

1 **WORKERS' COMPENSATION APPEALS BOARD**

2 **STATE OF CALIFORNIA**

3  
4 **JESUS CERVANTES,**

5 *Applicant,*

6 vs.

7 **EL AGUILA FOOD PRODUCTS, INC.;**  
8 **SAFECO INSURANCE CO. OF ILLINOIS;**  
9 **SUPERIOR NATIONAL INSURANCE CO., In**  
10 **Liquidation; CALIFORNIA INSURANCE**  
11 **GUARANTEE ASSOCIATION; and**  
12 **BROADSPIRE (Servicing Facility),**

13 *Defendant(s).*

**Case Nos. ADJ3675309 (SAL 0081669)**  
**ADJ2967795 (SAL 0101259)**  
**ADJ3517685 (SAL 0077391)**  
**ADJ1962561 (SAL 0077392)**

**OPINION AND DECISION**  
**AFTER**  
**RECONSIDERATION**  
**(EN BANC)**

14 We granted the petition for reconsideration of defendant, Safeco Insurance Company of  
15 Illinois (Safeco), to allow time to further study the record and applicable law. Thereafter, to secure  
16 uniformity of decision in the future, the Chairman of the Appeals Board, upon a majority vote of  
17 its members, assigned this case to the Appeals Board as a whole for an en banc decision (Lab.  
18 Code, § 115)<sup>1</sup> regarding the proper procedure to be followed when an injured employee's treating  
19 physician has recommended spinal surgery.

20 We hold that the procedures and timelines governing objections to a treating physician's  
21 recommendation for spinal surgery are contained in Labor Code sections 4610 and 4062<sup>2</sup> and in

22 <sup>1</sup> En banc decisions of the Appeals Board are binding precedent on all Appeals Board panels and  
23 workers' compensation judges. (Lab. Code, § 115; Cal. Code Regs., tit. 8, § 10341; *City of Long Beach v.*  
24 *Workers' Comp. Appeals Bd. (Garcia)* (2005) 126 Cal.App.4th 298, 313, fn. 5 [70 Cal.Comp.Cases 109,  
25 120, fn. 5] (*Garcia*); *Gee v. Workers' Comp. Appeals Bd.* (2002) 96 Cal.App.4th 1418, 1425, fn. 6 [67  
26 Cal.Comp.Cases 236, 239, fn. 6].) In addition to being adopted as a precedent decision in accordance with  
27 Labor Code section 115 and Appeals Board Rule 10341, this en banc decision is also being adopted as a  
precedent decision in accordance with Government Code section 11425.60(b).

<sup>2</sup> All further statutory references are to the Labor Code. Although sections 4610 and 4062 refer to  
the "employer," we will use the term "defendant" because when an employer is insured for workers'  
compensation its carrier is normally liable and responsible for handling the claim. (Lab. Code, §§ 3753,  
3755-3759.)

1 Administrative Director (AD) Rules 9788.1, 9788.11, and 9792.6(o)<sup>3</sup> and are as follows: (1) when  
2 a treating physician recommends spinal surgery, a defendant must undertake utilization review  
3 (UR);<sup>4</sup> (2) if UR approves the requested spinal surgery, or if the defendant fails to timely complete  
4 UR, the defendant must authorize the surgery; (3) if UR denies the spinal surgery request, the  
5 *defendant* may object under section 4062(b), but any objection must comply with AD Rule 9788.1  
6 and use the form required by AD Rule 9788.11; (4) the defendant must complete its UR process  
7 within 10 days of its receipt of the treating physician’s report, which must comply with AD Rule  
8 9792.6(o), and, if UR denies the requested surgery, any section 4062(b) objection must be made  
9 within that same 10-day period; and (5) if the defendant fails to meet the 10-day timelines or  
10 comply with AD Rules 9788.1 and 9788.11, the defendant loses its right to a second opinion report  
11 and it must authorize the spinal surgery.

12 We expressly disapprove of *Brasher v. Nationwide Studio Fund* (2006) 71 Cal.Comp.Cases  
13 1282 (Appeals Board significant panel decision) (*Brasher*) to the extent it holds: (1) a defendant  
14 may opt out of UR and instead dispute the requested spinal surgery using only the procedure  
15 specified in section 4062(b); and (2) if a defendant’s UR denies spinal surgery, it is the *employee*  
16 that must object under *section 4062(a)*.

## 17 **I. BACKGROUND**

18 Applicant, Jesus Cervantes, sustained several industrial injuries to his low back in 1996,  
19 1997, and 1998, while employed by El Aguila Food Products, Inc. (El Aguila). El Aguila was  
20 insured by Safeco for two of these injuries. On September 2, 2003, a stipulated Findings and  
21 Award issued which determined, among other things, that applicant is entitled to further medical  
22 treatment, administered by Safeco.

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25 <sup>3</sup> Cal. Code Regs., tit. 8, §§ 9788.1, 9788.11, 9792.6(o).

26 <sup>4</sup> UR is the process by which a defendant, through a licensed physician it employs or with whom it  
27 contracts, reviews the treatment recommendations of an injured employee’s treating physician and then  
decides whether to approve, modify, delay, or deny authorization for the treatment based on medical  
necessity. (Lab. Code, § 4610.)

1 Applicant began treating with Catalino Dureza, M.D, who sent four narrative reports to  
2 Safeco between September 2008 and January 2009. All four reports described applicant’s current  
3 problems and diagnosed “lumbar discopathy with disc displacement” and “lumbar radiculopathy.”  
4 The September 30, 2008 report requested authorization for a lumbar MRI; the November 4, 2008  
5 report said that applicant “may be a surgical candidate” pending the results of the MRI; and the  
6 December 13, 2008 report set forth the MRI findings, but said Dr. Dureza would continue to  
7 provide applicant with medication for symptomatic relief. In the January 16, 2009 report, Dr.  
8 Dureza said: “I do feel somewhat confident that the patient would benefit from surgery ...  
9 Therefore, I am requesting L4-L5 and L5-S1 posterior lumbar interbody fusion with pedicle screw  
10 fixation and extensive decompression by a Gill Procedure. ... [¶] Authorization should be  
11 forthcoming in order to prevent further neurological and musculoskeletal deterioration.” However,  
12 the January 16, 2009 narrative report did not clearly state at the top that Dr. Dureza was requesting  
13 authorization for surgery.

14 On February 25, 2009, Dr. Dureza sent Safeco a fax captioned “WRITTEN REQUEST  
15 FOR SURGERY AUTHORIZATION,” which referenced his earlier reports and requested that  
16 Safeco authorize an “L4-5 + L5-S1 posterior lumbar interbody fusion with pedicle screw fixation.”

17 On March 4, 2009, Safeco obtained a UR report from Allen Deutsch, M.D., who concluded  
18 that the requested surgery “is not recommended as medically necessary” based in part on the  
19 ACOEM Guidelines.<sup>5</sup>

20 An expedited hearing was held before a workers’ compensation administrative law judge  
21 (WCJ), at which the reports of Dr. Dureza and Dr. Deutsch were admitted in evidence.

22 At trial, applicant argued that he is entitled to surgery because: (1) Dr. Dureza’s January  
23 16, 2009 report clearly requested authorization for surgery and, therefore, Safeco’s March 4, 2009  
24 UR denial was untimely under section 4610(g); and (2) Safeco did not object to Dr. Dureza’s  
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27 <sup>5</sup> The American College of Occupational and Environmental Medicine’s *Occupational Medicine Practice Guidelines* (2nd Ed. 2008 revision).

1 January 16, 2009 report within 10 days of receipt and, therefore, it could not avail itself of the  
2 spinal surgery second opinion dispute resolution procedure of section 4062(b).

3 Defendant argued that applicant is not entitled to surgery because: (1) AD Rule 9792.6(o)  
4 requires that any narrative report requesting authorization for proposed treatment “shall be clearly  
5 marked at the top that it is a request for authorization”; (2) Dr. Dureza’s February 25, 2009 fax was  
6 the first written communication that was clearly marked at the top that he was requesting  
7 authorization for spinal surgery and, therefore, Safeco’s March 4, 2009 UR denial was timely; and  
8 (3) once Safeco issued its timely UR denial, it was applicant’s burden to initiate the spinal surgery  
9 second opinion process by timely objecting to the UR denial, but he did not do so.

10 On May 13, 2009, the WCJ issued a Findings and Order determining that applicant is  
11 entitled to lumbar spinal fusion surgery, concluding that “Dr. Dureza’s recommendation for  
12 lumbar spinal fusion surgery appears reasonable and appropriate” and that Dr. Deutsch’s UR  
13 report is “not persuasive.” Accordingly, the WCJ said the legal issues were “moot.”

14 Safeco filed a timely petition for reconsideration that essentially raises the same legal  
15 arguments it presented at trial, but also asserts that Dr. Dureza’s opinion is not substantial  
16 evidence.

17 Applicant filed an answer that essentially raises the same legal arguments he made at trial,  
18 but also contends that Dr. Dureza’s reports support the finding of entitlement to spinal surgery.

19 We granted reconsideration to further study the factual and legal issues presented.

## 20 **II. DISCUSSION**

21 In this opinion, we interpret certain provisions of section 4610 and section 4062, and we  
22 consider the interrelationship of these provisions together with the application of relevant AD  
23 Rules, in the context of a treating physician’s request for authorization of spinal surgery.

### 24 **A. Principles of Construction**

25 The fundamental rule of statutory construction is to effectuate the Legislature’s intent.  
26 (*DuBois v. Workers’ Comp. Appeals Bd.* (1993) 5 Cal.4th 382, 387 [58 Cal.Comp.Cases 286, 289]  
27 (*DuBois*)). “When interpreting any statute, it is well-settled that we begin with its words because

1 they generally provide the most reliable indicator of legislative intent.” (*Smith v. Workers’ Comp.*  
2 *Appeals Bd.* (2009) 46 Cal.4th 272, 277 [74 Cal. Comp. Cases 575, 578] (*Smith*) [internal  
3 quotation marks omitted].) “We are required to give effect to statutes according to the usual,  
4 ordinary import of the language employed ... .” (*DuBois*, 5 Cal.4th at p. 388 [58 Cal.Comp.Cases  
5 at p. 289].) “If the language is clear and unambiguous, there is ordinarily no need for judicial  
6 construction [and, therefore,] we presume the Legislature meant what it said and the plain meaning  
7 governs.” (*Smith*, 46 Cal.4th at p. 277 [74 Cal. Comp. Cases at p. 578] [internal quotation marks  
8 omitted]; see also *DuBois*, 5 Cal.4th at pp. 387-388 [58 Cal.Comp.Cases at p. 289].) Nevertheless:  
9 “At the same time, we do not consider ... statutory language in isolation. Instead, we examine the  
10 entire substance of the statute in order to determine the scope and purpose of the provision,  
11 construing its words in context and harmonizing its various parts. Moreover, we read every statute  
12 with reference to the entire scheme of law of which it is part so that the whole may be harmonized  
13 and retain effectiveness.” (*San Leandro Teachers Ass’n v. Governing Bd. of San Leandro Unified*  
14 *School Dist.* (2009) 46 Cal.4th 822, 831 [internal quotation marks and citations omitted]; see also  
15 *Chevron U.S.A., Inc. v. Workers’ Comp. Appeals Bd. (Steele)* (1999) 19 Cal.4th 1182, 1194 [64  
16 Cal.Comp.Cases 1, 22] (*Steele*) (“The words of the statute must be construed in context ... and  
17 statutes or statutory sections relating to the same subject must be harmonized, both internally and  
18 with each other, to the extent possible.”.)

19 Generally, the rules of statutory interpretation also govern the interpretation of regulations  
20 (*Cal. Drive-In Restaurant Ass’n v. Clark* (1943) 22 Cal.2d 287, 292.) Therefore, our duty is to  
21 effectuate a regulation’s intent and, if the words of a regulation are clear and unambiguous, the  
22 plain language of the regulation applies. (*Dept. of Alcoholic Beverage Control v. Alcoholic*  
23 *Beverage Control Appeals Bd.* (2003) 109 Cal.App.4th 1687, 1695-1696; see also *Diablo Valley*  
24 *College Faculty Senate v. Contra Costa Community College Dist.* (2007) 148 Cal.App.4th 1023,  
25 1037; *Weaver v. Chavez* (2005) 133 Cal.App.4th 1350, 1355.)

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1 **B. When a Treating Physician Recommends Spinal Surgery, a Defendant Must Undertake**  
2 **Utilization Review**

3 Based on sections 4062(a) and 4610 and the Supreme Court’s decision in *State Comp. Ins.*  
4 *Fund v. Workers’ Comp. Appeals Bd. (Sandhagen)* (2008) 44 Cal.4th 230 [73 Cal.Comp.Cases  
5 981] (*Sandhagen*), we conclude that a defendant must conduct UR whenever an injured  
6 employee’s treating physician recommends spinal surgery.

7 The plain language of section 4062(a) establishes that spinal surgery cases are subject to  
8 UR because it provides that “[e]mployer objections to the treating physician’s recommendation for  
9 spinal surgery shall be subject to subdivision (b), and after denial of the physician’s  
10 recommendation in accordance with Section 4610.” (Emphasis added.) Section 4610 itself also  
11 indicates that spinal surgery cases are subject to UR because it provides that if UR denies a request  
12 for spinal surgery then the dispute shall be resolved under section 4062(b). (Lab. Code,  
13 § 4610(g)(3)(A) & (g)(3)(B).)<sup>6</sup>

14 In *Sandhagen*, the Supreme Court interpreted section 4610(b)’s requirement that “[e]very  
15 employer shall establish a utilization review process in compliance with this section” to mean that  
16 a defendant must conduct UR when considering an employee’s request for medical treatment.  
17 (*Sandhagen*, 44 Cal.4th at pp. 237, 243, 245 [73 Cal.Comp.Cases at pp. 985, 991, 992].)  
18 *Sandhagen* was not a spinal surgery case, but there is nothing in *Sandhagen* which suggests that a  
19 defendant may bypass UR in spinal surgery cases. To the contrary, *Sandhagen* specifically states  
20 that UR applies to “any and all requests for treatment.” (*Sandhagen*, 44 Cal.4th at p. 237 [73  
21 Cal.Comp.Cases at p. 985] (emphasis added).)

22 Therefore, contrary to *Brasher*, we conclude that when a treating physician requests

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25 <sup>6</sup> Section 4610(g)(3)(A) states: “If a request to perform spinal surgery is denied, disputes shall be  
26 resolved in accordance with subdivision (b) of Section 4062.” Section 4610(g)(3)(B) states: “If the insurer  
27 or self-insured employer disputes whether or not one or more services ... were medically necessary to cure  
and relieve, the dispute shall be resolved pursuant to Section 4062, except in cases involving  
recommendations for the performance of spinal surgery, which shall be governed by the provisions of  
subdivision (b) of Section 4062.”

1 authorization to perform spinal surgery, a defendant must assess that request through UR.<sup>7</sup>

2 **C. If Utilization Review Approves the Requested Surgery, or if the Defendant Fails to**  
3 **Timely Complete Utilization Review, the Defendant Must Authorize the Surgery**

4 We also conclude that if UR approves the spinal surgery request, or if the defendant fails to  
5 timely complete UR, the defendant must authorize the surgery.

6 Section 4610 establishes that the purpose of UR is to assess treatment recommendations by  
7 physicians and to approve, modify, delay, or deny those recommendations. Furthermore, section  
8 4610(g) establishes certain time “requirements [for UR that] must be met.”

9 Accordingly, the implicit legislative purpose in establishing UR was to create an  
10 expeditious and inexpensive method to assess treating physician’s medical treatment  
11 recommendations. (See Cal. Const., art. XIV, § 4 (“the administration of [workers’ compensation]  
12 legislation shall accomplish substantial justice in all cases expeditiously, inexpensively, and  
13 without incumbrance [sic] of any character”).) As *Sandhagen* states:

14 “Before the passage of Senate Bill No. 228, [¶] ... [i]f an employer wanted to  
15 obtain a report from a doctor other than the treating physician regarding the  
16 necessity of certain medical treatment, essentially the only option for the  
17 employer was to initiate the rather cumbersome, lengthy, and potentially  
18 costly process under former section 4062. ... [¶¶] ... In place of the often  
19 lengthy and cumbersome process employers used to dispute treatment  
20 requests prior to the passage of Senate Bill No. 228, the Legislature created a  
21 utilization review process that combines what are typically quick resolutions  
22 (§ 4610, subd. (g)(1)) with accuracy—employers can have their utilization  
23 review doctors review treatment requests, employers can seek additional time  
24 to obtain additional information or examinations (*id.*, subd. (g)(5)), and  
25 medical review is required before the utilization review doctor can modify,  
26 delay, or deny a treatment request (*id.*, subd. (e)). ... [¶] ... [U]tilization  
27 review provides an expeditious manner of resolving treatment requests, being  
neither time consuming nor expensive, especially when compared to the  
process previously in place.” (*Sandhagen*, 44 Cal.4th at pp. 238, 243-244 [73  
Cal.Comp.Cases at pp. 986, 991-992].)

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7 The only exception to this rule is if the surgery’s medical necessity is undisputed and the defendant solely challenges whether the industrial injury caused or contributed to the need for surgery because the cause of a need for treatment is not an issue subject to UR. (See *Simmons v. State of California, Dept. of Mental Health* (2005) 70 Cal.Comp.Cases 866, 869, 873-874; see also Cal. Code Regs., tit. 8, § 9792.6 (“Utilization review does not include determinations of the work-relatedness of injury or disease ... ”).) Nevertheless, if a defendant solely disputes industrial causation, it still must timely object under section 4062(b). (See Sections II-D & II-E, *infra.*)

1           Given the purpose of section 4610, we conclude that if UR approves the recommended  
2 spinal surgery, the defendant must authorize it.

3           This conclusion comports with the statutory language. The purpose of the spinal surgery  
4 second opinion procedure is to obtain a report “*resolving the disputed surgical recommendation.*”  
5 (Lab. Code, § 4062(b) (emphasis added).) Therefore, if UR *approves* spinal surgery, there is no  
6 “dispute” to “resolv[e].” Similarly, section 4062(a) states that “[e]mployer objections ... shall be  
7 subject to [section 4062(b)] ... after *denial* of the physician’s recommendation, in accordance with  
8 Section 4610.” (Emphasis added). Thus, if there is no UR “denial” under section 4610, then there  
9 is no spinal surgery issue that could be “subject to” section 4062(b). Also, section 4610(g)(3)(A)  
10 states that “[i]f a request to perform spinal surgery *is denied*,” then “*disputes shall be resolved in*  
11 *accordance with [section 4062(b)].*” (Emphasis added.) Once again, if there is no UR “deni[al]”  
12 there is no “dispute” to “resolve[.]”

13           Furthermore, given both the purpose and timelines of section 4610, we conclude that if a  
14 defendant fails to timely complete UR it must authorize the spinal surgery.

15           This conclusion is supported by the recent decision of the Court of Appeal in *J.C. Penney*  
16 *Co. v. Workers’ Comp. Appeals Bd. (Edwards)* (2009) 175 Cal.App.4th 818 [74 Cal.Comp.Cases  
17 826] (*Edwards*). In *Edwards*, the Court addressed a treating physician’s determination regarding  
18 temporary disability. This determination did not pertain to medical treatment, so UR did not  
19 apply. Therefore, objections to the determination were governed by section 4062(a), including its  
20 specific deadlines for objections not subject to section 4610.<sup>8</sup> J.C. Penney did not timely object  
21 under section 4062(a), but instead argued that the treating physician’s determination did not  
22 constitute substantial evidence. In rejecting this argument, the Court said:

23                   “A determination by a treating physician that an injured worker continues to  
24 be temporarily totally disabled is a medical determination subject to the

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25           <sup>8</sup> Section 4062(a) provides in relevant part that “[i]f either the employee or employer objects to a  
26 medical determination made by the treating physician concerning any medical issues ... not subject to  
27 Section 4610, the objecting party shall notify the other party in writing of the objection within 20 days of  
receipt of the report if the employee is represented by an attorney or within 30 days of receipt of the report  
if the employee is not represented by an attorney.”



1 objection requirement of Labor Code section 4062. ... The question is: What is  
2 the effect of failing to object within the ‘time limits’ of that statute?

3 “The requirement for an objection under section 4062 is stated in mandatory  
4 language: ‘the objecting party shall notify the other party in writing.’ The  
5 ordinary meaning of a mandatory time limit is that once the prescribed time  
6 has passed the action subject to the time limit may no longer be taken. When  
7 J.C. Penney failed to object to a medical determination of temporary total  
8 disability by Edwards’s treating physician within the time limit provided in  
9 section 4062, it lost the right to object to that determination in the future.

10 “The evident purpose of the time limits in section 4062 is to induce both  
11 employer and employee to declare promptly medical determination disputes  
12 and expeditiously resolve them through the prescribed mechanisms. This  
13 purpose cannot be attained if a party such as J.C. Penney can fail to object in a  
14 timely manner and nonetheless thereafter tender a claim that contradicts a  
15 medical determination subject to the objection requirement of the statute. If  
16 either employer or employee fails to raise a dispute about a medical  
17 determination within the ambit of section 4062 within the prescribed time,  
18 they may not attack that determination thereafter.

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20 “We find the core reasoning of the WCAB correct. ‘[I]t is contrary to the  
21 spirit of [section] 4062 to permit a retrospective determination of a permanent  
22 and stationary date’ when to do so would be to allow a belated objection to a  
23 medical determination by the treating physician.”

24 (*Edwards*, 175 Cal.App.4th at pp. 825-827 [74 Cal.Comp.Cases at pp. 831-  
25 832].)

26 Even more so than section 4062(a), section 4610(g) emphatically makes clear that its UR  
27 deadlines are mandatory. Section 4610(g) declares: “In determining whether to approve, modify,  
28 delay, or deny requests by physicians ... all of the following *requirements must be*  
29 *met*: (1) Prospective or concurrent decisions *shall be made in a timely fashion* that is appropriate  
30 for the nature of the employee’s condition, *not to exceed* five working days from the receipt of the  
31 information reasonably necessary to make the determination, *but in no event* more than 14 days  
32 from the date of the medical treatment recommendation by the physician.” (Emphasis added). All  
33 of these italicized words indicate a mandatory and time-limited process. (Lab. Code, § 15  
34 (“[s]hall’ is mandatory and ‘may’ is permissive”)); *Long Beach Police Officers Assn. v. City of*  
35 *Long Beach* (1988) 46 Cal.3d 736, 743 (“the ordinary meaning of ‘shall’ or ‘must’ is of mandatory

1 effect”); *In re Barfoot* (1998) 61 Cal.App.4th 923, 931 (the word “require” means “to direct, order,  
2 demand, instruct, command, ... [and] compel”).)

3 Accordingly, if a defendant fails to complete UR in a timely manner, it must authorize the  
4 recommended spinal surgery.<sup>9</sup>

5 **D. A Defendant May Object under Section 4062(b) to a Spinal Surgery Request, but any**  
6 **Objection Must Comply with Administrative Director Rule 9788.1 and Use the Form**  
6 **Required by Administrative Director Rule 9788.11**

7 For the reasons that follow, we conclude that in the sole context of a recommendation for  
8 spinal surgery, it is only the defendant, and not the injured employee, that may object under  
9 section 4062.

10 The opening sentence of section 4062(b) expressly states: “*The employer may object* to a  
11 report of the treating physician recommending that spinal surgery be performed within 10 days of  
12 the receipt of the report.” (Emphasis added.) Accordingly, the plain language of section 4062(b)  
13 clearly and unequivocally provides that it is the *defendant* that may initiate that statute’s spinal  
14 surgery second opinion procedure. This is confirmed by the unambiguous language of section  
15 4062(a), which provides in relevant part: “*Employer objections* to the treating physician’s  
16 recommendation for spinal surgery shall be subject to subdivision (b) ... .” (Emphasis added.)  
17 Thus, the language of both sections 4062(b) and 4062(a) refers only to an “employer” objection to  
18 a treating physician’s spinal surgery recommendation; neither section makes any reference to an  
19 objection by an injured employee.

20 As will be discussed later, a defendant’s objection under section 4062(b) to a treating  
21 physician’s spinal surgery request may be made only after that request has been denied by UR.  
22 (See Section II-E, *infra*.) It may seem redundant to provide for a defendant to object again after its  
23 own UR has just denied the spinal surgery request, but in the context of spinal surgery this is

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24 <sup>9</sup> We recognize that, in *Sierra Pacific Industries v. Workers’ Comp. Appeals Bd. (Chatham)* (2006)  
25 140 Cal.App.4th 1498, 1513 [71 Cal.Comp.Cases 714, 724], the Court of Appeal for the Third Appellate  
26 District stated: “The effect of bypassing the new utilization review process was that the [UR report] was not  
27 admissible ..., but there was no effect on the ability of [the defendant] to challenge the reasonableness of  
the medical treatment.” However, this statement is dicta. Furthermore, this statement was made before the  
Supreme Court had issued its decision in *Sandhagen* and the statement is inconsistent with the Third  
Appellate District’s subsequent opinion in *Edwards*.

1 exactly what sections 4062(b) and 4062(a) specify. The legislative framework for spinal surgery  
2 cases is simply different than it is for non-spinal surgery cases because, at every step, section  
3 4062(b) places the onus on the defendant. For example, in addition to providing for only  
4 “employer” objections to a treating physician’s spinal surgery recommendation, section 4062(b)  
5 requires that “[i]f the second opinion report does not recommend surgery, *the employer shall file a*  
6 *declaration of readiness to proceed.*” (Emphasis added.) Because a declaration of readiness is the  
7 document that triggers a hearing before the WCAB (Cal. Code Regs., tit. 8, § 10250), section  
8 4062(b) gives the defendant the primary responsibility for initiating the adjudicatory process, even  
9 if the second opinion report *agrees* with the defendant’s UR denial. This, of course, is consistent  
10 with section 4062(b)’s provision making the defendant responsible for initiating the second  
11 opinion process, even though its own UR has denied the spinal surgery.

12 We recognize that section 4062(a) states: “If the employee objects to a decision made  
13 pursuant to Section 4610 to modify, delay, or deny a treatment recommendation, the employee  
14 shall notify the employer of the objection in writing within 20 days of receipt of that decision.”  
15 Yet, the fact that section 4062(a) refers generally to “employee” objections to UR determinations  
16 does not by itself establish a legislative intent to allow “employee” objections to UR  
17 determinations *relating to spinal surgery*.

18 “It is well settled ... that a general provision is controlled by one that is special, the latter  
19 being treated as an exception to the former. A specific provision relating to a particular subject  
20 will govern in respect to that subject, as against a general provision, although the latter, standing  
21 alone, would be broad enough to include the subject to which the more particular provision  
22 relates.” (*Miller v. Superior Court* (1999) 21 Cal.4th 883, 895 (internal quotation marks omitted);  
23 see also Code Civ. Proc., § 1859; Civ. Code, § 3534.) Here, we conclude that the “employee”  
24 objection language of section 4062(a) states the general rule for when UR modifies, delays, or  
25 denies a treatment recommendation *other than spinal surgery*, but that the “employer” objection  
26 language of sections 4062(b) and 4062(a) states the specific rule for spinal surgery cases.

1 In this regard, the Legislature established a fast track for spinal surgery cases. Specifically,  
2 section 4062(b) provides, in pertinent part:

3 “The employer may object to a report of the treating physician recommending  
4 that spinal surgery be performed within 10 days of the receipt of the report. If  
5 the employee is represented by an attorney, the parties shall seek agreement  
6 with the other party on a California licensed board-certified or board-eligible  
7 orthopedic surgeon or neurosurgeon to prepare a second opinion report  
8 resolving the disputed surgical recommendation. If no agreement is reached  
9 within 10 days, or if the employee is not represented by an attorney, an  
orthopedic surgeon or neurosurgeon shall be randomly selected by the  
administrative director to prepare a second opinion report resolving the  
disputed surgical recommendation. Examinations shall be scheduled on an  
expedited basis. The second opinion report shall be served on the parties  
within 45 days of receipt of the treating physician’s report.”

10 Therefore, under section 4062(b), a second opinion physician must be agreed to or selected, the  
11 examination must be scheduled and completed, and the second opinion report must issue – all  
12 within *45 days* after the defendant has received the treating physician’s report recommending  
13 spinal surgery.

14 Yet, the general procedure of section 4062(a) for “employee” objections to UR  
15 determinations is utterly inconsistent with this specific and expeditious 45-day procedure of  
16 section 4062(b) for spinal surgery cases.

17 Preliminarily, section 4062(b) requires an employer’s spinal surgery objection to be made  
18 within *10 days* of the receipt of *the treating physician’s report*. Section 4062(a), however,  
19 provides that an employee’s objection may be made within *20 days* of the employee’s receipt of  
20 *the defendant’s UR decision*. Even with our holding that a defendant must complete UR in a  
21 spinal surgery case within 10 days of its receipt of the treating physician’s report (see Section II-E,  
22 *infra*), section 4062(a) would add an extra 20 days to the dispute resolution process at the very  
23 outset.

24 Moreover, once an employee’s UR objection has been made, section 4062(a) steers that  
25 objection into section 4062.2 for a represented employee and into section 4062.1 for a  
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1 non-represented employee.<sup>10</sup> Under section 4062.2, either the parties timely agree to utilize an  
2 agreed medical evaluator (AME) or, failing that, the AD issues a three-member qualified medical  
3 evaluator (QME) panel from which the parties may agree to select one as an AME or they may  
4 each strike one QME, leaving one. Under section 4062.1, only a three-member QME panel  
5 process is allowed. But, as illustrated below (see fn. 12, *infra*), the procedures under sections  
6 4062.2 and 4062.1 each involve multiple steps that, collectively, allow the AME and/or QME  
7 process to extend indefinitely, well beyond the 45-day deadline of section 4062(b).<sup>11</sup>

8  
9 <sup>10</sup> That is, after stating that “[i]f the employee objects to a decision made pursuant to Section  
10 4610 ...,” section 4062(a) states: “If the employee is represented by an attorney, a medical evaluation to  
11 determine the disputed medical issue shall be obtained as provided in Section 4062.2, and no other medical  
12 evaluation shall be obtained. If the employee is not represented by an attorney, the employer shall  
13 immediately provide the employee with a form prescribed by the medical director with which to request  
14 assignment of a panel of three qualified medical evaluators, the evaluation shall be obtained as provided in  
15 Section 4062.1, and no other medical evaluation shall be obtained.”

13 <sup>11</sup> In all of the scenarios the treating physician issues a report recommending spinal surgery issues, the  
14 defendant has 10 days to complete UR (see Section II-E, *infra*), and the applicant has 20 days to object after  
15 receipt of the defendant’s UR determination (Lab. Code, § 4062(a)). What happens after the employee’s  
16 UR objection depends on whether it is a represented case where the parties timely agree to an AME, a  
17 represented case where the parties do not timely agree to an AME, or a case where the injured employee is  
18 unrepresented.

16 In a represented case that winds up with a timely AME agreement: (1) one party must first make an  
17 AME proposal in writing; however, *there is no established time* after the employee receives the UR  
18 determination by which this must be done (Lab. Code, § 4062.2(b)); (2) after the written AME proposal, the  
19 parties have 10 days – or 20 days, with mutual consent – to agree on an AME (Lab. Code, § 4062.2(b));  
20 (3) after an AME is selected, an appointment must be made and the AME must examine the injured  
21 employee; however, *there is no specified time* by which the appointment must be made or the examination  
22 must be conducted; and (4) once the evaluation has taken place, the AME has 30 days to issue a report  
23 (Lab. Code, § 139.2(j)(1)(A); Cal. Code Regs., tit. 8, § 38(a)); however, an extension of time up to 45 days  
24 may be granted (Lab. Code, § 139.2(j)(1)(A); Cal. Code Regs., tit. 8, § 38(b)).

21 In a represented case that does not result in a timely AME agreement: (1) one party must make an  
22 AME proposal in writing; however, *there is no established time* after the employee’s UR objection by  
23 which this must be done (Lab. Code, § 4062.2(b)); (2) after the written AME proposal, the parties have 10  
24 days – or 20 days, with mutual consent – to agree on an AME (Lab. Code, § 4062.2(b)); (3) when the  
25 parties do not timely agree on an AME, one of the parties must request a three-member QME panel from  
26 the AD; however, *there is no specified time* by which a QME panel must be requested; (4) once a QME  
27 panel has been requested, the AD has 30 days to designate the panel (Cal. Code Regs., tit. 8, § 31.1(c)); (5)  
after the parties have received the QME panel, they have 10 days to select an AME from the panel and,  
failing that, three days thereafter for each party to strike one name from the panel (Lab. Code, § 4062.2(c));  
(6) after an AME or QME from the panel has been selected, the employee has 10 business days to schedule  
an appointment with the AME/QME; however, if the employee fails to act within that time *the clock stops  
running and either party has an indefinite time to schedule the appointment* (Cal. Code Regs., [continued  
next page] tit. 8, § 31.3(d)) and, furthermore, *there is no requirement that the appointment itself occur  
within any particular time*, but if an appointment with the selected QME cannot be obtained *within  
60 to 90 days*, the AD may replace that QME or issue an entirely new QME panel [continued on next page]

1 Furthermore, there is another significant difference between the special “employer” spinal  
2 surgery second opinion process of section 4062(b) and the general “employee” process of section  
3 4062(a). Regardless of whether the second opinion physician is agreed to by represented parties or  
4 is randomly selected by the AD, section 4062(b) requires the second opinion physician to be a  
5 “licensed board-certified or board-eligible orthopedic surgeon or neurosurgeon.” (See also Cal.  
6 Code Regs., tit. 8, § 9788.2.) As just discussed, however, section 4062(a) directs a represented  
7 employee into section 4062.2 and an unrepresented employee into section 4062.1; yet, neither of  
8 those sections requires any AME or panel QME to be an orthopedic surgeon or a neurosurgeon.  
9 To the contrary, both sections allow the party who is requesting a QME panel to designate *any*  
10 “specialty” for the physicians on the panel (Lab. Code, §§ 4062.2(b), 4062.1(b)) and section  
11 4062.2 does not even require any AME to have been certified as a QME (Lab. Code, § 4062.2(b);  
12 see also § 139.2(b)-(e), (h)(3) [standards for QMEs assigned by the AD].)<sup>12</sup>

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13  
14 (Cal. Code Regs., tit. 8, § 33(e); see also § 31.5(a)(2)); and (7) once the evaluation takes place, the  
15 AME/QME has 30 days to issue a report (Lab. Code, §§ 4062.5, 139.2(j)(1)(A); Cal. Code Regs., tit. 8, §  
16 38(a)); however, an extension of time up to 45 days may be granted (Lab. Code, § 139.2(j)(1)(A); Cal. Code  
17 Regs., tit. 8, § 38(b)).

18 In a case where the employee is unrepresented: (1) the employee or the defendant must request a  
19 panel of three QMEs from the AD (Lab. Code, § 4062.2(b)); however, *there is no established time* how  
20 quickly this must be done after the employee’s UR objection and, furthermore, although the employee has  
21 10 days to submit the QME panel request form to the AD *after receiving the form from the defendant* (Lab.  
22 Code, § 4062.1(b)), there appears to be no requirement about *when* the defendant must furnish the QME  
23 panel request form to the employee (compare Cal. Code Regs., tit. 8, § 9812(a)(2)(A)(2.), (a)(3)(A)(3.),  
24 (d)(1)(B), (g)(2)(A)(2.), (g)(3)(A)(3.)); (5) once a QME panel request has been submitted, the AD has five  
25 working days after receiving the request to assign a panel; however, if the AD does not assign a QME panel  
26 within 15 working days, the injured employee may utilize any QME of his or her choice (Lab. Code,  
27 § 139.2(h)(1)); (6) if the AD assigns a QME panel within 15 working days, the employee has 10 days after  
receipt of the panel to select a QME and schedule an appointment (Lab. Code, § 4062.1(b); Cal. Code  
Regs., tit. 8, § 31.3(a)); however, if the employee does not act within 10 days *the clock stops running and  
either party may schedule the appointment at any indefinite point in the future* (Lab. Code, § 4062.1(b);  
Cal. Code Regs., tit. 8, § 31.3(c)); (7) if an appointment with the selected QME cannot be obtained *within  
60 to 90 days*, the AD *may replace that QME or issue an entirely new QME panel* (Cal. Code Regs., tit. 8, §  
33(e); see also § 31.5(a)(2)); and (8) after the appointment, the QME has 30 days to issue a report (Lab.  
Code, §§ 4062.5, 139.2(j)(1)(A); Cal. Code Regs., tit. 8, § 38(a)); however, an extension of time up to 45  
days may be granted (Lab. Code, § 139.2(j)(1)(A); Cal. Code Regs., tit. 8, § 38(b)).

12 When a QME panel is issued, section 139.2 does require the AD to determine whether the specialty  
requested is “appropriate” (Lab. Code, § 139.2(h)(3)(B) & (h)(4)), but these provisions do not mean that the  
physicians on the panel must be board-certified or board-eligible orthopedic surgeons or neurosurgeons.  
Moreover, the AD’s Rules suggest that the specialty designated by the requesting party is normally used.  
(Cal. Code Regs., tit. 8, §§ 30.5, 31(a).)

1 In sum, section 4062(b) and section 4062(a) refer only to “employer” and not “employee”  
2 objections in spinal surgery cases; section 4062(b) establishes a unique 45-day fast-track  
3 procedure for resolving spinal surgery disputes; and the generic “employee” objection procedure  
4 of sections 4062(a), 4062.2, and 4062.1 takes substantially longer than 45 days and does not  
5 require that an orthopedic surgeon or a neurosurgeon be used. Accordingly, we conclude that the  
6 Legislature’s specific intent as expressed by section 4062(b)’s spinal surgery provisions controls  
7 over the Legislature’s more general intent as expressed in section 4062(a)’s non-spinal surgery  
8 provisions. Thus, it is only the defendant which may initiate the section 4062(b) spinal surgery  
9 second opinion process.

10 In reading section 4062(b) to mean that it is the defendant, and not the injured employee,  
11 that may initiate the spinal surgery second opinion procedure, we are aware *Sandhagen* repeatedly  
12 said that defendants cannot use section 4062 to dispute treatment requests; instead, section 4062 is  
13 available only to employees who are dissatisfied with a defendant’s UR decision. (*Sandhagen*, 44  
14 Cal.4th at pp. 234, 237, 244-245 [73 Cal.Comp.Cases at pp. 982, 985, 985-986, 992].) *Sandhagen*,  
15 however, was not a spinal surgery case and it did not directly involve the provisions of section  
16 4062(b). “It is axiomatic that language in a judicial opinion is to be understood in accordance with  
17 the facts and issues before the court. An opinion is not authority for propositions not considered.”  
18 (*Steele, supra*, 19 Cal.4th at p. 1195 [64 Cal.Comp.Cases at p. 28].) Therefore, *Sandhagen*’s  
19 statements that only an injured employee (and not a defendant) may use section 4062 in a non-  
20 spinal surgery case have no bearing on the question of whether it is the defendant (and not the  
21 employee) that may initiate the spinal surgery second opinion procedure of section 4062(b).

22 We recognize *Brasher* held that when a defendant’s UR denies spinal surgery it is *the*  
23 *injured employee* who must object within 10 days of the denial. (*Brasher, supra*, 71  
24 Cal.Comp.Cases at p. 1287.) However, *Brasher* acknowledged it arrived at this conclusion using a  
25 “convoluted” method that had the employee begin on the section 4062(a) track and then switch  
26 over to the section 4062(b) track. (*Id.*) Yet, nothing in the statutory language of section 4062  
27 provides for any such track-switching procedure. Moreover, importing an “employee” objection

1 into section 4062(b) would mean the employee has 10 days to object to the spinal surgery  
2 recommendation of the employee's *own physician*, even though there is a possibility that  
3 defendant's UR process might *approve* the requested surgery. (Lab. Code, § 4610(a).)  
4 Accordingly, based on our analysis above, we now expressly reject the *Brasher* holding that, if a  
5 defendant's UR denies spinal surgery, the *applicant* must timely object under section 4062(a),  
6 after which the applicant is switched over to the section 4062(b) track.<sup>13</sup>

7 We observe that, if a defendant objects under section 4062(b), it must comply with AD  
8 Rules 9788.1 and 9788.11. Rule 9788.1 is expressly framed in mandatory terms and it provides, in  
9 relevant part:

10 “(a) An objection to the treating physician's recommendation for spinal  
11 surgery *shall* be written on the form prescribed by the Administrative Director  
12 in Section 9788.11. The employer *shall* include with the objection a copy of  
13 the treating physician's report containing the recommendation to which the  
14 employer objects. The objection *shall* include the employer's reasons,  
15 specific to the employee, for the objection to the recommended procedure.  
The form *must* be executed by a principal or employee of the employer,  
insurance carrier, or administrator.” (Cal. Code Regs., tit. 8, § 9788.1  
(emphasis added).)

16 Rule 9788.1 also sets forth certain requirements for: (1) a declaration under penalty of perjury  
17 regarding when the defendant received the treating physician's spinal surgery recommendation;  
18 (2) a declaration under penalty of perjury regarding when the defendant served its objection; and  
19  
20

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21 <sup>13</sup> The Court of Appeal, First Appellate District, Division 4, recently issued a writ of review in *Elliot*  
22 *v. Workers' Comp. Appeals Bd.*, 1st Civ. No. A125585. In *Elliot*, the Appeals Board panel followed this  
23 particular holding of the significant panel decision in *Brasher*. Of course, significant panel decisions are  
24 not *binding* precedent in workers' compensation proceedings. (See Cal. Code Regs., tit. 8, § 10341.)  
25 Nevertheless, significant panel decisions are specifically intended to augment the body of binding published  
26 appellate court opinions and en banc decisions issued by the full Board and, therefore, a panel decision is  
27 not deemed “significant” unless it meets certain criteria. (See *Larch v Workers' Comp. Appeals Bd.* (1999)  
64 Cal.Comp.Cases 1098, 1099-1100 (writ den.); see also, e.g., 25 Cal. Workers' Comp. Rptr. 197.)  
Accordingly, the panel in *Elliot* reasonably followed *Brasher* on a point that had not been implicitly  
overruled by *Sandhagen*. Nevertheless, upon more comprehensive analysis, the entire Board, including the  
*Elliot* panelists, has now reached the conclusion that it is the *defendant* that must timely initiate the spinal  
surgery second opinion procedure of section 4062(b), even if the defendant's UR timely denied  
authorization for the surgery.



1 (3) service of the objection. Rule 9788.11 adopts the form that, under Rule 9788.1, “shall” be used  
2 for a defendant’s spinal surgery objection.<sup>14</sup>

3 **E. The Defendant Must Complete its Utilization Review Process within 10 days of its Receipt**  
4 **of the Treating Physician’s Report, Which Must Comply with Administrative Director Rule**  
5 **9792.6(o), and, if Utilization Review Denies the Requested Surgery, any Section 4062(b)**  
6 **Objection Must Be Made within the Same 10-day Period**

7 For the reasons that follow, a defendant must both complete its UR and, if there is a UR  
8 denial, make its section 4062(b) objection within 10 days of its receipt of the treating physician’s  
9 report recommending spinal surgery.

10 Section 4062(b) states, “The employer may object to a report of the treating physician  
11 recommending that spinal surgery be performed *within 10 days of the receipt of the report.*”  
12 (Emphasis added.) Therefore, based on its clear and unambiguous language, the 10-day time limit  
13 for a section 4062(b) objection starts running when the defendant receives the treating physician’s  
14 report recommending spinal surgery.<sup>15</sup>

15 However, section 4062(a) states that “[e]mployer objections to the treating physician’s  
16 recommendation for spinal surgery shall be subject to subdivision (b), *and after denial of the*  
17 *physician’s recommendation, in accordance with Section 4610*” (emphasis added). Similarly,  
18 section 4610(g)(3)(A) states that “[i]f a request to perform spinal surgery *is denied* [by utilization  
19 review], disputes shall be resolved in accordance with subdivision (b) of Section 4062.” (Emphasis  
20 added.) Therefore, sections 4062(a) and 4610(g)(3)(A) both plainly and unequivocally provide  
21

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22 <sup>14</sup> See <http://www.dir.ca.gov/dwc/dwcpropregs/SSSOForm233.pdf>.

23 <sup>15</sup> We interpret the “may” language as indicating that a defendant has discretion whether or not to  
24 object to a report recommending spinal surgery, i.e., we conclude the “may object” language relates to the  
25 “to a report” language that immediately follows it. We do not construe the “may object” language to mean  
26 that the 10-day objection period is discretionary, i.e., we conclude the “may object” language does not  
27 relate to the “within 10 days” language at the end of the sentence. (See *White v. County of Sacramento*  
(1982) 31 Cal.3d 676, 680 (“A longstanding rule of statutory construction--the ‘last antecedent rule’--  
provides that ‘qualifying words, phrases and clauses are to be applied to the words or phrases immediately  
preceding and are not to be construed as extending to or including others more remote.’ ”).) In fact,  
allowing a defendant to discretionarily and indefinitely exceed the 10 days would be utterly contrary to the  
purpose of section 4062(b), which is to help expeditiously resolve spinal surgery disputes.

1 that the spinal surgery second opinion process of section 4062(b) cannot be initiated unless and  
2 until the UR process of section 4610 has denied the requested spinal surgery.<sup>16</sup>

3 We cannot consider these various statutory provisions in isolation. Instead, we must  
4 harmonize them in the context of the overall statutory scheme for spinal surgery cases. This is  
5 accomplished by interpreting sections 4062(a) and 4610(g)(3)(A) to mean that, in spinal surgery  
6 cases only, UR must be completed within 10 days of the defendant’s receipt of the treating  
7 physician’s report, so that if UR denies authorization for the requested surgery the defendant can  
8 still make its section 4062(b) objection within the 10-day timeline of that statute.

9 This interpretation is fully consistent with section 4610(g)(1).

10 Section 4610(g)(1) requires UR to be completed “*no ... more than* 14 days from the date of  
11 the medical treatment recommendation by the physician.” (Emphasis added) Ordinarily, a UR  
12 timeline of 10 days from receipt of the spinal surgery report is “no more than” 14 days from the  
13 date of the recommendation (i.e., the date the report issues).

14 Moreover, section 4610(g)(1) requires that UR decisions “shall be made in a timely fashion  
15 *that is appropriate for the nature of the employee’s condition.*” (Emphasis added.) In spinal  
16 surgery cases, a UR decision that is “timely” made within 10 days of the receipt of the treating  
17 physician’s report is “appropriate for the nature of the employee’s condition.” This is because, as  
18 discussed above, the Legislature put all spinal surgery cases on a fast track. Section 4062(b)  
19 allows only *10 days* from the defendant’s receipt of the treating physician’s report to object to a  
20 spinal surgery recommendation and then allows only *45 days* from the defendant’s receipt of that  
21 report for the entire spinal surgery second opinion process to be completed.

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26 <sup>16</sup> In the context of spinal surgery, we construe the “denial” language of sections 4062(a) and  
27 4610(g)(3)(A) to include any UR decision that does not fully approve the specific spinal surgery  
recommended by the treating physician. Therefore, a UR decision that modifies or delays a spinal surgery  
request would be a “denial.”

1 We are cognizant that section 4610(g)(5) allows the deadlines of section 4610(g)(1) to be  
2 exceeded in some circumstances.<sup>17</sup> Nevertheless, for the reasons above, we construe the statutory  
3 scheme to mean that, in spinal surgery cases only, the UR determination *always* must be made  
4 within 10 days of receipt of the treating physician’s report, so that the defendant may still timely  
5 object under section 4062(b) if there is a UR denial.<sup>18</sup>

6 Although we hold that a defendant must both complete its UR and make any section  
7 4062(b) objection within 10 days of receipt of the treating physician’s report recommending spinal  
8 surgery, we further hold that these 10-day timelines are triggered only by a treating physician’s  
9 report that complies with AD Rule 9792.6(o).

10 AD Rule 9792.6(o) provides:

11 “ ‘Request for authorization’ means a written confirmation of an oral request  
12 for a specific course of proposed medical treatment pursuant to Labor Code  
13 section 4610(h) or a written request for a specific course of proposed medical  
14 treatment. An oral request for authorization must be followed by a written  
15 confirmation of the request within seventy-two (72) hours. Both the written  
16 confirmation of an oral request and the written request must be set forth on the  
17 ‘Doctor’s First Report of Occupational Injury or Illness,’ Form DLSR 5021,  
18 section 14006, or on the Primary Treating Physician Progress Report, DWC  
19 Form PR-2, as contained in section 9785.2, or in narrative form containing the  
20 same information required in the PR-2 form. If a narrative format is used, the  
document shall be clearly marked at the top that it is a request for  
authorization.”

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21 <sup>17</sup> Section 4610(g)(5) provides that “[i]f the employer ... cannot make a decision within the  
22 timeframes specified in paragraph (1) ... because the employer ... is not in receipt of all of the information  
23 reasonably necessary and requested, because the employer requires consultation by an expert reviewer, or  
24 because the employer has asked that an additional examination or test be performed upon the employee that  
25 is reasonable and consistent with good medical practice, the employer shall immediately notify the  
26 physician and the employee, in writing, that the employer cannot make a decision within the required  
timeframe, and specify the information requested but not received, the expert reviewer to be consulted, or  
the additional examinations or tests required. The employer shall also notify the physician and employee of  
the anticipated date on which a decision may be rendered. Upon receipt of all information reasonably  
necessary and requested by the employer, the employer shall approve, modify, or deny the request for  
authorization within the timeframes specified in paragraph (1) ... .”

27 <sup>18</sup> In a spinal surgery case, if a defendant does not have all of the necessary information within the  
requisite 10-day period (see Lab. Code, § 4610(g)(5)), then this can be the basis for its denial.

1 Therefore, if a treating physician seeks authorization for spinal surgery through a narrative report,  
2 the narrative report must clearly state at the top that authorization for spinal surgery is being  
3 requested.<sup>19</sup>

4 Rule 9792.6(o) is part of the “Utilization Review Standards” adopted by the Administrative  
5 Director. It implicitly recognizes that claims adjusters routinely receive numerous medical reports  
6 from treating physicians. Therefore, if in a spinal surgery case a particular report might trigger the  
7 10-day deadlines for a defendant to both complete UR and make a section 4062(b) objection, then  
8 the defendant should be given clear notice that authorization for spinal surgery is being requested.

9 Although Rule 9792.6(o) is part of the AD’s “utilization review” standards, we conclude  
10 that its requirement that a narrative report “shall be clearly marked at the top that it [contains] a  
11 request for authorization” applies with equal force to section 4062(b)’s 10-day deadline for  
12 objecting to requests to authorize spinal surgery.

13 Accordingly, a narrative report that requests authorization for spinal surgery will not  
14 trigger the 10-day UR and section 4062(b) unless it is “clearly marked at the top” that it requests  
15 authorization for spinal surgery.

16 **F. If the Defendant Fails to Meet the 10-Day Timelines or to Comply with Administrative**  
17 **Director Rules 9788.1 and 9788.11, the Defendant Loses its Right to a Second Opinion**  
17 **Report and It Must Authorize the Spinal Surgery**

18 As discussed above, the Court of Appeal held in *Edwards* that if a defendant fails to timely  
19 object under section 4062(a) to a treating physician’s determination that does not pertain to  
20 medical treatment, the defendant loses the right to later object to that determination. (*Edwards*, 175  
21 Cal.App.4th at pp. 825-827 [74 Cal.Comp.Cases at pp. 831-832].) There is no reason why that  
22 principle should not also apply where, after a UR denial, a defendant fails to timely object under  
23 section 4062(b) to a treating physician’s spinal surgery recommendation. That is, if a defendant  
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25 <sup>19</sup> In the context of AD Rule 9792.6(o), we interpret a “narrative report” to mean any medical report  
26 other than the Doctor’s First Report of Occupational Injury or Illness (DLSR Form 5021) or the Primary  
27 Treating Physician Progress Report (DWC Form PR-2). We note that the the PR-2 already has various  
check boxes at the top, including ones for “[n]eed for surgery or hospitalization” and “[r]equest for  
authorization.” (Cal. Code Regs., tit. 8, § 9785.2.)

1 fails to meet the 10-day objection timelines of section 4062(b), there no longer is any “dispute” to  
2 “resolv[e]” within the meaning of that statute.

3 This conclusion accords with the provision of section 4062(b) which requires that “[i]f the  
4 second opinion report recommends surgery, *the employer shall authorize the surgery.*” (Emphasis  
5 added.) If section 4062(b) requires authorization where the second opinion “resolv[es]” the  
6 “dispute[]” by recommending surgery, then section 4062(b) implicitly requires authorization  
7 where there is no “dispute[]” to “resolv[e]” because the defendant did not timely initiate the  
8 second opinion procedure.

9 Moreover, a defendant must authorize the spinal surgery if it fails to comply with AD Rule  
10 9788.1 and use the form prescribed by AD Rule 9788.11. A failure to comply with those Rules is  
11 the functional equivalent of no timely objection. Rule 9788.1 expressly requires a defendant to  
12 include: (1) a copy of the treating physician’s report; (2) an employee-specific reason for its  
13 objection; and (3) distinct and particularized declarations under penalty of perjury regarding when  
14 the treating physician’s report was received and when the defendant served its objection. If a  
15 defendant breaches either of the first two mandates, then the basis of its objection cannot be  
16 determined. This is tantamount to not having made an objection. If a defendant does not declare  
17 under penalty of perjury when it received the physician’s report and when it made its objection,  
18 then the AD cannot determine whether the objection was timely. Furthermore, requiring use of the  
19 form adopted by Rule 9788.11 gives clear notice to the AD – and to the employee or the  
20 employee’s attorney – that an objection to the treating physician’s spinal surgery recommendation  
21 is being made.

### 22 **III. CONCLUSION**

23 In this case, it was not until February 25, 2009 that Dr. Dureza first sent Safeco a report  
24 that was clearly marked at the top that it was a “WRITTEN REQUEST FOR SURGERY  
25 AUTHORIZATION.” Dr. Deutsch’s UR report denying the requested spinal surgery issued on  
26 March 4, 2009, which was well within the 10-day UR deadline set forth above.

1           However, although Safeco’s UR denial issued within 10 days of its receipt of the first  
2 report requesting spinal surgery that complied with AD Rule 9792.6(o), defendant did not initiate  
3 the spinal surgery second opinion process within that 10-day period as required by section  
4 4062(b). Instead, Safeco took the position that it was applicant’s obligation to timely object under  
5 section 4062(b).

6           Nevertheless, we recognize that defendant’s position was then fully consistent with the  
7 Appeals Board’s significant panel decision in *Brasher*. (*Brasher*, 71 Cal.Comp.Cases at p. 1287.)  
8 Moreover, at that time, there was no binding opinion – either a published appellate opinion or an  
9 en banc decision of the Appeals Board – that expressly or implicitly disapproved of this aspect of  
10 *Brasher*. Accordingly, we will rescind the May 13, 2009 Findings and Order determining that  
11 applicant is entitled to lumbar spinal fusion surgery and we will give Safeco 10 days from the date  
12 of its *receipt* of this opinion within which to object to Dr. Dureza’s spinal surgery recommendation  
13 (cf. Lab. Code, § 4062(b)) and commence the spinal surgery second opinion process. Safeco’s  
14 objection shall comply with AD Rule 9788.1 and shall be on the form prescribed by AD Rule  
15 9788.11.

16           Because of our disposition, we will not address defendant’s substantial evidence  
17 contention.

18           For the foregoing reasons,

19           **IT IS ORDERED**, as the Decision After Reconsideration of the Workers’ Compensation  
20 Appeals Board (En Banc), that the Findings and Order issued by the workers’ compensation  
21 administrative law judge on May 13, 2009 is **RESCINDED** and that this matter is **REMANDED**

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1 to the workers' compensation administrative law judge for further proceedings and a new decision,  
2 consistent with this opinion.

3 ***WORKERS' COMPENSATION APPEALS BOARD***

4 */s/ Joseph M. Miller*  
5 ***JOSEPH M. MILLER, Chairman***

6 */s/ James C. Cuneo*  
7 ***JAMES C. CUNEO, Commissioner***

8 */s/ Frank M. Brass*  
9 ***FRANK M. BRASS, Commissioner***

10 */s/ Ronnie G. Caplane*  
11 ***RONNIE G. CAPLANE, Commissioner***

12 */s/ Alfonso J. Moresi*  
13 ***ALFONSO J. MORESI, Commissioner***

14 */s/ Deidra E. Lowe*  
15 ***DEIDRA E. LOWE, Commissioner***

16 */s/ Gregory G. Aghazarian*  
17 ***GREGORY G. AGHAZARIAN, Commissioner***

18  
19  
20 ***DATED AND FILED AT SAN FRANCISCO, CALIFORNIA***

21 ***11/19/2009***

22 ***SERVICE MADE BY MAIL ON ABOVE DATE ON THE PERSONS LISTED BELOW AT***  
23 ***THEIR ADDRESSES AS SHOWN ON THE CURRENT OFFICIAL ADDRESS RECORD:***

24 ***Jesus Cervantes***  
25 ***Rucka, O'Boyle, Lombardo & McKenna***  
26 ***Bradford & Barthel***

27 ***NPS/jr***