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THE BOARD FOR ADMINISTRATION OF THE

SUBSEQUENT INJURY ACCOUNT

FOR SELF-INSURED EMPLOYERS

In re: Subsequent Injury Request for Reimbursement

Claim No. NV02-00066
Date of Injury: October 2, 2001

Insurer: City of North Las Vegas
Employer: City of North Las Vegas
Third-Party Administrator: Nevada CompFirst

Submitted By: Nevada CompFirst

Nevada CompFirst

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DETERMINATION OF THE BOARD

This case came before the Board for the Administration of the Subsequent Injury Account for Self-Insured Employers on May 17, 2007. On January 31, 2007, the Board had previously accepted the Administrator's recommendation for denial of the claim and issued its tentative ruling of denial on that date. The applicant timely appealed and the hearing on appeal was conducted according to NRS 233B.010, *et. seq.*, Nevada's Administrative Procedures Act.

The injured worker was a fire fighter employed by the City of North Las Vegas on March 23, 1993. He died with the cause of death listed as cancer of the kidney. Tr., 48;13-16. The fire fighter's condition which originally brought him to seek workers compensation benefits was the onset of renal cell carcinoma, right kidney. Thereafter, the medical records reveal a host of serious health problems. The condition relied upon by the employer as the subsequent injury or condition, however, was cancer that was discovered in the lung, as distinguished from lung

¹"Tr." refers to the transcript of the May 17, 2007, hearing before the Board. The page and line numbers from the transcript follow.

cancer. Tr., 24; 5-8, 25; 6-12. In this case, the cancer in the lung was a metastasis of the original renal cell carcinoma of the kidney. It was secondary to the kidney cancer. Tr., 25; 20-25, 26; 1-5. The medical records established that had the renal cell carcinoma of the kidney not metastasized, there would have been no renal cell carcinoma of the lung. Tr., 28; 16-17, 38; 12-17, 43; 10-12, 45; 9-10.

Consistent with this diagnosis, Richard W. Kudrewicz, M.D., stated that 100% of the treatment and care for the renal cell carcinoma of the lung, had to be attributed to the renal cell carcinoma of the kidney. Without the renal cell carcinoma of the kidney, there would have been no need to treat the renal cell carcinoma of the lung because it would not have existed in the first place.

NRS 616B.557(1), quoted in the margin,² requires an applicant to prove the existence of a preexisting permanent physical impairment and a subsequent disability, industrially related, which combine to substantially increase the compensation paid the injured worker. The elements of NRS 616B.557(1) include, therefore: (a) proof of a preexisting permanent impairment as defined by NRS 616B.557(2) and a subsequent disability arising out of and in the course and scope of the injured worker's employment; and, (b) proof the two then combine to substantially increase the cost of compensation paid. As a threshold proposition the applicant must be able to show these two conditions have been satisfied before eligibility for reimbursement can be established.

The question this case presents is whether the applicant can meet this threshold requirement when the subsequent condition relied upon is only a sequella of the first or in this case, when the cancer found in the lung was secondary to or a progression of the original renal

² NRS 616B.557 Payment of cost of additional compensation resulting from subsequent injury of employee of self-insured employer. Except as otherwise provided in NRS 616B.560:

^{1.} If an employee of a self-insured employer has a permanent physical impairment from any cause or origin and incurs a subsequent disability by injury arising out of and in the course of his employment which entitles him to compensation for disability that is substantially greater by reason of the combined effects of the preexisting impairment and the subsequent injury than that which would have resulted from the subsequent injury alone, the compensation due must be charged to the Subsequent Injury Account for Self-Insured Employers in accordance with regulations adopted by the Board.

cell carcinoma of the kidney that had metastasized to or manifested itself in the lung and a physician attributed 100% of the treatment and care of the cancer in the lung to the original renal cell carcinoma of the kidney.

Stated alternatively, does the metastatic relocation to the lung of the renal cell carcinoma originally found in the kidney, rise to the level of a subsequent disability, industrially related, which satisfies the requirement that the applicant prove a pre-existing permanent impairment and a subsequent disability, which then combine to substantially increase the cost of compensation paid the injured worker, when, also, according to Dr. Kudrewicz, 100% of the cost of treatment, see 2SR., 9³; was attributable to the original renal cell carcinoma of the kidney? Additionally, does the lung condition rise to a second disability when, according to Dr. Kudrewicz, "[t]here is no evidence of independent lung disease..." and "[t]he only pathology in this gentlemen's [the injured worker or deceased fire fighter] lung is indeed metastatic cancer, which directly relates to the right [kidney] renal carcinoma." Kudrewicz report, Exhibit NNN to the 2SR, p. 3.

With the exception of the retention issue, NRS 616B.557(4), the Board accepted the recommendation of the Administrator and denied the application for reimbursement based upon a failure of proof under NRS 616B.557 (1) (3) and (5). The Board concluded that the metastatic migration of the right kidney renal cell carcinoma to the lung did not amount to a subsequent disability and, therefore, the requirement to prove the presence of both a preexisting permanent impairment and a subsequent industrial condition was not satisfied. The Board's Findings of Fact, Conclusions of Law and Decision in support of this determination follow, below:

FINDINGS OF FACT

1. This case was first heard by the Board on January 31, 2007, when the Board issued a tentative ruling upholding the recommendation of the Administrator, Division of Industrial Relations (DIR) to reject the application because the applicant failed to satisfy the requirements of NRS 616B.557 (1) (3) and (5).

³"1SR." stands for the Staff Report dated April 25, 2006, and "2SR" stands for the Staff Report dated September 15, 2006.

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2. The City of North Las Vegas is the applicant and self-insured employer in this matter. The matter was submitted by the third-party administrator, Nevada Comp First.

- 3. In a letter dated February 7, 2007, transmitted by mail on February 8, 2008, the applicant was notified by the Board's legal counsel, Charles R. Zeh, Esq., Zeh & Winograd, of the Board's tentative decision to accept the Administrator's recommendation and deny the claim. Exhibit 1.
- 4. In letters dated February 16, 2007 and February 21, 2007, correctly addressed to the Board's legal counsel, the applicant gave notice of its appeal of the tentative decision of the Board. Exhibit 2.
- 5. The applicant's notice of appeal of the tentative decision arrived at the office of the Board's legal counsel within 30 days of the notice to the applicant of the tentative decision of the Board from which the appeal has been taken.
- 6. The appeal was agendized for March 22, 2007, but at the request of Daniel L. Schwartz, Esq., Santoro, Driggs, Walch, Kearney, Johnson & Thompson, was continued until April 19, 2007. Applicant's counsel again, requested a continuance because of a conflict on his calendar which was granted by Chairman MacKay prior to the April 19, 2007 meeting. The matter was finally heard May 17, 2007, when the *de novo* hearing was conducted and a vote taken by the Board.
- 7. Daniel L. Schwartz, Esq., appeared at the May 17, 2007, hearing on behalf of the applicant. Tr., p. 2, 10.
- 8. John F. Wiles, Esq., Legal Counsel for the Administrator, DIR, appeared on behalf of the Administrator at the May 17, 2007, hearing on behalf of the Administrator. Tr., p.2, 9.
- 9. Jacque Everhart, the Administrator's liaison to the Board, also appeared on behalf of the Administrator at the hearing of May 17, 2007, Tr., p. 2; 8.
- 10. Bruce MacKay, Chairman of the Board, Vice-chairperson Victoria Robinson, Tina Sanchez, RJ LaPuz and Donna Dynek participated in the hearing of May 17, 2007. Tr., p. 2.
 - 11. A quorum of the Board participated in the hearing concerning this matter.

Decision NV02-00066 4 December 17, 2008

1	12.	Admitted into evidence without objection were the following exhibits: Tr., 5; 2-
2	19.	
3	Exhibit 1	Letter dated February 7, 2007, advising of the tentative decision of the Board, served by mail on February 8, 2007, upon applicant's legal counsel, amongst
4		others.
5	Exhibit 2	Two letters dated February 16, 2007, notice of appeal, and February 21, 2007, amended notice of appeal, which means that the appeal itself was timely.
7	Exhibit 3	Administrator's Staff Report dated September 15, 2006.
8	Exhibit 4	Administrator's Staff Report dated April 25, 2006, with exhibits attached A and going consecutively through Exhibit OOO, plus the verification of costs.
9	13. 5;21-25, 6; 1-	The applicant offered the following exhibits for admission into evidence: Tr., 17.
10	1	Payroll status change history computer document.
11	2	□ 304000 at 30. Superference 1.2 Stap 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.
12	2	Employee's Claim for Compensation/Report of Initial Treatment, Form C4, dated 10-26-2001
13	3	Employer's Report of Industrial Injury or Occupation Disease, Form C3, undated
14	4&5	CDS CompFirst letter, dated December 13, 2001, to the injured worker
15	6&7	Nevada Department of Administration Hearings Division, decision and order.
16	8	Certificate of Mailing to the decision
17 18	9	Another Employee's Claim for Compensation/Report of Initial Treatment, Form C4
19	10	Another Employee's Claim for Compensation/Report of Initial Treatment, Form C4, dated 5-4-2002
20	11	Law Offices of Hardy & Hardy letter, dated April 3, 2002, to Cynde Swandal,
21 Claims Examiner, CDS C	Claims Examiner, CDS Comp First	
22	12	Employer's Report of Industrial Injury or Occupation Disease, dated 5-9-2002, Form C3
23	13	San Francisco Oncology Associates Medical Group, Inc., letter dated June 19, 2002, to Patrick Goodrich, RN, OCM
24	14&15	CDS Comp First letter, dated July 10, 2002, to the injured worker
2526	16	Memo of James Spellman, M.D., dated May 9, 2007, to Amanda Thomas
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27	14.	The applicant also offered the "CV" of Dr. Spellman. Tr., 6; 20-25.
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Decision NV02-00066

- 15. All of the exhibits offered by each of the parties were admitted into evidence without objection. Tr., 7; 11-21.
- 16. The injured worker was hired by the applicant as a fire fighter on March 26, 1993. 2 SR p. 2.
- 17. On October 5, 2001, it was discovered that the firefighter suffered from renal cell carcinoma, located in the right kidney. Exhibit J, to 2 SR.
- 18. The next day, the kidney was removed (right radical nephrectomy) by Victor Grigoriev, M.D. Exhibit L to 2 SR.
- 19. On October 19, 2001, a C-4 form was completed for the renal cell carcinoma, right kidney, *i.e.*, right kidney sarcomatoid renal cell carcinoma. Exhibit M to 2 SR.
- 20. The City of North Las Vegas completed the C-3 form in response to the claim, doubting its validity and questioning how the renal cell carcinoma was work related. Exhibit O to 2 SR.
- 21. By November 29, 2001, the metastisis of the renal cell carcinoma was suspected as stated in a letter from David R. Minor, M.D., to the surgeon, Dr. Grigoriev. Exhibit T to 2 SR.
- 22. Dr. Minor referred the injured worker to Ralph Roah, M.D., for surgical evaluation of the suspected metastasis and a biopsy of the suspected area, a lung lesion. *Ibid.* By December 4, 2001, it was established that the cancer had metastasised to spindle cell carcinoma in the lung (right lung, upper lobe mass, Exhibit U to 2 SR) consistent with sarcomatoid renal cell carcinoma. 2 SR at p. 4, Exhibit V to 2 SR.
- 23. Then, in a letter dated December 13, 2001, from Leslie Bell for CompFirst, the third party administrator, the injured worker was notified that his application for workers compensation for the renal cell carcinoma, right kidney, was denied. Exhibit Y to 2 SR.
- 24. As of January 15, 2002, the diagnosis was still renal cell cancer with pulmonary "mestastasis." Exhibit AA to 2 SR.

25. As of February 6, 2002, the diagnosis was "[h]istory of metastic renal cell carcinoma with pleural metastasis." Exhibit CC to 2 SR.

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- 26. In a report dated March 7, 2002, his condition was described in part as having "...metastatic carcinoma to the lung." Exhibit EE to 2 SR.
- 27. Meanwhile, on February 2, 2002, the Hearing Officer affirmed the decision of the third party administrator to deny the claim as non-work related. Exhibit VV, p. 4, to 2 SR.
- 28. On May 2002, Dr. Minor completed a C-4 form for the injured worker for his renal cell carcinoma of the lung. *Ibid*.
- 29. The third party administrator accepted this claim on July 10, 2002, under claim number NV 0200066. *Ibid.* The third party administrator expressly stated that the kidney cancer would not be accepted as a part of this claim. The claimant then appealed this portion of the determination of July 10, 2002. The parties agreed to by-pass the hearing officer, however, and consolidate this decision within the existing appeal before the Appeals Officer on the original denial of the renal cell carcinoma involving the right kidney. *Ibid.*
- 30. In a decision dated July 17, 2003, the Appeals Officer, Michelle L. Morgando, Esq., determined that the decision of the third party administrator of July 10, 2002, to exclude the original claim for sarcomatoid renal cell carcinoma was modified to the extent that it again denied the renal cell carcinoma involving the right kidney. The Appeals Officer affirmed the decision of the third party administrator to accept the metastasis of the renal cell carcinoma of the right lung. The Appeals Officer went further and held that the Hearing Officer's decision dated February 1, 2002, affirming the third party administrator's decision to deny the claim for the sarcomatoid renal cell carcinoma was reversed. The Appeals Officer finally held that the sarcomatoid renal cell carcinoma [the original cancer diagnosis] and all sequela shall be deemed compensable under NRS 617.453 under the October 2, 2001 claim for occupational cancer, or in other words, the entirety of the cancer condition of the injured worker was bundled and considered under the original renal cell carcinoma involving the right kidney. *Id.* at pp., 9, 10.
- 31. The injured worker expired on December 11, 2003, with cause of death indicated as "CA KIDNEY." Exhibit MMM to 2 SR. The Certificate of Death also stated that the interval between onset and death was "three years." *Ibid*.

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39. During the hearing, counsel for the applicant explained and admitted further:

[W]hen the cancer has spread through the system to take root in another organ, like the lung, this is called metastasis, not lung cancer. A lung cancer is a cancer arising primarily from the lung. Not a manifestation of the spread from one organ to the lung. Tr., 24; 7-11.

40. Counsel for the applicant also admitted when describing the interrelationship between the cancer that involved the kidney and the spread of the same cancer to the right lung:

There is no question that these two [the renal cell carcinoma involving the lung and the kidney] are tied together, and but for the first one—I mean—what I really want to know, to be honest with you— and I don't know. Maybe I should become an oncologist—is, but for the first one, would there have been a second one? And I don't know the answer. I really don't. Tr., 42; 18-24.

41. Finally, commenting upon his own witness, or more specifically, the report he provided from Dr. Spellman, legal counsel for the Board stated:

That's what Dr. Spellman also says, then, in his first sentence —excuse me, second paragraph he says, a lung cancer is a cancer arising primarily from the lung, not a manifestation of a spread from one organ—one organ to the lung. And he indicates that this is not lung cancer, this [the condition of the injured worker's lung] is lung metastasis. Tr., 45; 5-11.

- 42. The Board, therefore, concludes that the renal cell carcinoma of the lung is a part of the same or original condition as a metastasis of the renal cell carcinoma involving the right kidney. There is no subsequent disability, only the spread of the original cancer as evidenced by the death certificate which stated that the injured worker expired due to kidney cancer, the original place of the sarcomatoid renal cell carcinoma, the original and only condition contracted by the injured worker that is pertinent to his worker's compensation claim. As Dr. Spellman stated, the sarcomatoid renal cell carcinoma involving the kidney eventually manifested itself in the lung. It was more of the same, only having located or spread, also, to another part of the body. The applicant did not have lung cancer on top of the renal cell carcinoma.
- 43. To the extent any of the Conclusions of Law set forth below also constitute Findings of Fact, they are incorporated herein by reference.

CONCLUSIONS OF LAW

 To the extent any of the preceding Findings of Fact also constitute Conclusions of Law, they are incorporated herein by reference.

- 2. The applicant filed a timely appeal of the tentative decision of the Board. NAC 616B.7706(1).
- 3. A quorum of the Board was present at all pertinent times to decide this case and to render its decision. NRS 616B.551.
- 4. The burden of proof lies with the applicant to prove that the eligibility criterion set out in NRS 616B.557 have been satisfied. *See, United Exposition Service v. State Industrial Insurance System*, 109 Nev. 421, 424, 851 P.2d 423 (1993).
- 5. This case revolves around the meaning of NRS 616B.557(1), which requires that the applicant show that there has been a subsequent disability, which combines with a preexisting condition to substantially increase the compensation paid the injured worker. If either is lacking, *i.e.*, there is only one condition such that there is no preexisting and subsequent condition because there is only one health problem presented to the Board, an applicant fails in its burden of satisfying the eligibility criterion of a statutory scheme which requires proof of: (a) a preexisting permanent physical impairment; and, (b) a subsequent disability.
- 6. Where statutory questions arise, statutory construction begins with the language of the statute itself. *United States v. Thompson*, 941 F.2d 1074, 1077 (10th Cir., 1991), *cert. denied*, 503 U.S. 984 (1992).
- 7. It is also true that "[i]f the intent of Congress [or the legislature] is clear, that is the end of the matter; for the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress [or the legislature]." *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843-44, 104 S.Ct. 2778 (1984). *See also*, ________, to the same effect in Nevada.
- 8. The Board concludes that the Legislature of Nevada meant what it said, when it required proof of a preexisting permanent physical impairment and subsequent disability which must then combine to substantially increase the amount of compensation paid as a condition precedent to eligibility.
- 9. The question, then, this case raises is whether there was proof of a preexisting permanent physical impairment and subsequent disability. The Board concludes that this is not

what happened in this case. Whether or not the Appeals Officer determined that the cancer invading the kidney and the cancer implicating the lung were one and the same claim, and to be paid compensation as only one claim, the Board believes there is sufficient medical evidence in the file which shows that the renal cell carcinoma of the lung was the spread or continuing manifestation of the sarcomatoid renal cell cancer involving the kidney. There is only one condition, here, since, as Dr. Kudrewicz stated, the manifestation of the renal cell cancer involving the lung is 100 percent directly related to the renal cell carcinoma located in the kidney and but for the renal cell carcinoma of the kidney, there would be no renal cell carcinoma of the lung.

- 10. Alternatively, as Dr. Spellman stated, when metastatic cancer is involved, there was no cancer of the lung. The cancer in the lung was a spread or manifestation of the cancer which involved the kidney from which it spread.
- 11. In addition, however, it is also true that the Appeals Officer, presiding over the appeal of the denial by the third party administrator of the initial renal cell carcinoma, concluded that the injured worker's condition was all one cancer, and bundled the C-4 claim initiated to establish compensability for the renal cell carcinoma of the lung, with or into the first or original renal cell carcinoma located in the right kidney and paid everything out of that claim.
- 12. Furthermore, since the burden of proof is upon the applicant and the applicant is, itself, uncertain about the status of the metastasis, Tr., 42; 18-24, there is a further failure of proof.
- 13. Also, there is a failure of proof of the combined effects aspect of the applicant's claim since the applicant's own witness, Dr. Kudrewicz, places 100 percent of the subsequent condition upon the original renal cell carcinoma involving the kidney. Alternatively, the report of Dr. Kudrewicz shows that the cancer of both regions of the body are so interrelated that they are one and the same, with the latter, a manifestation or spread of the original condition. The cancer involving the lung was the same cancer that involved the kidney. Dr. Spellman's opinion is to the same effect. The Board is left with the unmistakable conclusion that there is only one condition, renal cell carcinoma, resulting in death attributed to the kidney according to the death

- 14. The Administrator also recommended to the Board that the applicant failed to satisfy the requirements of NRS 616B.557(3)(4) and (5). 2 SR 1. It is evident, these recommendations flow directly from the conclusion that there is no preexisting permanent physical impairment and subsequent disability as there was just one condition. The injured worker remained on the payroll, however, and thus, he was retained in that sense. Proof of NRS 616B.557(3) and (5) is problematic since it rises and falls upon the premise that there are two conditions, one a preexisting permanent physical impairment and the other, the subsequent disability which, when combined with each other, substantially increase the compensation paid. If there is only one condition, then, there can be no combination, no knowledge of a preexisting permanent impairment, and there can be no preexisting permanent impairment in the first place. If there is but one impairment, there is nothing to precede or follow, stating the obvious.
- 15. The Board, therefore, is obliged to accept the Administrator's recommendation and to deny the claim for failing to satisfy in the first instance, NRS 616B.557(1) and therefore, the applicant must fail to satisfy NRS 616B.557(3) and (5).

DECISION OF THE BOARD

Based upon the Findings of Fact and Conclusions of Law set out above, the recommendation of the Administrator of the Division of Industrial Relations for the State of Nevada to deny the application for reimbursement is affirmed by the Board for the Administration of the Subsequent Injury Account for Self-Insured Employers. The applicant failed to establish by a preponderance of the evidence that NRS 616B.557(1) (3) and (5) were satisfied. The application for reimbursement from the account is hereby denied upon a motion by RJ LaPuz, seconded by Tina Sanchez, made pursuant to NRS 616B.557 (1) (3) and (5) to deny the claim. It was further moved to decline to follow the recommendation of the Administrator with respect to the Administrator's conclusion that NRS 616B.557 (4) had not been satisfied because the Board decided the retention requirement had been satisfied. The fireman was employed following discovery of the onset of renal cell carcinoma. With all members

1	participating and eligible to vote on the motion, a quorum was present. The motion was duly		
2	adopted. Tr., 55; 9-24. The vote was 4 in favor of the motion, 1 opposed (Dynek). Tr., 55; 18-		
3	24.		
4	Further, at the meeting of the Board held on December 18, 2008, upon a motion by RJ		
5	LaPuz, seconded by Tina Sanchez, Board members Chairman Victoria Robinson, Vice-chairman		
6	RJ LaPuz and Tina Sanchez, voted to adopt this written decision as the decision of the Board.		
7	Member Linda Keenan abstained, as she took no part in the original deliberations. Member		
8	Donna Dynek was absent from the meeting. Then Chairman of the Board, Bruce Mackay, is no		
9	longer a member of the Board.		
10	Dated this Hay of Necember, 2008.		
11	1/ H ()		
12	Victoria Robinson, Board Chairman		
13	Victoria Robinson, Board Chairman		
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Decision NV02-00066 13 December 17, 2008

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I certify that I am an employee of the law offices of Zeh & Winograd, and that on this date I served the attached *Findings of Fact, Conclusions of Law and Determination of the Board* on those parties identified below by:

√	Placing an original or true copy thereof in a sealed envelope, postage prepaid, certified mail/return receipt requested, and placed for collection and mailing in the United States Mail, at Reno, Nevada,
	Daniel L. Schwartz, Esq. Santoro, Driggs, Walch Kearney, Johnson & Thompson 400 South Fourth Street, Third Floor Las Vegas, NV 89101
	John F. Wiles, Division Counsel Department of Business and Industry Division of Industrial Relations 1301 North Green Valley Parkway, Suite 200 Henderson, NV 89074
	Personal delivery
	Telephonic Facsimile at the following numbers:
	Federal Express or other overnight delivery
	Reno-Carson Messenger Service
	Certified Mail/Return Receipt Requested

Dated this 7th day of January, 2009.

Karen Weisbrot

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