Attachment H

August 18, 2008

File No. 39.0984

Via facsimile: (303) 361-5256

Linda Stapleton Pinnacol Assurance 7501 E. Lowry Blvd. Denver, CO 80230-7006

Leonard Delgado v. Department of Human Svcs-Southern District

Pinnacol Assurance W.C. No. 4-714-879 Carrier No. 3242526

Dear Ms. 5tapleton:

Re:

Please accept this letter as our pre-settlement conference report for the September 3, 2008 conference before Judge DeMarino.

CURRENT MEDICAL ISSUES

As you recall, an IME was conducted by Dr. Paz regarding the request for bi-lateral knee replacement surgery. The provision of this care is the central issue endorsed for the hearing set for September 18, 2008.

Claimant has a long and protracted medical history, including issues that required a change of authorized treating physicians. Currently, Dr. David Richman is the authorized treating physician. Claimant has had treatment for the shoulder, and, pursuant to her last conversation, has had follow-up care for the removal of the hardware in his spine. In addition, claimant is continuing his psychological treatment with Dr. Allred.

According to Dr. Richman, claimant has complained of right shoulder pain, bilateral me pain, cervical and lumbar pain, along with depression. Dr. Richman referred claimant to Dr. Weinstein for the right shoulder issues, and to Dr. Xenos for the knee issues. Dr. Richman has diagnosed claimant as suffering from an "aggravation of bilateral knee degenerative joint disease" and has noted that although there will be apportionment, the surgery to the niece should proceed under this claim. In fact, Dr. Richman has noted that once the niece had been addressed, it can better address the issues surrounding the shoulder, low back and neck.

According to Dr. Xenos, claimant has bllateral knee degenerative joint disease "secondary to osteoarthritis" and concurred in the recommendation for the bllateral knee replacement surgery.

RL

RITSEMA & LYON, P.

111 S. TEJON STREET SUITE 700 COLORADO SPRINGS, CO 8090: 719-520-1299 719-520-1737 FAX WWW.RITSEMA-LYON.COM

THOMAS M. CONDAS Attorney at Law Of Counsel condast@ritserna-lyon.com

Also Admitted in California and Utah

DENVER · COLORADO SPRINGS · FORT COLLINS · GRAND JUNCTION · OMAHA

08/18/2008 03:20PM

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TO Dr. PAZ

Linda Stapleton August 18, 2008 Page 2

An Independent Medical Evaluation was performed by Dr. Paz on May 12, 2008.

In the report of June 11, 2008, Dr. Paz took an extensive history and performed a medical examination. With regard to the knees, Dr. Paz noted that both the right and left knee have palpable and audible crepitus with small effusion in both knees.

In responding to interrogatories posed by your office, Dr. Paz opined that, as a result of the December 14, 2006 injury, claimant's diagnoses are:

1. Left knee degenerative joint disease, pre-existing, aggravated;

2. Right knee degenerative joint disease, pre-existing, aggravated;

3. Cervical degenerative to this disease, pre-existing, aggravated;

4. Lumbar degenerative disc disease, pre-existing, aggravated, and;

Depression secondary to pain.

Dr. Paz pointed out his opinion that the need for medical treatment regarding the recommended Of medical Assume knee replacement surgery would be "less than 5% for each knee".

This is Tell I By A

The question becomes whether or not the industrial injury to the knees was a significant factor requiring the surgery. Although we are aware that claimant has had a significant prior history regarding his knees, especially with the left knee, the ALJ will consider the opinions of Dr. Richman, Dr. Xenos and Dr. Paz in determining the significance of the industrial injury. Please note that Dr. Richman carries significant weight with the ALJ's in both of the Colorado Springs and Pueblo courts. It is anticipated that based upon claimant's testimony that he was able to function prior to the injury and Dr. Richman's focus on the "aggravation factor" and that nothing can be done regarding the right shoulder until the knee issues are resolved, medical treatment in the form of total the replacement will be ordered.

SETTLEMENT CONFERENCE STRATEGY

It has been our experience that knee replacement surgery with follow-up treatment and medications cost approximately \$30,000 per knee, based on prevailing fee schedule.

In addition to the foregoing, it has also been our experience that surgery is performed on one knee at that time, and accordingly, the recovery time and amount of TTD is extended. Assuming 6-12 months for surgery and recovery, additional TTD of \$27,000 can be anticipated.

Of course, the additional TTD and medical expense for the shoulder, cervical and low back claims will need to be considered, but due to Dr. Richman's inability to provide a treatment plan until the knee issues are resolved, a reasonable estimate cannot be obtained.

Further, the extent of claimant's medical problems presents the classic recipe for a claim of permanent total disability. Complicating this issue are the previous industrial claims, which will include the 14% schedule impairment/left knee; 16% whole person/cervical spine and the 31% scheduled impairment/2004 left knee. (Please note that the information provided by claimant is not

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Dr. Derry

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completely consistent with the claims notes which reflect the 16% whole person cervical (Claim 9895140); a 22% working unit impairment (Claim 3024028); 31% lower left extremity at hip (Claim 3121345) and a 14% lower left extremity at hip (Claim 9804755). Of course, the previous claims will be apportioned from the current claim, but as the State is the employer on these claims, apportionment is of minimal assistance.

Based on the foregoing, it is our opinion that this matter will require \$175,000-\$225,000 to settle. Please note that claimant's attorney has indicated that claimant is extremely nervous about settling his case based on the potential "future medical" exposure. Further, if claimant is found to be permanently totally disabled, the potential exposure of TTD only for the balance of claimant's life (23.1 years) is estimated at \$399,000. (Before apportionment analysis).

We of course will attempt to settle this case well below the amount identified above. However, due to the significance of the issues, the current psychological problems being experienced by claimant, and the potential for permanent total disability, it is believed that the amount identified above will be required to bring this matter to a conclusion.

Your courtesy and cooperation in this matter are truly appreciated, and I look forward to discussing this matter further with you once you have had an opportunity to review this letter and your file.

Very truly yours,

Thomas M. Condas, Esq. Ritsema & Lyon, P.C.

/mv

Dear Mr. Pace,

Regarding: Pinnacol Assurance

Date: 7/03/09

Enclosed you will find a copy of a letter written by Thomas M. Condos, Esq. and Ritsema @ Lyon, P.C. who are representing Pinnacol Assurance in my Workmans Comp. Claim. This letter is addressed to Linda Staplenton, who handled my claim. Mr. Pace, just a brief info on me. I began my employment at C.M.H.I.P. in 1994, and was terminated from C.M.H.I.P. March 27, 2008 for Injuries I incured while at work, I was a Psych Tech working on Maximum Security. I along with many other staff members have been seriously hurt, while restraining combative Patients. I not only have had numerous surgeries resulting in me being fired and then placed on PERA Disability earning just 58% of my wages.

The injuries I received are as follows:

1999-Left Knee Surgery

2001-Broken Neck-Result: Cervical Fusion C-5,C-6

2005-May- Back Surgery-decompression L4,L5

2005-July-Quadruple Hamstring Graft in order to recreate ACL and torn meniscus 2005-Nov-Right shoulder surgery- torn labrium

2007-July-Anterior/Posterior Fusion at L4,-1,5 NOTE: I was operated on my back on a Monday and operated on my stomach on Tuesday to complete Fusion.

2008- January-Surgery to remove Hardware nuts and bolts from Right side of back 2008-October-Surgery to remove Hardware from Left side of back

FUTURE SURGERIES:

Right shoulder Again

Replacement of both my Knees, which Pinnacol Assurance would not replace although my knees were injuries from work and now Medicare will be responsible for fees that should have been taken care of by Pinnacol Assurance even though 3 different Doctors recommended replacement Sugeries

Cervical Fusion at C2-C3 (neck)

Mr. Pace, I was also made to put \$95,000.00 of my settlement money into a Medicare Program for future care of only my back my shoulder and on going Psych care due to Depression. My Settlement from Pinnacol Assurance was \$155,000.00 after lawyer fees I received \$129,000.00 and only 58% of my wages and placed on Disability.

Mr. Pace, dealing with Pinnacol Assurance was a Nightmare they even denied me a surgery for my back and then 6 months later the say sorry but you can now have the surgery, but by that time, I had lost total knee jerk reaction due to length of time of denial. If Pinnacol Assurance had done what they were told by 3 different Doctors, repair my Knees I sure I could have returned to work in some capacity. Mr. Pace, I have gone from take home pay from over \$3000.00 per month to less than \$1280.00 per month. This is one of many ways that Pinnacol Assurance continue to have Huge Profits at the expense of those they are supposed to HELP, and settlements that are not in anyway fair to the Patients, as the Attorneys only care what they can save Pinnacol Assurance as stated in their letter. Mr. Pace I hope this gives you some help in fighting

Pinnacol Assurance and If I can be of any help in the future please call me.

Thank You

Leonard L. Delgado

8 Starling Dr.

Pueblo, Co. 81005

543-4598

8/017

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Page Tof9

Deletio, Leonard

Exhibit A Information about Beneficiary and Payer

Payer Information: A-1

Name:

Pinnacol Assurance

Contact Person: Linda Stapleton PO Box 469011

Address:

Denver, CO 80246-9011

Telephone Number: (303)361-4256

Taxpayer ID#: 841093767

Beneficiary Information: A-2

Name:

Leonard Delgado

8 Starling Drive

Pueblo, CO 81005

Date of Birth: 04/20/1948

Life Expectancy: 19 years

Legal Guardian for Beneficiary: A-3

Name:

N/A

Legal Conservator for Beneficiary:

Name:

N/A

Date of Injury: 12/14/06 A-5

Diagnosis related to this Date of Injury: injury to cervical and lumbar spine, right shoulder, NoTe: ReFuel To and psychological A-6

State of Jurisdiction: Colorado A-7

Settlement Consultant's Name: Bridge Settlement Corp. A-8

Plaintiff Attorney's Name: James Koncilja, Esq.

Defense Anomey's Name: Thomas Condas, Esq

Phone: (720)493-3977

Phone: (719)543-9591 Phone: (719)520-1299

Initials: Beneficiary

PINNACOL ASSURANCE

7501 E Lowry Blvd Denver, CO 80230-7006 www.pinnacol.com

Claim #:

3242526

4714879

Injured Worker: Leonard Delgado

DOI:

12/14/2006

Employer #: Date:

1244 03/17/2008

LEONARD DELGADO 8 STARLING DRIVE PUEBLO CO 81005

" Regarding Knee Replacement"

Dear Provider:

You requested authorization of payment for:

left and right total knee arthroplasties

Your request for payment authorization is denied for the following reason(s).

- The condition for which this care is requested is not compensable. X
- The condition for which this care is requested is not related to the injury/illness for which we have admitted liability. X
- As per attached report by Dr. Zuelhsdorff. IME has been scheduled. X

Sincerely,

Linda Stapleton, Claims Representative 303-361-4256 or 1-888-852-2239 Fax: 303-361-5250 or 1-888-329-2204 Email: linda.stapleton@pinnacol.com

org:

Colorado Center of Orthopedic Excellence ATY

cc:

Koncilja, James R

CLT

Leonard Delgado

Dept Of Human Services-Southern Dist

Claims Rep/Nurse: Linda Stapleton/Mike Manney

CERTIFICATE OF MAILING

Copies of this letter were mailed this 17th day of March, 2008.

To:

Mike Manney, RN

SST Team

From:

Gary Zuehlsdorff, DO

Pinnacol Physician Advisor

Specialty: Occupational Medicine

Re:

Pinnacol Claimant:

Leonard Delgado

Pinnacol Claim No.:

3242526

DOI:

Date:

March 14, 2008

I have been asked to review the case of complex case of Mr. Delgado. Basically, the primary question is that the patient has now been recommended by Dr. Zenos in Colorado Springs to have bilateral knee replacements. He had an injury in December 2006 while working at the Colorado Mental Health Institute while he was in a takedown assault he twisted both of his knees and has had pain ever since. However, concern is that the patient's x-rays, MRIs, and history are consistent with a long preexisting history of previous knee problems. The left knee has had ONIYINGE surgery in February 2005 and 1999. The right knee has had surgery in 1962 and 1963. Two previous surgical evaluations by Dr. Weinstein in February of 2007 and Dr. Noonan in April of 2007 noted bilateral aggravation of preexisting knee degeneration, right greater than left, and that he has preexisting advanced osteoarthritis. Dr. Weinstein, however, noted in February of 2007 that he did not think that surgery would be of any benefit at that point and that he in fact did an injection that day into the right knee with a lidocaine steroid preparation and then recommended if that did not work to follow-up with viscoelastic supplementation trial. Then in April of 2007, roughly 2 months later, Dr. Noonan also noted "aggravated degenerative changes in both knees" and recommended starting physical therapy, muscle strengthening, see him back in 6 weeks, if he did not improve he would be a candidate for arthroscopic debridement of his knees. He did note, however, that ultimately he would likely report total knee replacement on both sides. Roughly a year later in February 2008 Dr. Zenos does the evaluation and again notes the 1st Time significant preexisting degenerative history in both of the patient's knees noting a diagnosis of Renumber 1 "bilateral knee degenerative joint disease secondary to osteoarthritis." Dr. Zenos goes into a very long discussion regarding the pathophysiology of this degenerative condition and the 99.64x54+7 possible interplay of minor traumas over time. He noted that various treatment modalities had only HAD NUMBER been discussed with the patient including non-steroidals, physical therapy, a brace, activity modifications, and possible injections including cortisone and viscosupplementation. They also How I got stong talked about surgery. At the end of the note Dr. Zenos notes that "we plan to proceed with bilateral sequential total knee arthroplasties." HiM. IF Flywood ILUSAS

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Time (6) YKS

Pinnacol Claim No.: 3242526

March 14, 2008

Page 2

Given the review of the case the request has been is it reasonable to request an orthopedic I' for this patient given the significant preexisting history of bilateral knee surgeries and longstanding degenerative changes in light of the recent work-related aggravation? I this is reasonable and appropriate to suggest that the patient's knee surgeries be delayed at this time to have an orthopedic specialist more thoroughly review all of the records, including the patient's primary care records, to determine what his subjective complaints have been over time. There obviously is a significant preexisting component to this case as well as a work-related incident in December of 2006. However, it is obvious that the work-related incident did not cause the degenerative changes in the patient's bilateral knees. Besides primary causality, determination for whether or not the patient truly needs bilateral knee replacements at this time or whether or not arthroscopic debridement might be appropriate only under the Worker's Compensation system. All of these questions would need to be thoroughly addressed by the orthopedic IME.

Therefore I opine and thus recommend that bilateral knee replacements be held at this time in lieu of obtaining a thorough orthopedic IME.

DICTATED BUT NOT PROOFREAD OR SIGNED BY GARY ZUEHLSDORFF, DO

NOTE:

CAREL 4-14-08

DR. TAZ OFFICE

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IS NOT AN ORTHOPEDIC Physical / Sen



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REASON FOR DENIAL FROM PINNACOL ASSURANCE

From: Leonard Deigado (leo-lee_48@hotmail.com)

Sent: Sun 11/11/07 4:04 PM

To: larr saunders @aol.com (larrsaunders@aol.com)

LARRY, REC'D LETTER FRIDAY REGARDING THE REASON FOR DENIAL FROM DR. DARREL QUICK MD PINNACOL PHYSICIAN ADVISOR. IN REFERENCE TO HIS LETTER, LARRY I HAD APPOINTMENT ON 10/11/07 WITH DR. JANSSEN AT 8:15AM I MET WITH RUTH BECKHAM R.N. N.P.C. NURSE PRACITIONER. AT THAT TIME I WAS STILL TAKING THE MEDICATION SUBOXONE FOR PAIN THAT HAD BEEN GIVEN TO ME BY DR. MARTIN FROM CDU. SO I WAS DOING BETTER . I FILLED MY FIRST SCRIPT ON 9/14/07 AT THE BROADWAY PHARMACEY AND AGAIN ON 10/16/07. HOWEVER ON THE SAME DAY THAT I SAW MS. BECKHAM I ALSO HAD AN APPOINTMENT WITH HEALTHWORKS REHAB. IN COLO. SPGS AT 1PM. I HAD A PHYSICAL EVAL. AND A PHYSICAL WORKOUT. THE EVAL SHOWED A BIG WEEKNESS TO MY LOWER AND UPPER TORSO BOTH KNEES AND SOME POSSIBLE ATHROPHEY TO MY RT FOOT. I WAS ALSO GIVEN AN EXCERISE WORKOUT PLAN WHICH I SHOWED TO YOU. ON 10/22/07 I HAD SECOUND APPT. WITH POLANKO AT THAT TIME HE DID NOT WANT ME ON ANY PAIN MEDS AND THATS THE DATE THAT HE HURT MY RT. KNEE AND VERBALLY STATED " ALL THIS PAIN AND YOUR ANXIETY IS IN YOUR HEAD". I"VE BEEN OFF PAIN MEDS SINCE THEN . SINCE THEN THE PAIN TO MY LOWER BACK, BUTTOCKS, BOTH KNEES AND RT FOOT HAVE INCREASED. LARRY I ALSO SAW DR. ALLRED ON 10/31/07 WHO NOTICED THAT MY PAIN LEVEL HAD INCREASED ALONG WITH MY ANXIETYAND DEPRESSION.THAT IS WHY I REQUESTD FROM DR. JANSSEN TO PROCEED WITH THE SURGERY. I HAVE AN APPT WITH POLANKO 11/12/07 AT9AM WHICH I WILL ASK HIS PERMISSION TO RECORD, I ALSO HAVE AN APPT. WITH YOU ON 11/15/07 9AM SEE YOU THEN. THANKS LARRY, LEONARD L. DELGADO

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Windows Live™

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Close window

Re: pennacol assurance denieng surgury

From: larrsaunders@aol.com - MY Arror Ney

Sent: Fri 11/02/07 1:12 PM To: leo-lee_48@hotmail.com

Leonard: Okay, I'll file an app for hearing on the need for medical treatment, including surgery with Dr. Jansen. Larry

----Original Message----

From: Leonard Delgado <leo-lee_48@hotmail.com>

To: larrsaunders@aol.com Sent: Fri, 2 Nov 2007 12:13 pm

Subject: pennacol assurance denieng surgury

Dear Larry, I just spoke with Megan who does the surgery scheduling for Dr. Janessen. She stated that Pennacol Assurance would not authorize this surgery do to the Dr. Polanko stating that I was doing fine and because of this they would not authorize this surgery although the surgery had been ok' for September. Megan did say that she was still waiting as she sent MS. Ruth's last notes to Pennacol Assurance to verify my need for this corrective surgery.

Leonard L. Delgado

Peek-a-boo FREE Tricks & Treats for You! Get 'em! =

Email and AIM finally together. You've gotta check out free AOL Mail!

PINN/ACOL **ASSURANCE**

7501 E Lowry Blvd Denver, CO 80230-7006 www.pinnacol.com

Claim #:

3242526

WC #: Injured Worker: Leonard Delgado

4714879

DOI:

12/14/2006

Employer #:

1244

Date: Denial #: 11/06/2007 Tuesday 977820

LEONARD DELGADO **8 STARLING DRIVE PUEBLO CO 81005**

Dear Provider:

We have received your request for prior authorization for: lumbar decompression and removal of L4 screw

Your request is denied.

Your request, the concurrent explanation of medical necessity, and the supporting medical documentation were submitted for peer clinical review. A copy of the peer clinical reviewer's opinion is attached.

You may appeal or request reconsideration of this decision (within seven (7) business days of the mailing date of this denial) either in writing or by arranging a telephone appointment with a second peer clinical reviewer.

Appeal by either method should reference any supporting documentation you wish to submit. Supporting documentation must be mailed or faxed to the team nurse listed below. If you fax the material, please mark the cover sheet URGENT and include the patient's name and claim number along with the nurse's name.

If you prefer to discuss the case by telephone with a second peer clinical reviewer, you may schedule an appointment for a telephone discussion by calling the team nurse whose name and phone number appear below. Please have your appointment calendar ready when you call. We will make every effort to arrange an appointment within five (5) business days of your request. The team nurse will ensure that our file and your supporting documentation have been reviewed by the second peer clinical reviewer. Our final position, based on the recommendation of the second peer clinical reviewer, will be mailed within seven (7) business days.

(continued on reverse)

Claim #: WC #: 3242526

Injured Worker: Leonard Delgado

4714879

DOI:

12/14/2006 XXX-XX-7477

SSN: Employer #: XXX-XX-747 1244

Date: Denial #:

11/06/2007 977820

You may request to have the matter reconsidered by the Pinnacol Assurance peer clinical reviewer who rendered the initial medical opinion if the initial reviewer indicated a specific area of conflict/question which has now been resolved, but our goal is to obtain the opinions of two clinical peers in these instances.

Sincerely,

Sharon Maloney, Nurse Case Manager 303-361-4089 or 1-888-852-2239 Fax: 303-361-5250 or 1-888-329-2204 Email: sharon.maloney@pinnacol.com

org: FRE

Center For Spinal Disorders PC 9005 Grant Street Ste 200 Thornton CO 80229

cc: ATY

Koncilja, James R 125 West B Street Pueblo CO 81003

CLT

Leonard Delgado 8 Starling Drive Pueblo CO 81005

Dept Of Human Services-Southern Dist C/O W.C. Liaison 1600 W. 24th St, Rm#045a Pueblo CO 81003

EMP CCE

Elizabeth Anne Smith 7501 E Lowry Blvd Denver CO 80230-7006

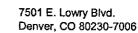
Claims Rep/Nurse: Francine Gingrich/Sharon Maloney

Enclosure: Medical Review

CERTIFICATE OF MAILING

Copies of this letter were mailed this 6th day of November, 2007. by:

C329



PINNACOL

www.pinnacol.com

To:

Sharon Maloney, RN

SAA Team

From:

Darrel Quick, MD

Pinnacol Physician Advisor

Specialty: Occupational Medicine

Re:

Pinnacol Claimant:

Leonard Delgado

Pinnacol Claim No.: 3242526

DOI:

Date:

November 6, 2007

I have been requested to review this case in which the request has been made for surgical decompression and removal of a lumbar pedicle screw, possibly without a reinsertion as documented in the note of November 1, 2007. The patient had returned a call, and documentation indicates he was initially doing well, however, now his right lower extremity pain is again incapacitating and he would like to proceed with surgery. This note contrasts with the one of October 11, 2007 documenting follow-up and states he is doing great in regards to right buttock and right lower extremity pain.

There is significant discrepancy between his symptomatic and clinical presentation as documented in notes 3 weeks apart.

I would recommend the request for surgery be temporarily denied pending preoperative psychiatric clearance.

DICTATED BUT NOT PROOFREAD OR SIGNED BY DARREL QUICK, MD

Begin Futh who is Nurse from Man Denner. al Zhad Time of was Taking to Sub oxone Prescribed By De Marshor And Agrin on 10/16/07 By Subscribed Management of Harrison I Harrison I the Renson I Was Doing Better. However ON THAT SAME DATE 10/11/07 I MAD Appt. WITH HEATH WORKS Rehab of Ipm. "That A" EVALUATION - work out. The EUALUATION

some possible ATThrophy TO MY RT, FOOT I WAS given By The Rehab Therepest, which I showed To you and you suen STATED THIS WAS A FULL Blown work out. Loss than 90 Days AFTER My Swaper. ()
I Also HAD My Seemed 2nd Appl Z 19, Pales who did not unt me on Any Pain Press + Gueschied we xawas. In 1xday am, And That's is Also the same spot where the theat my KT KNEW & Told Me My swing + Vain were All in My Head. Since THAT Time of 10/22/67 of we bean of fair Med And The Pain To My Laure PACK stony Buttock Pain To my Knows - KT FOOT Hove Returned I Also sow Da. K. Allked Ph. P. 10/31/07 who also noticed That my Jain Love Hard IN and Veiced My converse of our that stand of the Constant of the Paperson of th LANTY The NOW, 12 NOTE documenton by Dane Quiel to is referred to appointly