adopted and incorporated the WCJ's Report and Recommendation on Reconsideration. The WCJ and Board were careful to distinguish Labor Code § 4453 from Labor Code §§ 4663 and 4664. Labor Code § 4453 only applies to and addresses the calculation of the amount of permanent disability indemnity to be paid and does not deal with apportionment of permanent disability which must first be determined based on causation in accordance with Labor Code §§ 4663 and 4664. "Applicant's argument is unavailing because the amount of permanent disability indemnity he is due is calculated after the apportionment of permanent disability has been determined, not before. Sections 4453(d) and 4453.5 only address the calculation of the amount of the permanent disability indemnity to be paid after permanent disability is apportioned."

**Lockheed Martin Aircraft Services v WCAB (Garcia)** (2009) 74 CCC 1385; 2009 Cal. Wrk. Comp. LEXIS 264 (writ denied)

**Case Summary:** Applicant, an aircraft assembler, suffered two specific right shoulder injuries on July 19, 1995, and April 21, 1998. He also sustained compensable consequence psychiatric and reflex sympathetic dystrophy and complex regional pain syndrome injuries related to both specific injuries.

Following trial, the WCJ issued a Findings & Award indicating the applicant was 100% permanently totally disabled, based on both his orthopedic and psychiatric conditions. Applicant was also deemed to be permanent and stationary as to both dates of injury on April 20, 2007. Although there was valid Labor Code § 4663 apportionment of 20%, that applied only to applicant's psychiatric injury. Even considering the apportionment, the applicant was still permanently totally disabled based on his orthopedic injury and related compensable consequence injuries irrespective of the psychiatric injury.

Defendant filed a Petition for Reconsideration arguing that pursuant to Benson the WCJ should have apportioned permanent disability between the two specific injuries as opposed to a single Award.

Both the WCJ and the Board, in denying reconsideration, relied on applicant's QME who indicated apportionment of residual permanent disability could not be made with reasonable medical probability between the two specific injuries. In contrast, the defense QME in orthopedics indicated a 50/50 apportionment formula between the two specific injuries.

**Discussion:** There were a number of specific factors that made it difficult for any physician, within reasonable medical probability, to apportion disability between the two specific injuries of July 19, 1995, and April 21, 1998. First, the shoulder injury in 1995, was of a relatively minor nature and there were really no disabling symptoms of any magnitude until after the second injury of April 21, 1998. After the first injury of July 19, 1995, applicant had right shoulder surgery in December of 1995, and was on modified duty thereafter. Medical treatment was ongoing between 1996 and 1998, when applicant suffered the second injury in April of 1998. Applicant's first right shoulder injury resulted in two surgeries prior to the second right shoulder injury and additional surgery. Applicant was never deemed to have reached a permanent and stationary status between the two specific injuries. Both injuries involved at least one common body part, the right shoulder. Moreover, applicant's QME indicated the second injury in 1998 could be viewed as an exacerbation of the first injury, as opposed to a distinct separate injury, since but for the already damaged shoulder from the first injury in 1995, the second injury would likely not have resulted in serious problems.

**Comments/Analysis:** This case is a good illustration of the fact that in certain cases, depending on very specific articulated factors and a chronology, it may be difficult for evaluating/examining physicians to apportion disability between successive/distinct industrial injuries under *Benson*. Therefore separate Awards would not be mandated under *Benson* and a Joint Award would be appropriate. However, it should be stressed that a physician who renders an opinion indicating or alleging it is “speculative” to attempt an allocation of disability between successive injuries, requires a detailed “how and why” discussion enumerating very specific factors which precludes or prevents apportionment of disability between successive injuries as required by *Benson*.

**Stepp v County of Contra Costa** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 155 (Panel Decision)

**Case Summary:** The WCJ in this case issued a Joint Findings & Award and Order on December 8, 2009, finding the applicant suffered three cumulative trauma injuries and one specific injury. Moreover in applying *Le Boeuf*, applicant was determined to be permanently totally disabled. However, despite having determined applicant was permanently and totally disabled, the judge deferred a decision on apportionment pending a supplemental medical report or deposition from the reporting AME consistent with the WCAB’s Decision and Court of Appeal’s Decision in *Benson*. Defendant filed a Petition for Reconsideration which was granted.

**Discussion:** This case has a very interesting procedural history. Prior to the December 8, 2009, Findings & Award, there had been a previous Findings & Award in 2007, which defendant also filed a Petition for Reconsideration on which was granted and the WCJ’s decision was rescinded and the matter remanded back to the WCJ to develop the record by further reporting or opinion from the AME on the *Benson* issue since the AME had not described the disability caused by each separate injury.

After the first remand, the AME was deposed. When the matter came up for trial again, the judge determined the AME’s deposition was insufficient/inadequate to support an apportionment determination compliant with *Benson*. However, instead of directing the parties to develop the record further, the WCJ, as pointed out by the WCAB, issued an almost identical decision but instead of finding no apportionment, she deferred the issue of apportionment.

The WCAB noted it served no functional or useful purpose to separate the issues of permanent disability and apportionment. They indicated the proper course for the WCJ to take was to develop the record first then issue a decision. “We agree with defendant nothing was accomplished by issuing another decision, without first resolving the apportionment issue.”

This Panel Decision has a very extensive and detailed discussion about the Benson “exception” where the evaluating physician in “limited circumstances” can not parcel out based upon reasonable medical probability, the approximate percentages to which each distinct industrial injury causally contributed to the employee’s overall permanent disability. The Board indicated that “Benson requires a separate permanent disability Award for each injury, except in the exceptional case when the reporting doctor is unable to separate the permanent disability resulting from each injury.” It is interesting the Board characterized or indicated it will only be in an “exceptional case” or “exceptional cases” where a reporting/evaluating physician would not be able to, within reasonable medical probability, segregate or separate and parcel out the approximate percentages related to each distinct industrial injury which causally contributed to the employee’s overall permanent disability. The Board referenced and cited the Court of Appeal Decision in Benson as follows:

“We agree with the Board that a system of apportionment based on causation requires that each distinct industrial injury be separately compensated based on its individual contribution to a permanent disability. We also agree that there may be limited circumstances, not present here, when the evaluating physician can not parcel out, with reasonable medical probability, the approximate percentages to which each distinct industrial injury causally contributed to the employee’s overall permanent disability. In such limited circumstances, when the employer has failed to meet its burden of proof, a combined award of permanent disability may still be justified.”

**Roberts v State of California, Department of Transportation (SCIF)** (2009)  
2009 Cal. Wrk. Comp. P.D. LEXIS 320 (Panel Decision)

Applicant, a landscape lead worker, suffered two specific injuries. The first injury was on June 10, 1998, to the applicant’s low back. The second injury was to the applicant’s low back and neck, which occurred on April 21, 2003. Following trial, the WCJ issued a combined Award of 61% permanent disability. The WCJ indicated applicant was entitled to a combined Award as opposed to separate Awards under Benson because in the WCJ’s mind, based on medical reporting, it was “impossible” to separate out the disabilities caused by the two injuries. Defendant filed a Petition for Reconsideration arguing the judge should have issued two separate Awards for each of applicant’s industrial injuries as required by Benson. The reporting physician was an AME in orthopedics. The WCAB granted reconsideration, rescinded the Findings & Award and returned the matter back to the trial level for further proceedings and a new decision consistent with the Board’s decision and with Benson.

**Discussion:** The AME in his report indicated applicant's cervical symptomatology was 100% attributable to the injury of April 21, 2003. He also opined that applicant's lumbar symptomatology was attributable 75% to the 1998 injury and 25% attributable to the April 21, 2003, injury. Both became permanent and stationary at the same time and from a work restriction perspective applicant was limited to light work with no prolonged forward flexion of the neck. The AME was then deposed and testified both injuries simultaneously interacted and both were responsible for the overall current disability. He then opined it would be speculative to apportion or separate out liability for the overall permanent disability between the two injuries and two body parts. The Board reviewed the requirements of *Benson* and reiterated that the Board and trial judges must determine and apportion to the cause of disability for each industrial injury. While recognizing there may be "limited circumstances" where evaluating physicians can not parcel out with reasonable medical probability, the approximate percentages to which each successive injury causally contributed to the employee's overall permanent disability, only in these limited or exceptional circumstances would a combined Award of permanent disability be justified.

They indicated *Benson* emphasized that "thus each separate injury requires a separate analysis of the medical evidence to determine the causative sources of disability". (*Benson*, 72 CCC at pp. 1627, 1628)

In analyzing the AME's deposition testimony and report, the Board stated the AME was able to identify the subjective and objective factors of disability for each body part, i.e., related to the cervical spine and lumbar spine. This was enough, in the Board's opinion, to support separate Awards. The Board observed the AME then combined the disabilities for an overall work preclusion. The Board emphasized the judge "should have used the subjective or objective factors of disability which were set forth in the AME's opinion and used the Multiple Disabilities Table. If on remand the trial judge is unable to determine the applicant's disability using the subjective and objective factors indicated by the AME, then the record needs to be developed to obtain further medical reporting from the AME.

**CIGA v WCAB (Lord)** (2009) 74 CCC 1469; 2009 Cal. Wrk. Comp. LEXIS 284 (writ denied)

**Case Summary:** Applicant, a radiology technician, suffered a specific injury on January 27, 1997, to her neck, mid and low back, right major shoulder, and upper extremity. She also suffered two separate cumulative trauma injuries which were determined by the

applicant's QME and treating physicians to be "compensable consequences" of the original January 27, 1997, injury. In April of 2000, the WCJ issued a Stipulated Award in which the applicant received TTD and permanent disability. Six months later, the applicant filed a Petition to Re-Open seeking new and further temporary disability and permanent disability. The matter did not proceed to trial until December of 2006, with a supplemental Joint Findings & Award on all cases being issued by the WCJ on November 30, 2007. This Joint Findings & Award was reversed on reconsideration and the matter was remanded for further development of the medical record pursuant to Benson.

On remand, the WCJ had the medical record developed. A new supplemental Joint Findings & Award issued in January of 2009. In this Joint Findings & Award, the WCJ specifically found applicant's two cumulative trauma injuries to the left shoulder and upper extremities were both separate injuries and compensable consequences of the specific injury that occurred in January of 1997. The judge found applicant's injuries combined to cause 52% permanent disability without any apportionment and any need for separate Awards under Benson. The WCJ concluded that combining the applicant's permanent disability rating was proper under the Benson exception. Defendant CIGA filed for reconsideration and among other issues indicated even if applicant's cumulative trauma injuries were a compensable consequence of her 1997 specific injury they should be apportioned and rated separately from the specific injury per Benson. The WCJ recommended reconsideration be denied. The judge's Report and Recommendation on Reconsideration was adopted and incorporated by the WCAB. In essence, the Board, in adopting and incorporating the WCJ's decision, determined that Benson requires separate Awards and applies only when there are separate and distinct industrial injuries. In the Benson case, the applicant's injuries were separate and distinct because Mrs. Benson suffered a specific injury as well as a cumulative trauma injury that was not a compensable consequence of the specific. However, in the instant case the two cumulative traumas suffered by the applicant were deemed by multiple physicians to be compensable consequences of the original specific injury and therefore not subject to Benson and could be combined to determine the residual permanent partial disability.

**Comments/Analysis:** This writ denied case is very interesting and should be read carefully. It appears if a successive injury or successive injuries are deemed to be compensable consequences, they do not fit the definition of being "separate and distinct industrial injuries" and separate Awards under Benson may not be mandated or required.

However, it should be noted in this case two treating physicians and a QME determined applicant's multiple CT injuries after the specific injury were compensable consequence injuries as opposed to separate and distinct industrial injuries. The mere fact a physician

tries to characterize a successive injury as a compensable consequence without a “how and why” discussion will, in the author’s opinion, not constitute substantial medical evidence.

**Vasquez v Southern California Gas Company** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 453 (WCAB Panel Decision)

A Findings & Award issued on June 10, 2010, finding that applicant suffered a specific injury on December 9, 1988, to his psyche, head, and headaches as well as seizures. The Findings & Award also found a CT ending in 1991 to the same body parts and conditions resulting in 100% permanent total disability without apportionment.

Defendant filed a Petition for Reconsideration claiming there was a valid legal basis for Labor Code § 4663 apportionment to non-industrial factors and there should have been two Awards pursuant to Benson.

The primary reporting physician was an AME in psychiatry. The AME diagnosed applicant with a “... pre-existing schizoid and avoidant type personality disorder. Further, in his October 6, 2009 deposition, Dr Anselen stated that applicant’s industrial injuries “exacerbated” or “flared-up” his pre-existing schizoid personality and that it was a combination of his industrial injuries and his non-industrial schizoid personality disorder that are causing his current level of disability.”

Notwithstanding the AME’s opinion, the reason defendant failed to establish Labor Code § 4663 apportionment was that it failed to get the AME to give approximate percentages related to non-industrial and industrial factors causing the applicant’s residual permanent disability.

“Nevertheless, defendant failed to get Dr Anselen to state what approximate percentage of applicant’s disability was caused by non-industrial factors or to state why he could not make such a determination. Therefore, defendant has failed to carry its burden of proof on the issue of apportionment disability to non-industrial causes.”

With respect to the Benson issue, the AME described/characterized the Benson decision itself as “another nonsense”. Notwithstanding this characterization of Benson by the AME, the Board upheld the combined Award related to the CT and the specific injury by stating:

Here, we recognize that AME Anselen considers Benson to be “another nonsense.” Moreover, a medical opinion that refuses to accept correct legal principles does not constitute substantial evidence. (citations) Yet, although AME Anselen clearly was not fond of the basic principle

established by Benson, he did correctly apply it by stating that the disabilities caused by the two industrial injuries cannot be separated because they are “intertwined” and that any attempted separation would be “a speculation.” Accordingly, defendant again has failed to carry its burden of proof.

**Comments/Analysis:** With respect to Labor Code § 4663 apportionment, it appears from the AME’s deposition testimony and diagnosis that applicant’s underlying pre-existing schizoid and avoidant personality disorder was aggravated by the two industrial injuries which “combined” to cause applicant’s current permanent disability. All that apparently was needed to have potentially valid Labor Code § 4663 apportionment was to have the AME provide an approximately percentage as to the industrial factors versus the non-industrial factors. This case remains an evidentiary/tactical apportionment mystery!

## 7. LeBoeuf Issues/Considerations.

Nooner v. City of San Diego (2009) 74 Cal.Comp.Cases 300(writ denied,4<sup>th</sup> DCA)

**Case Summary:** Following trial, applicant a fire captain/firefighter, was determined to be 100% permanently totally disabled without apportionment based in part on the application of the factors set forth in LeBoeuf v. WCAB(1983) 34 Cal.3<sup>rd</sup> 234, 48 CCC 587.

Applicant suffered a cumulative trauma injury during the period of May 1, 1961 to January 1, 1993, in the form of cancer (lymphoma) and compensable consequence injuries to his psyche, nose, lip, balance, hearing, and hypertension. The WCJ denied defendant's request to apply or consider apportionment under Labor Code sections 4663 and 4664. The WCJ stated that the reason he issued a 100% PTD award without apportionment was "...no apportionment applies in a case where total permanent disability is found because of a workers inability to compete in the open market as a result of the industrial injury". The WCJ failed to cite any legal authority for this conclusion.

Defendant filed for reconsideration alleging in part that the WCJ failed to apply or consider apportionment under Labor Code section 4664(b) related to applicant's prior 1995 stipulated award of 29% permanent partial disability for hypertension and hearing loss as well as 4663 apportionment related to applicant's psychiatric injury. The WCAB granted defendant's petition for reconsideration, and remanded the case back to the WCJ to determine whether there was a legal basis to apply apportionment under Labor Code sections 4663 or 4664 (b).

With respect to the LeBoeuf issue, the WCAB indicated as follows:

Contrary to the WCJ, we consider LeBoeuf reconcilable with Labor Code sections 4663 and 4664, as enacted in Senate Bill 899. Leboeuf is a factor to be considered in arriving at overall disability before apportionment, but it does not preclude apportionment. Thus, in this case, the WCJ properly considered the rehabilitation counselor's opinion that applicant could not compete in the open labor market when the WCJ determined applicant's overall disability, before apportionment. Having determined that applicant

was 100 percent disabled, the WCJ was then obligated by sections 4663 and 4664 to address apportionment of permanent disability to factors other than applicant's current industrial injury. (emphasis added).

In terms of guidance to the WCJ on remand, the Board cited both *Escobedo* and *Kopping* emphasizing that defendant had the burden of proof on apportionment. Following remand, the WCJ issued an Award of 66% PD after applying apportionment to the 100% under 4664(b) related to applicants prior 1995 award of 29% PD for hypertension and 4663 apportionment to applicant's psychiatric injury.

Applicant then filed a Petition for Reconsideration that was denied and raised essentially the same issues in his Petition for Writ of Review. Applicant argued that any determination or finding of 100% based on *LeBoeuf* was exempt or not subject to either 4663 or 4664 apportionment. Moreover, he argued defendant failed to prove overlap of the previous factors of disability related to the 1995 award of 29%. In denying the writ the Court of Appeal stated that “[n]othing in the language of these statutes suggests that the Legislature intended to exempt a *LeBoeuf* finding from the new apportionment requirements.” Also the non-attribution reference to section 3212.1 in section 4663 did not exempt applicant's psychiatric injury from any valid legal apportionment.

With respect to the thorny overlap issue, based on the record and evidence in this case the defendant met their burden under *Kopping* of proving overlap under 4664(b) since:

It is uncontested that Nooner's prior award of 29 percent permanent partial disability was for hypertension. The record shows that the *LeBoeuf* finding was based, in part, on Nooner's hypertension and inability to deal with work-related stress. Thus, the City of San Diego carried its burden of showing overlap of the current permanent disability and the prior award for permanent partial disability.

**Comments/Analysis:** First, this is a case involving the 1997 PDRS, where *LeBoeuf* still applies notwithstanding SB 899. An applicant's inability to compete in the open labor market remains a critical factor in high PD cases. Second, in this particular case, the formula for calculating or applying 4663 or 4664 apportionment totaling 31% was done after application of *LeBoeuf* in arriving at 100% permanent total disability. (See also *LeCornu v County of Los Angeles* (2008) 37 CWCR 251 (Nonfeasibility for work still a factor to be considered in determining applicant's overall permanent disability before applying Labor Code Section 4663 apportionment under the 1997 PDRS.)

Also the Board and the Court of Appeal found the cases cited by applicant to support his arguments “nondispositive.” Those cases were: Paniagua (2007) 72 CCC 666 (writ denied); Hoge (2008) 73 CCC 675(writ denied); and Schulte (2006) 71 CCC 823(writ denied)

**Bacon v. County of Los Angeles** (2008) (Recent Noteworthy Panel Decision; posted on 10/29/2008, LEXIS).

**Case Summary:** Applicant suffered back and psychiatric injuries related to a cumulative trauma injury for the period of 12/31/84-6/3/02. In contrast to the Nooner case, hereinabove, this case was rated under the 2005 PDRS i.e., the AMA guides. Before application of LeBoeuf, applicant’s permanent disability was 75% under the AMA guides. Evidence of applicant’s inability to compete in the open labor market under LeBoeuf, was then applied and his permanent disability was increased to 100% permanently totally disabled before apportionment.

However, the WCAB indicated that while LeBoeuf factors may be properly considered before apportionment under 4663 or 4664, applicant’s inability to compete in the open labor market may not be used or applied to increase applicant’s permanent disability beyond or above that which is directly caused by the industrial injury. In this case, applicant’s inability to compete in the open labor market was due entirely to his pre-existing non-industrial factor(s) of cognitive deficits.

**Comments/Analysis:** Both this case and Nooner are consistent in that the Board applied 4663/4664 after LeBoeuf was factored in to increase the underlying/base permanent disability. Moreover, consistent with Nooner, if there had been any other basis for 4663 or 4664 apportionment, it would have applied to the base PD of 75%.

**KHS&S v. W.C.A.B. (Sherron)** (2009) 74 CCC 106 (writ denied, 4<sup>th</sup> DCA)

**Case Summary:** Applicant, while employed as a hod carrier, suffered an admitted right knee injury on June 30, 2003. Following trial, applicant's disability was rated at 100% before apportionment. During trial, a vocational rehabilitation expert testified applicant was unable to compete in the open labor market and was not feasible for vocational rehabilitation based on a combination of industrial and nonindustrial factors. Applicant's final permanent disability was determined to be 74% after apportionment of 26% pursuant to Labor Code Section 4663. The percentage of apportionment was based on a range of the medical evidence which included an opinion from the defense QME that applicant had a learning disability.

**Case comment:** This case this case illustrates three principles. First, "other factors" under section 4663 is a very broad concept in terms of what may support/substantiate valid legal apportionment. Second, range of the medical evidence was used to determine the percentage of apportionment. Third, in determining initial overall permanent disability, LeBoeuf was considered. After overall permanent disability was determined, any valid 4663/4664 apportionment was applied and considered to determine the final permanent disability percentage.

**Gross v Slater Brothers Markets** (2010) 2010 Cal. Wrk. Comp. P.D. LEXIS 360 (WCAB Panel Decision)

**Case Summary:** A Findings & Award issued finding that applicant, a produce clerk, suffered a cumulative trauma ending in 2004 to her left shoulder, neck, wrist, left elbow, right wrist and right hand resulting in 85% permanent disability after 5% apportionment to non-industrial factors.

Applicant filed a Petition for Reconsideration claiming she was 100% permanently totally disabled based on the medical evidence and the report and findings of an agreed upon vocational expert (AVE).

The WCAB granted reconsideration and rescinded the entire Findings & Award and returned it to the WCJ to re-evaluate applicant's level of permanent disability.

The Board agreed with the WCJ that as a general rule LeBoeuf does not strictly apply to permanent disability that is determined using the AMA Guides. However, the WCAB articulated important guidelines and factors in determining whether an applicant is 100% permanently totally disabled based on the facts of this case. The Board stated:

As can be seen, the WCJ concluded that the AVE's testimony concerning applicant's loss of future earning capacity was essentially irrelevant because the rationale of LeBoeuf is not available to determine 100% permanent disability when an injured worker's permanent disability is rated under the AMA Guides notwithstanding section 4660 and evidence that the injured worker is unable to compete in the open labor market and/or unable to participate in vocational rehabilitation and has a total loss of earning capacity.

Although the WCJ was correct that LeBoeuf does not apply to permanent disability when it is evaluated using the AMA Guides, the 2005 PDRS continues to recognize on page 1-2 that, "Permanent total disability represents a level of disability at which an employee has sustained a total

loss of earning capacity.” (Emphasis added.) In addition, Labor Code section 4660 continues to apply to the determination of permanent disability, and that statute contemplates a consideration of the factors described in LeBoeuf in an appropriate case. (Emphasis added.)

In terms of the application of Labor Code § 4660(a) the Board stated:

In determining the percentages of permanent disability account shall be taken of ... his or her age at the time of injury, consideration being given to an employee’s diminished future earning capacity.” Moreover, as recognized by the WCJ, section 4662 provides that certain injuries are conclusively presumed to cause 100% permanent disability, but in all other cases, permanent total disability shall be determined in accordance with the fact.”

Thus, to properly apply a LeBoeuf analysis in this case in light of the requirements of sections 4664 and 4663, the record must support a finding that applicant’s industrial injury **caused a total loss of her future earning capacity**. (Emphasis added.)

**Comments/Analysis:** In making a determination under the AMA Guides as to whether applicant’s industrial injury caused a total loss of future earning capacity the Board in this case indicated that the opinion of the AVE were relevant and substantial. The Board returned the case to the WCJ so that the AVE’s report would be given full consideration consistent with the 2005 PDRS. In essence while LeBoeuf is not dead, the AVE’s report and any LeBoeuf factors have to address the critical issue of whether under the AMA Guides, applicant’s industrial injury or injuries have caused a total loss of future earning capacity.

## 8. Psychiatric Injury/Disability.

***Dina de Garibaldo v WCAB (SCIF)***(2008) 73 CCC 508; 2008 Cal. Wrk. Comp. LEXIS 99 (writ denied)

**Case Summary:** Applicant, while employed as a janitor/housekeeper, sustained admitted industrial injuries to her back, legs and psyche on July 31, 2003. The first trial took place at the end of 2006, dealing primarily with permanent disability and apportionment. The WCJ determined, based on the 1997 PDRS, applicant suffered 56% permanent disability after apportionment. The judge found that 20% of the applicant's psychiatric permanent disability was apportionable to non-industrial factors. Applicant filed for reconsideration. The Board granted reconsideration and remanded the matter back to the Trial Judge, finding no substantial evidence to support the judge's finding of apportionment related to psychiatric permanent disability and also for further development of the record on the issue of Labor Code § 4663, pursuant to *Escobedo*.

Further development of the record took the form of supplemental QME reports from the two QME's in psychiatry. There was also additional psychological testing.

Following a second submission and trial, the WCJ issued a new Findings & Award and applied the 2005 PDRS, rather than the 1997 PDRS and awarded applicant 40% permanent disability. There was also 20% valid Labor Code § 4663 apportionment related to applicant's psychiatric disability based on the opinion of the defense QME in psychiatry.

Applicant once again filed a Petition for Reconsideration, which was denied by the Board. The Board adopted and incorporated the WCJ's Report on Reconsideration. Applicant then filed a Writ which was also denied.

**Discussion:** This case is significant with respect to "other factors" under Labor Code § 4663. Applicant was deemed to have an underlying "personality pathology" which was asymptomatic but contributed to applicant's permanent psychiatric disability. The defense QME wrote a very detailed report discussing the findings of psychological testing and incorporating those into his opinion, which constituted substantial evidence. The psychological testing indicated there was exaggeration and embellishment and other factors establishing and demonstrating a personality pathology. Although asymptomatic, the condition was deemed to support valid Labor Code § 4663 apportionment. The WCJ and the Board cited *Escobedo* and *E.L. Yeager v WCAB (Gatten)* (2006) 145 Cal. App.

4th 922; 71 CCC 1687 in determining that the defense QME's report in psychiatry constituted substantial medical evidence. They noted that the defense QME "explains how applicant's inflexible and rigid personality traits play an important role in her chronic pain, noting the disparity between her behavioral presentation, subjective complaints and objective findings, and why these contributed to her poor adjustment". Dr. Kimmel notes overwhelming evidence of personality pathology, and concludes that 20% of applicant's disability should be apportioned to non-industrial factors." The Board noted that the defense QME's apportionment determination was based on specific evidence of applicant's pre-existing condition and his medical expertise in evaluating the significance of these facts. Taken as a whole, the defense QME's opinion demonstrated his understanding of correct legal principles as required by both Escobedo and Gatten.

**Comments/Analysis:** In a psychiatric context, this case graphically demonstrates that even an asymptomatic condition may constitute the basis for valid Labor Code § 4663 apportionment if it is a contributing cause of the applicant's present, overall psychiatric disability. Perhaps the most important aspect of this case was the detailed discussion by the defense QME in psychiatry as to the psychological testing and correlating the testing results into his apportionment discussion almost seamlessly.

**Moore v WCAB** (2008) 73 CCC 965; 2008 Cal. Wrk. Comp. LEXIS 179 (writ denied)

**Case Summary:** Applicant suffered a specific injury on June 9, 2005, to her right arm and psyche. Following trial applicant was awarded 100% permanent total disability before apportionment. After finding valid Labor Code § 4663 apportionment applicant's 100% permanent total disability award was reduced to 96% permanent partial disability plus a life pension.

There was an AME in orthopedics who indicated no valid Labor Code § 4663 apportionment on an orthopedic basis. However, the psychiatric AME found that 10% of applicant's permanent disability was due to non-industrial factors consisting of family problems. The Board also determined that the psychiatric AME's opinion met the requirements of both Escobedo and Gatten.

**Pascale v WCAB** (2008) 73 CCC 1368; 2008 Cal. Wrk. Comp. LEXIS 267 (writ denied)

**Case Summary:** In this writ denied case, the WCAB affirmed 20% valid Labor Code § 4663 apportionment based on a psychiatric AME opinion that applicant had certain prominent histrionic and hypochondriacal personality traits manifested by increased subjective pain complaints connected to her post traumatic fibromyalgia condition. But for the valid Labor Code § 4663 apportionment of 20%, applicant would have been 100% permanently totally disabled.

**Facts:** Applicant suffered a cumulative trauma injury involving her left shoulder, neck, wrist, low back, left hip, psyche, headaches, fibromyalgia, and medication-induced gastritis. Interestingly applicant was a claims examiner for defendant Blue Cross.

At the time of trial both parties stipulated applicant was permanently totally disabled but the primary issue was apportionment. Another interesting procedural point was that applicant did not testify at trial but gave an offer of proof which evidently was accepted by the defendant that if she were to testify that before her industrial injury she had none of the physical or emotional symptoms she now attributed to her employment and was unimpaired in her work and personal activities.

Following trial the WCJ issued a Findings & Award in which he determined that of the applicant's permanent total disability, 20% was apportionable to non-industrial causes characterized as her "pre-existing personality traits" pursuant to both the opinions of the AME in rheumatology and an AME in psychiatry.

Applicant's Petition for Reconsideration was denied as was applicant's Petition for Writ of Review. The WCAB granted reconsideration and affirmed the trial judge's apportionment determination.

The chronology of evaluations in this case is also interesting. Applicant was examined by an AME in rheumatology who recommended the applicant undergo a psychiatric evaluation based on the fact that he believed some of the components of applicant's condition could be caused by a psychiatric illness. Subsequently, applicant was evaluated by an AME in psychiatry. The AME in psychiatry concluded that applicant did not have a personality disorder but rather had "prominent histrionic and hypochondriacal personality traits" under Axis II. The AME in rheumatology then relied essentially on

the psychiatric AME's opinion and indicated that 80% of applicant's permanent disability was due to her employment and the other 20% was "directly caused by her pre-existing and personal stressors, including the prominent histrionic and hypochondriacal personality traits and the death of several close relatives."

The AME in fibromyalgia indicated that in many respects fibromyalgia is a purely subjective illness. Since it is subjective, the severity of the patient's fibromyalgia is strongly influenced by certain personality features.

"If the patient was not histrionic and did not have hypochondriacal personality traits she would be feeling and expressing significantly less pain and fatigue and experience a lesser degree of a sense of suffering.

I believe that these psychological features about her make up are responsible for an estimated 20% of her final (all subjective) factors of disability arising out of her post traumatic fibromyalgia."

The AME in rheumatology was subject to cross-examination by deposition and again reaffirmed his assessment was that the psychiatric AME's Axis II diagnosis was "incredibly" important in looking at the true cause of the disability in this case.

The WCAB indicated that the AME in rheumatology's opinion on apportionment constituted substantial medical evidence citing both Escobedo and Gatten.

**Comments/Analysis:** This case is significant in that when you have any injury and related disability where there is a subjective component of pain that is considered in arriving at impairment/disability, psychological factors, both industrial and non-industrial have to be identified and sorted out very carefully in terms of causation of an injured worker's present permanent disability/impairment. The AME in fibromyalgia in this case pointed out that since fibromyalgia has many subjective features and can be largely influenced by subjective feelings, an Axis II diagnosis was critical on the issue of apportionment.

## 10. Causation of Disability Versus Causation of Injury

**TruGreen Landcare v WCAB (Gomez)** (2010) 75 Cal. Comp. Cases 385; 2010 Cal. Wrk. Comp. LEXIS 45 (writ denied)

**Case Summary:** The WCJ issued a Joint Findings, Award & Order that applicant sustained two specific injuries. The first injury occurred on November 29, 2005, and involved only the applicant's psyche. This injury was attributable to applicant's emotional reaction when he witnessed his friend and co-worker run over by a car and killed. The second injury of December 3, 2005, was a back injury with a compensable consequence psychiatric component. With respect to the psychiatric injury, applicant was evaluated by a Panel QME. The WCJ in finding a psychiatric injury indicated the applicant met the predominant cause standard under Labor Code § 3208.3(b)(1) since the psychiatric injury was caused by the combined results of seeing applicant's friend and co-worker's dead body and the effects of the compensable consequence back injury.

Defendant filed a Petition for Reconsideration. Defendant contended the WCJ improperly merged both dates of injury in determining applicant met the predominant cause requirement of Labor Code § 3208.3. Defendant argued applicant's psychiatric injury was caused 40% by the November 29, 2005, incident and 40% as a compensable consequence of the specific December 3, 2005, back injury, and therefore applicant could not meet the predominant cause requirement for each separate injury.

Both the WCJ and the WCAB noted defendant was improperly attempting to use Labor Code § 4663 apportionment by the Panel QME to determine causation of injury. With respect to the Labor Code § 4663 issue, the Board noted the Panel QME in discussing apportionment of the applicant's permanent disability indicated 40% of applicant's permanent disability was caused by his reaction to the November 29, 2005, accident, with 40% a consequence of the back injury and its related symptoms and 20% by non-industrial factors.

Defendant improperly latched on to the 40%/40% Labor Code § 4663 apportionment in a vain attempt to undermine the predominant cause determination by the Panel QME in psychiatry.

**Discussion:** This case is significant from a causation of psychiatric injury scenario in that multiple events or injuries were combined to meet the predominant cause requirement of

Labor Code § 3208.3. It also demonstrates that litigants as well as the Board must be careful in distinguishing and applying the “causation” phraseology in Labor Code § 4663 to make sure that it is causation of disability and not injury that is addressed by Labor Code § 4663. Causation of injury, i.e., AOE/COE is governed by Labor Code §§ 3600 and 3208.3 and applicable case law and not Labor Code § 4663.

**California Institute of Technology v WCAB (Bonzo)** (2010) 75 Cal. Comp. Cases 735; 2010 Cal. Wrk. Comp. LEXUS 92 (writ denied)

**Case Summary:** Applicant while employed as an administrator suffered an admitted specific injury on February 21, 2001, related to her back, both knees, and left foot. Prior to the industrial injury, there was a documented history of prior back surgeries including posterior lumbar surgeries, a nerve repair, etc. The record indicated she made a full recovery from her prior back problems before the specific injury of February 21, 2001.

While unrepresented, applicant was evaluated by a Panel QME. He determined the applicant’s bilateral knee contusions were caused by the specific injury of February 21, 2001. Applicant’s left knee resolved without any permanent disability. With respect to the right knee, he noted there was an MRI showing long term arthritic changes, large mature osteophyte formation as well as degenerative changes in both medial and lateral compartments and the menisci. Therefore with respect to apportionment of disability related to applicant’s right knee, 80% of the right knee disability was attributable to the pre-existing and naturally occurring arthritic process, and 20% to the aggravation of the arthritis by her fall at work on February 21, 2001.

Notwithstanding the fact the unrepresented Panel QME found a herniated disc at L3-4 with an extruded fragment along with lumbar spondylosis and spondylitis as well as spondylolisthesis at L4-5 and a prior laminectomy at L4-5 and L5-S1, he indicated all of these were not related to the applicant’s injury on February 21, 2001, making a determination applicant’s back injury was non-industrial.

Applicant then became represented and was referred to a primary treating physician who ordered appropriate diagnostic testing and performed surgery at L3-L5, which resolved applicant’s urinary and bowel incontinence problems.

With respect to disability and apportionment, the primary treating physician found there was no basis for any Labor Code § 4663 apportionment related to applicant’s bilateral knees. As to applicant’s spinal disability, he found 75% related to the specific injury of February 21, 2001, and 25% to the applicant’s pre-existing spinal condition as documented by multiple lumbar surgeries etc.

Following trial, the WCJ found 76% permanent disability after apportionment based on the primary treating physician's formula related to the spine. Defendant filed a Petition for Reconsideration contending the WCJ should have followed the unrepresented Panel QME's opinion and determination on apportionment. Both the WCJ and the WCAB found the Panel QME's apportionment determination did not constitute substantial medical evidence since it failed to meet the *Escobedo* standard since the unrepresented Panel QME failed to explain the "how and why" behind his opinion that 80% of applicant's right knee permanent disability was caused by her pre-existing, non-industrial arthritic condition. The WCAB noted the unrepresented Panel QME's apportionment opinion and determination was based on his view of causation of the applicant's injury and not the causation of her disability. "He assumed the "extensive nature of the findings" establishes the cause of her disability, but fails to explain how this is so." The Board indicated that the unrepresented Panel QME's apportionment determination was based solely on the existence of applicant's pathology. The unrepresented Panel QME failed to explain the mechanism by which the pathology in the applicant, a 63 year old woman's knee, caused the disability after she sustained her industrial injury.

**Discussion:** This case is another example and an affirmation of the fact that even when there are significant findings confirmed by objective diagnostic MRI testing of a severe degenerative condition in the applicant's right knee, the fact the unrepresented Panel QME failed to translate and fully discuss "how and why" these pre-existing and extensive degenerative changes were a contributing current cause of the applicant's permanent disability resulted in the determination of no valid Labor Code § 4663 apportionment. There is little doubt that if the unrepresented Panel QME had fully discussed and elaborated on the significance of the pre-existing right knee degenerative changes there would have been valid Labor Code § 4663 apportionment related to the right knee.

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Workers' Compensation Administrative Law Judge, **(retired)**;  
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