

Noteworthy Decision Summary

Finding of fact— Fitness to work — Loss of earnings award — Section 23(3) of the Workers Compensation Act

The Workers' Compensation Board (Board) cannot rely on previous findings of fact with respect to a worker's fitness to return to work in relation to temporary wage loss benefits in deciding whether a worker is eligible for a loss of earnings award under section 23(3) of the *Workers Compensation Act* (Act).

The worker injured his back while working in receiving and maintenance. The Board awarded him a permanent disability award of 10.1% for chronic pain and disc protrusions and annular tears at L4-5 and L5-S1. However, the Board Disability Awards Officer (DAO) denied the worker's claim for a permanent disability award on a loss of earnings basis under section 23(3) of the Act as the case manager had previously determined that the worker was fit to return to his pre-injury employment. The worker requested a review by the Review Division of the Board (Review Division), which confirmed the Board decision. The worker appealed to the Workers' Compensation Appeal Tribunal.

The panel noted that both the DAO and the Review Division had concluded the worker was not entitled to a loss of earnings award on the basis that the Board had previously issued two decisions that the worker was not entitled to further temporary wage loss benefits. In the course of making these decisions, the Board had determined the worker was fit to return to his pre-injury employment. The DAO concluded he was bound by these previous findings of fact and thus it was not open to him to reconsider the worker's future employability.

The panel concluded the DAO had not independently considered whether the worker was entitled to a loss of earnings assessment. The panel determined the previous decisions on the worker's fitness to return to work were "findings of fact" regarding the worker's fitness to resume employment in relation to the previous temporary wage loss benefits, as opposed to decisions regarding potential loss of earnings entitlement. The panel observed the alternative would result in parties having to request a review of a decision before it has a specific impact on entitlement. The DAO had an obligation to make an independent finding of fact with respect to employability. Moreover, future employability would always have been open to further consideration once the subsequently accepted chronic pain and its impact came into play.

The worker's appeal was allowed. The panel returned the matter to the Board for an initial adjudication regarding the worker's entitlement to a loss of earnings award under section 23(3).

¹ This decision is noteworthy for the points discussed in this summary but should be viewed with some caution as policy item #40.00 was significantly amended on April 26, 2012. Click <u>here</u> for more information.





WCAT Decision Number: WCAT-2006-02023

WCAT Decision Date: May 09, 2006

Panel: Anthony F. Stevens, Vice Chair

Introduction

The worker appeals two decisions of the Review Division of the Workers' Compensation Board (Board) that were issued on May 24, 2005 (*Review Decision #25591*) and June 23, 2005 (*Review Decision #28902*). Those decisions were in relation to the worker's 2003 claim, which the Board established for disc protrusions and annular tears at L4-5 and L5-S1, together with chronic pain.

The review officer who rendered the May 24, 2005 decision confirmed the Board's earlier decision of September 28, 2004 to provide the worker with a 10.1% functional pension award, with no loss of earnings entitlement. The review officer noted that the matter of the worker's chronic pain was not before her, and that it had been accepted by the Board subsequent to the September 28, 2004 decision such that it was the subject of a further decision respecting entitlement. Insofar as the 10.1% functional pension award, the review officer concluded that award was consistent with the range of motion deficits identified during the disability assessment examination. concluded that the worker was not entitled to an additional award for his complaints respecting his hips, legs, toes and fingers, on the basis that those complaints were likely the result of his chronic pain rather than nerve root compromise. The review officer further concluded that the worker was not entitled to a loss of earnings award, as the Board had issued decisions on January 16, 2004 and August 10, 2004 that the worker had not taken exception to. The review officer concluded that because those decisions outlined the Board's view that the worker was fit to resume his pre-injury employment, it had not been open for the disability awards officer to reconsider the matter of the worker's future employability.

The June 23, 2005 decision was in relation to the Board's further pension decision that was issued on January 10, 2005, through which the worker was provided a 2.5% functional pension award in recognition of his subsequently accepted chronic pain. The review officer confirmed that decision, and indicated that the disability awards officer had no discretion to provide an award that was different than the 2.5% figure described in item #39.02 of the *Rehabilitation Services and Claims Manual, Volume II* (RSCM II).

The worker's representative requested that the worker's appeals be considered by way of an oral hearing; however, that request was declined on a preliminary basis during the registration of the appeals. The ultimate authority in deciding that matter rests with me, but I accept that the worker's appeals can be properly considered without an oral hearing. In particular, there is no apparent significant factual dispute or issue of



credibility involved, and the matters in dispute can be addressed through written submission. As such, I have decided the worker's appeals following a review of his claim file, and with regard to the written submissions that were provided by his representative, a lawyer. The worker's employer is not participating in his appeals, although it was invited to do so.

Issue(s)

The issues in the worker's appeals are:

- 1. Whether the worker's functional pension award under section 23(1) of the *Workers Compensation* Act (Act) was appropriately determined by the Board. This issue includes the matter of whether the worker is entitled to a further functional pension award in relation to the complaints associated with his hips, legs, toes and fingers.
- 2. Whether the worker is entitled to an additional award in relation to his subjective complaints. Although this too involves a functional pension award, it is appropriate to consider this matter separately.
- 3. Whether the worker is entitled to a loss of earnings award under section 23(3) of the Act.

Jurisdiction

These appeals were filed with the Workers' Compensation Appeal Tribunal (WCAT) under section 239(1) of the Act.

Under section 250 of the Act, WCAT may consider all questions of fact and law arising in an appeal, but is not bound by legal precedent. It must make its decision based on the merits and justice of the case, but in so doing it must apply policies of the board of directors of the Board that apply to the case, except in circumstances as outlined in section 251 of the Act. Section 254 of the Act provides that WCAT has exclusive jurisdiction to inquire into, hear and determine all those matters and questions of fact, law and discretion arising or required to be determined in an appeal.

These are appeals by way of rehearing, rather than hearing *de novo* or an appeal on the record. WCAT has jurisdiction to consider new evidence, and to substitute its own decision for the decision under appeal.

Background and Evidence

The worker sustained a low back injury in the course of his October 6, 2003 employment at a facility were marine pleasure craft were manufactured. The worker was employed as a receiver and maintenance worker. His injury occurred when he



attempted to tilt a 45-gallon drum of acetone onto a dolly. Information on file indicated that he could be called upon to move a large number of such drums on any given day. The worker was 41 years of age at that time.

According to the employer's report to the Board the worker was a full-time regular employee, who had been first hired on August 11, 1998. The employer indicated that the worker earned \$15.75 per hour.

The initial medical reports detailed that the worker had severe low back pain with a significant reduction in back range of motion. X-rays taken on October 14, 2003 revealed degenerative disc narrowing at L4-5 and L5-S1.

The Board determined that the worker's long-term rate of compensation was to be referenced to the \$35,463.64 in employment income that he had in the one year prior to his injury. According to a December 16, 2003 decision of the Board, this resulted in a weekly rate of compensation that was 90% of \$521.04.

The Board referred the worker to an occupational rehabilitation program, which he commenced on November 14, 2003. The worker described on initial assessment that his back pain was aggravated by stooping, bending, and sneezing. During treatment at the program the worker described numbness of his feet, in addition to his continued low back pain. The worker was discharged from the program on December 29, 2003 as being fit to return to modified work duties.

The employer had previously advised the Board that alternate work duties would be available for the worker to perform if that became necessary. However, during the occupational rehabilitation program it became evident that the worker had been laid off by the employer, along with other employees. The employer's further information to the Board had suggested that the worker would be recalled to work in January 2004, but work remained unavailable with the employer when he was discharged from the occupational rehabilitation program. In particular, according to the information on file a further 40 employees had been laid off and a recall of the worker did not appear likely.

A case manager advised the worker by way of a January 16, 2004 decision that temporary partial disability benefits had been extended to him from December 30, 2003 to January 12, 2004 in lieu of a graduated return to work that he could have completed had work been available to him. Moreover, the case manager indicated that effective January 13, 2004 the worker was considered to be fit to resume full, regular work duties.

The worker's attending physician, Dr. S, subsequently reported to the Board that the worker had severe low back and right leg pain. Dr. S requested that the Board authorize an MRI scan to investigate the possibility that the worker had a herniated



disc. Dr. S indicated in that February 29, 2004 report that the worker was totally disabled from work.

That report from Dr. S prompted the Board to complete a further review of the worker's claim. As noted in a March 10, 2004 claim log entry a Board medical advisor concluded that according to the medical reports on file the worker had sustained a soft tissue injury of his lumbosacral spine, with non-specific pain affecting his right lateral thigh. The Board medical advisor noted that specific testing had been negative for nerve root compromise; however she recommended that the Board authorize the MRI scan on the basis that it was biologically plausible to sustain disc injury from the mechanism of injury that was involved.

The case manager initially declined to authorize the MRI scan, but on further reflection accepted that such an investigative procedure was appropriate. The MRI scan took place on May 12, 2004. It revealed degenerative disc disease at L4-5 and L5-S1, annular tears at those levels, a right paracentral disc protrusion at L4-5 and a central disc protrusion at L5-S1. The L4-5 disc protrusion was thought to cause minor compression on the thecal sac. The L5-S1 disc protrusion did not affect the thecal sac or the S1 nerve root.

After reviewing the report in relation to the MRI scan, Dr. S forwarded a May 24, 2004 report to the Board to advise that the worker was unable to return to his pre-injury employment. Dr. S suggested that the worker could return to a less physically demanding job, if his condition improved.

The Board medical advisor reviewed the worker's file once again, and in a June 8, 2004 claim log entry suggested that the worker ought to be referred for a medical assessment to assist in defining diagnostic matters, as well as treatment options. The Board medical advisor noted that in addition to his back pain the worker also had radicular symptoms involving his right lateral thigh and outer toes bilaterally, although there had been no objective neurological findings on examination.

The Board attempted to arrange for that medical assessment to take place, but the worker was unresponsive to the Board's approaches in that regard. In the result, the case manager issued a decision on August 10, 2004 to advise the worker that his claim was now accepted to include the disc protrusions and annular tears that had been revealed on the MRI scan. The case manager indicated that the worker's file was to be referred to the Board's Disability Awards Department for assessment. The case manager also indicated that the worker's condition was considered to have plateaued, and he was considered fit to return to his pre-injury employment such that further wage loss benefits would not be extended to him.



According to the case manager's September 10, 2004 referral memorandum for permanent disability assessment the only permanent conditions accepted under the worker's claim were the L4-5 and L5-S1 disc protrusions and annular tears.

The worker was examined for permanent disability assessment purposes on September 17, 2004. Apart from his low back complaints, the worker indicated that he also experienced the following: intermittent snapping/cracking of his left hip, numbness in both hips, shooting pain into his right leg, numbness in the fourth and fifth toes of his left foot, and pins and needles in the lateral aspect of his left foot. The September 23, 2004 examination report outlined that the worker had demonstrated objective signs of effort throughout the examination with the exception of the static strength tests such as grip testing, which are aimed at determining if full and consistent effort was given. The permanent functional impairment physician concluded that the worker's range of motion had likely been tentative, and that the loss of range of back motion found was likely in excess of what would be expected given the diagnosed back injury that had been sustained. In terms of range of back motion deficits, the worker was found to have impairment measured at 10.1% of total in relation to losses for back flexion (5.1%), extension (2.8%), right lateral flexion (1.2%), and left lateral flexion (1.0%).

The disability awards officer accepted the 10.1% impairment value for back impairment that was derived from the disability examination findings and the resulting figures that were obtained through the Board's Computerized Impairment Rating Calculator. The disability awards officer also considered whether, in accordance with item #39.10 of the RSCM II, other factors warranted additional permanent disability entitlement. In the end, the disability awards officer concluded that the worker's ongoing complaints were consistent with the objective findings, and were not disabling to any greater extent than recognized by the 10.1% figure. The disability awards officer provided that award effective January 13, 2004, being the date following the termination of the worker's temporary wage loss benefits. That award was calculated with regard to the previously determined long-term rate of compensation. The disability awards officer also concluded that the worker was not entitled to a loss of earnings award, as the case manager had previously determined that the worker was fit to return to his pre-injury employment.

Thereafter, the disability awards officer issued the September 28, 2004 decision to advise the worker as to his permanent disability entitlement.

The worker requested a review of the September 28, 2004 decision through the Board's Review Division. Prior to that request for review being completed the Board referred the worker for assessment at its Visiting Specialists Clinic, in an attempt at obtaining a more definitive opinion respecting diagnosis, stage, and treatment options. That assessment was performed by Dr. T, an orthopaedic surgeon, on November 18, 2004. The worker advised Dr. T that in addition to his low back pain he also experienced numbness in his left foot and right lateral thigh. The worker also indicated that his back



pain affected micturition as well as sexual function. Dr. T noted that the worker did not describe any radicular pain. That report also noted that the worker had returned to lighter work through employment at a beverage company. Following examination, and a review of the MRI scan, Dr. T concluded as follows:

His pain pattern is primarily mechanical. His right-sided mechanical pain is likely on the basis of the right-sided lesions at L4-5 and L5-S1. The lifting injury probably aggravated pre-existing abnormalities at the L4-5 and L5-S1 disc spaces.

On the basis of clinical examination and the MRI, he can be reassured that there is no significant stenosis or nerve compromise. The numbness and inhibition of micturition and sexual function are likely on the basis of pain rather than any nerve compromise.

He has taken appropriate steps in terms of management of his mechanical pain. He is encouraged to remain active but modify activity to avoid significant bending, lifting, jarring and impact. It was explained to he and his wife that he can expect some fluctuation in pain over time. If he continues with exercise and activity modification, he should be able to keep his symptoms under control.

The Board medical advisor reviewed Dr. T's report, and in a claim log entry of December 1, 2004 indicated that the worker met Board criteria as defined in the RSCM II for chronic pain. In turn, chronic pain was accepted under the worker's claim, and a further referral to the Board's Disability Awards Department was completed in that regard. As noted in a December 20, 2004 memorandum on file, the disability awards officer accepted that the worker's chronic pain was disproportionate to the physical findings. Moreover, with regard to the direction in item #39.02 of the RSCM II to provide an award of 2.5% in such a circumstance, the disability awards officer concluded that further disability entitlement at that percentage was due. That was reflected in the further pension decision that was issued on January 10, 2005.

The worker also requested a review of the January 10, 2005 decision. Those requests for review were considered separately by different review officers.

I note, for information purposes only, that the worker also requested a commutation of his pension from the Board. He noted in that particular application that he earned \$1,600.00 per month in net income from the lighter employment that he was employed at.

In terms of the earlier September 28, 2004 decision, the worker's representative provided new evidence. In a February 14, 2005 affidavit the worker described that he continues to suffer from range of back motion deficits, back pain, pain down his right



leg, and tingling/numbness in both hands. The worker also described the limitations he experiences with certain movements and activities, or with prolonged standing or sitting. Dr. S outlined in a February 14, 2005 letter that:

...The L4,5 disc protrusion affects the thecal sac and extends to the right lateral recess. [The worker] has been having ongoing low back pain and radiating pain extending down his right leg and hip. The L5 and S1 nerves which extend down the right leg originate at the location of [the worker's] disc protrusions. Compression of these nerves by his disc protrusions would explain [the worker's] right leg pains.

In the end, the Review Division confirmed the September 28, 2004 and January 10, 2005 decisions of the Board, leading to the present appeals that are before WCAT. I did not describe the submissions that were made to the Review Division by the worker's representative, as they are more or less identical to the submissions that were forwarded to WCAT in the present appeals. Those submissions can be summarized as follows:

- The worker experiences chronic pain that is more than the pain associated with the disability related to his range of motion deficits. That chronic pain limits the worker with activities such as driving, and his energy is reduced due to having to deal with his pain. The worker ought to be granted a higher award for his chronic pain than was determined by the Review Division in its June 23, 2005 decision.
- The current functional pension award for loss of range of back motion failed to compensate the worker for impairment associated with his hips and legs. The worker reported symptoms when his permanent disability was assessed that included shooting pain into his right leg and foot, soreness in his right hip, snapping/cracking of both hips, and numbness of both hips. According to a February 29, 2004 medical report the worker had a reduced range of leg motion. The worker is entitled to additional entitlement for hip and leg disability.
- The MRI scan indicated that the worker's L4-5 disc protrusion affected the thecal sac; it did not suggest that there was no nerve root compression. Dr. T did not say there was no nerve root compression, and instead he indicated that any compression was not significant. Dr. T also pointed to the worker's right-sided pain as being attributable to the disc damage. Dr. S indicated that compression of the L5 and S1 nerves by the disc protrusions could explain the worker's leg complaints. As such, the worker is entitled to a further award in relation to his right leg complaints.
- The worker also experiences numbness in his left toes, according to the disability assessment examination report. The Board's Permanent Disability Evaluation Schedule (PDES), and item #39.40 of the RSCM II, provide for scheduled awards for some sensory losses. By analogy, the worker ought to be provided a 3%



functional pension award for loss of sensation in those toes, as sensory loss in the fingers can result in an award up to the full value for an amputation.

- The worker is entitled to a functional pension award for the tingling that he experiences in his hands. That complaint also appears to have reduced his pinch and grip strength, when compared to normative data. The worker is entitled to a further award equivalent to 7% of total for his hand complaints.
- It appears that the Board's Disability Awards Department did not consider policy item #40.00 of the RSCM II to determine whether the section 23(1) of the Act functional pension award appropriately compensates the worker, or whether a loss of earnings assessment is indicated. The Board also did not look at whether the combined effect of the worker's occupation at the time of his injury, and his disability, are so exceptional in his particular case, as is discussed in that policy item of the RSCM II.

Findings and Reasons

At the outset, the Board has not accepted any permanent condition under the worker's claim apart from the disc protrusions and annular tears, and chronic pain. That is relevant, as the worker's representative seeks further entitlement for hip dysfunction and complaints associated with the worker's hands. No injury to the worker's hips or hands has been accepted under the worker's claim, nor is there medical opinion to suggest that the worker's complaints in those two anatomical areas relate to the back injury for which this claim was established. Thus, I conclude that there is no further disability entitlement in relation to those particular areas of complaints.

For clarity, it is also appropriate to point out that the pinch and grip strength testing that was performed during the disability assessment examination was never intended to determine if there was functional disability in relation to the worker's hands. According to the report on file, such testing was performed to establish whether or not the worker was giving appropriate and consistent effort during examination, such that the back range of motion deficits could be considered valid. Other observations were also recorded, such as change in heart rate, for the same purpose.

Moreover, and although Dr. S noted in a February 29, 2004 medical report that the worker had reduced straight leg raising, that finding quite clearly was not intended to indicate that the worker had range of motion deficits associated with his legs. Straight leg raising is a standard test protocol that assists in evaluating residual back disability, including in relation to cases involving possible nerve root compromise. As such, a reduction in straight leg raising would be reflected in other measurements associated with back disability, most particularly forward flexion which mirrors the same movement involved.



Turning first to the 10.1% functional pension award, I conclude that award was an appropriate reflection of the range of back motion deficits that were observed at the time of the permanent disability assessment examination.

There is no dispute, and it is well established, that the worker experiences lower extremity complaints, most particularly in relation to pain down his right leg and numbness in the toes of his left foot. The type of sensory loss that is argued to exist in the worker's case is not of the type identified in the Board's PDES, such that neither it nor item #39.40 of the RSCM II are relevant in considering the extent of his permanent residual impairment. However, item #39.10 of the RSCM II notes that the Board can consider other variables in permanent disability assessment. To that end, the Board has compiled its *Additional Factors Outline*, which at pages 21 to 23, inclusive, consider nerve root conditions that warrant further entitlement as additional factors in disability assessment. There are ranges of impairment from normal to complete loss of both sensory and motor function at the levels of the spine, including L4 and L5. The range goes from normal to complete loss, with no impairment being accorded normal function, to higher values incrementally thereafter.

Although I accept Dr. S's opinion that nerve root compromise could explain the worker's lower extremity complaints, I conclude that such nerve root dysfunction has not been confirmed in his case. As was noted by the Board medical advisor, specific testing during examination was negative for nerve root compromise. Also, and while the MRI scan revealed minor compression on the thecal sac from the L4-5 disc protrusion, Dr. T's interpretation of that investigative procedure was that there was no significant stenosis or nerve root compromise. Dr. T instead concluded that the worker's right-sided complaints were mechanical in nature, and that the numbness was on the basis of pain rather than nerve root compromise. I conclude, therefore, that there is insufficient evident to establish that the worker has dysfunction of the nerve roots for which additional entitlement under item #39.10 of the RSCM II would come into play.

In the result, I conclude that the worker's 10.1% functional pension award for objective impairment was appropriate. I confirm the May 24, 2005 Review Division decision as it relates to this matter.

Insofar as the further 2.5% award for the worker's subsequently accepted chronic pain, the review officer correctly noted that item #39.02 of the RSCM II provided a set value for the award, which was provided to the worker. Thus, the Board's policy is to award 2.5% in all cases involving chronic pain where disproportionate chronic pain has been accepted under the claim. I note that the worker was provided that amount of permanent disability entitlement in relation to his accepted chronic pain. It follows, therefore, that I confirm the June 23, 2005 decision of the Review Division.

The further submission before me relates to whether the worker is entitled to a loss of earnings assessment. It is clear from my review of the worker's claim file that the



disability awards officer did not independently consider that issue, choosing instead to conclude that the January 14, 2004 and August 10, 2004 decisions precluded consideration of long-term future employability. That too was the logic behind the review officer's subsequent decision regarding potential loss of earnings entitlement under section 23(3) of the Act.

Quite clearly the Board issued previous decisions in relation to the provision of temporary wage loss benefits, and those decisions of January 14, 2004 and August 10, 2004 indicated that in the Board's view the worker was fit to resume his employment. However, in *WCAT Decision #2006-01296* a panel noted that in *Review Decision #28687* a review officer concluded that an earlier decision on a worker's fitness to return to work could be characterized as a "finding of fact," as opposed to a decision regarding entitlement. Moreover, and as noted in that case, the final decision regarding potential loss of earnings entitlement occurred when the pension decision was issued by the Board. That panel quoted from the previous Review Division decision, which said:

The fact that a Board officer has previously made a finding of fact does not preclude that finding from being later changed. Section 96(5) of the *Act* imposes restrictions on reconsidering prior decisions, for example that no reconsideration can take place after a lapse of 75 days. However, this section must be interpreted in a consistent fashion with the provisions for requesting a review under section 96.2. The review provisions are intended to be complementary to the reconsideration sections. The *Act* envisages that, where the restrictions on reconsideration may apply, there will still be a right to request a review or an extension of time to request of review, and visa versa. Therefore, if a simple finding of fact is not reviewable under section 96.2, the restrictions in section 96(5) also do not apply to that finding. The restrictions in section 96(5) only apply to reviewable decisions.

I accept that approach, as did the vice chair in the previous WCAT decision noted previously. So did WCAT panels in *WCAT Decision #2006-01737* and *WCAT Decision #2006-01840*. I also observe that the alternative would result in parties having to request a review of a decision before it has a specific impact on entitlement. In terms of the claim that is before me, I conclude that although the Board made findings of fact regarding the worker's fitness to resume employment in relation to the previous temporary wage loss benefits, the final decision regarding long-term employability rested with the Board's Disability Awards Department. Thus, I conclude that the disability awards officer ought to have considered that matter during the initial pension assessment. Moreover, future employability was always open for further consideration once the subsequently accepted chronic pain and its impact came into play.



Considering that the disability awards officer did not specifically consider the matter, nor did the review officer, it can reasonably be said that no initial final decision regarding potential loss of earnings entitlement has as yet been completed by the Board. As a result, I vary the May 24, 2005 decision on the issue of potential loss of earnings entitlement, and return the worker's file back to the Board to complete the necessary initial adjudication in that regard.

In summary, I vary the May 24, 2005 decision and confirm the June 23, 2005 decision of the Review Division. I conclude that the 10.1% functional impairment award was an appropriate level of permanent disability entitlement for objective functional impairment. I also conclude that the 2.5% award was the appropriate level of entitlement for the worker's chronic pain. However, I vary the May 24, 2005 decision of the Board in which it was suggested that no loss of earnings consideration could occur given the earlier decisions respecting wage loss benefits. I conclude that those earlier decisions did not preclude the Board from completing the final decision respecting the worker's potential entitlement under section 23(3) of the Act. I return the worker's file to the Board to complete its determinations on that specific matter.

No appeal expenses were requested. I note that the Review Division reimbursed the worker for medical expenses incurred. There are no further potential appeal expenses apparent to me on which to consider an award for reimbursement in these further appeals.

Conclusion

I vary the May 24, 2005 decision of the Review Division. I confirm the June 23, 2005 decision of the Review Division.

Anthony F. Stevens Vice Chair

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