

Client Services Policy Manual

Policy Number: **EN-01**
Subject: **Permanent Functional Impairment**
Chapter: **Entitlement**

Policy Statement

A worker who suffers a permanent impairment as a result of a work-related injury may be entitled to a lump sum payment for Permanent Functional Impairment (PFI). The PFI benefit recognizes non-economic loss, as opposed to loss of earning capacity, and is based on measurable loss of bodily function.

Entitlement Determination

Entitlement is determined by WorkplaceNL through consideration of its adopted rating schedule known as the **Permanent Functional Impairment Rating Schedule**.

Where the **Permanent Functional Impairment Rating Schedule** does not address a certain type of impairment, or where it is not precise enough to fully evaluate the extent of an impairment, WorkplaceNL may use the American Medical Association (AMA) Guides as a reference. The impairment percentages given in the AMA Guides include allowances for the pain that may occur with the impairment. The existence of pain does not enhance the impairment percentages recommended. No award is given specifically for pain and suffering.

Permanent mental health impairment resulting from serious or life threatening injuries that have been accepted as compensable under Policy EN-18 may be considered for permanent functional impairment ratings.

Permanent functional impairment benefits shall be proportioned based on the difference between functional impairment caused by the work injury and the known or estimated functional impairment due to other causes. Where, for example, the overall impairment rating for a worker with a back impairment is 25%, but the worker has a non-work related spinal fusion which would by itself be rated 10%, the worker's entitlement will be 15%.

The PFI benefit does not apply to fatal injury cases.

1. Referrals for a PFI Consideration

A referral for a PFI consideration occurs at a time when the degree of permanent impairment can be properly determined, i.e., at the point of maximum medical improvement when a medical plateau of the compensable condition has been reached. A referral may also occur when the worker is being considered for long term

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disability/extended earnings loss entitlement, or at such other time as may be appropriate in a specific case.

2. PFI Assessments

The PFI shall be rated by a medical consultant appointed by WorkplaceNL. Once a PFI assessment has been conducted, any reassessment shall only occur where reasonable medical information supports a deterioration of the condition since the time of the most recent assessment, and not before 12 months, except in the case of industrial cancer. Decisions regarding the existence of deterioration may require consultation with a medical consultant.

If after six months from the date of injury it is determined that the worker's condition is irreversible or regressive (e.g. an amputation), WorkplaceNL may rate the worker's permanent impairment resulting from the injury and pay a lump sum award. The PFI rating may be reviewed as necessary.

In the case of terminal industrial disease the impairment rating shall be 100% and provided as soon as the compensable disease is confirmed. Non-terminal industrial diseases will be rated based on measurable permanent impairment of function.

When rating a PFI consideration must be given to any Permanent Partial Disability (PPD) rated for the same part of body. With respect to PPD ratings for low back injury, a new value must be assigned to the PPD rating since the range for rating permanent disability for the low back prior to 1984 was 0-30% and for post-1984 it is 0-50%. Therefore, for example, a 15% PPD is equivalent to a 25% PFI.

The combination of PPD and PFI ratings for all injuries cannot exceed 100%. Therefore, when a worker sustains impairment involving multiple body regions, either on the same claim or in combination with previous claims, the combined values chart in the AMA Guides is applied when determining the overall PFI rating whether the individual ratings were determined using the Permanent Functional Impairment Rating Schedule or using the AMA Guides.

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3. PFI for Industrial Cancer

In the case of compensable industrial cancer, where medical evidence indicates that the prognosis is terminal, the impairment rating shall be 100% and provided immediately.

“Terminal” is typically used to refer to an illness/disease that cannot be cured or adequately treated and that is reasonably expected to result in the death of the patient within a short period of time. Consultation with a medical consultant may be required in making this determination.

Non-terminal industrial cancers will be rated based on measurable permanent impairment of function following maximum medical recovery.

4. PFI Benefit Unpaid at Death

Where a PFI has been rated but the payment has not been made to the worker prior to the worker’s death, WorkplaceNL will pay the PFI benefit to the surviving spouse or dependent children.

Where a PFI has not been rated prior to the worker’s death, WorkplaceNL may estimate a PFI rating and provide the benefit to the worker’s surviving spouse or dependent children where the claim for compensation was made within the time limits provided under section 53 of the *Workplace Health, Safety and Compensation Act*. Where the claim was not made within the time limits, the PFI payment may be considered under section 54.

Reference: *Workplace Health, Safety and Compensation Act, Sections 19, 43, 43.1, 53, 54, 69, 73 and 90- 92*
Workplace Health, Safety and Compensation Regulations, Sections 19, 22 and 23
Policy EN-18 Mental Stress

Amendment History

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