



DEPARTMENT OF
PERSONNEL

WORKERS' COMPENSATION UNIT

CITY OF SACRAMENTO
CALIFORNIA

January 5, 1993

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SACRAMENTO, CA
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DONNA L. GILES
DIRECTOR OF
PERSONNEL

City Council
Sacramento, CA

Honorable Members in Session:

**SUBJECT: WORKERS' COMPENSATION SELF-INSURANCE SETTLEMENT
AUTHORIZATION FOR ARTHUR HAGENS, FIREFIGHTER.**

SUMMARY

This report recommends that the City settle the workers compensation case of Arthur Hagens before the Workers' Compensation Appeals Board by way of Compromise and Release agreement based on the existing medical reports and potential liability.

BACKGROUND

Arthur Hagens is a 58 year old retired firefighter who worked for the City of Sacramento for 27 years. On September 15, 1988 Mr. Hagens had a heart attack while in the line of duty. He received temporary disability benefits until his industrial disability retirement which was effective December 31, 1989. He became severely depressed due to the heart problems and continues to require medication. He is being treated not only for heart problems and depression, but also industrial orthopedic problems and hearing loss.

Heart trouble is presumed to be industrial in active Fire Fighters and the medical records indicate that the depression is a result of his heart condition.

FINANCIAL DATA:

Applicant's medical include reports from Dr. Blau (heart) which rates to 66% (\$49,420) and Dr. Hutchinson (psych) which rates to 76% (\$60,095). This amounts to 100% permanent disability. If Mr. Hagens is awarded 100% permanent disability he would receive \$224 per week for the rest of his life. The value of this benefit is estimated at \$208,500.

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Defense medical reports include a report from Dr. McHenry (heart) which rates to 66% (\$49,420) and Dr. Epstein (psych) who finds no industrial disability as a result of his employment. If the defense medical-legal reports were to be followed, the disability value of this case is \$49,420.

In addition to the permanent disability benefit, Mr. Hagens would be entitled to future medical treatment, which on a conservative basis is estimated, over his life time, at \$100,000. Should he undergo open heart surgery this figure would drastically increase.

Through settlement negotiations the parties are willing to settle all issues, including future medical treatment, new and further permanent disability and death benefits for \$100,000. Permanent Disability advances have been made in this case totaling \$23,920. If authorization for settlement is extended Mr. Hagens would be entitled to a final payment of \$76,080.

RECOMMENDATIONS

It is recommended that authorization be granted to settle this claim by way of Compromise and Release in the amount of \$100,000.00 as proposed by this memorandum.

Respectfully submitted,



Margaret Ann Allen
Occupational Health, Safety & Retirement Manager

APPROVED:



Donna L. Giles
Director of Personnel