

SUPREME COURT OF PENNSYLVANIA

Pennsylvania State Police v. Workers' Compensation Appeal Board
(Bushta)

184 A.3d 958 (Pa. 2018) · No. No. 14 WAP 2017 · Decided May 29, 2018

SUMMARY

The Pennsylvania Supreme Court considered whether the Pennsylvania State Police could obtain subrogation from a trooper's third-party tort recovery for benefits associated with a work-related motor vehicle injury. The Court held that, under the interaction of the Workers' Compensation Act, the Heart and Lung Act, and the Motor Vehicle Financial Responsibility Law, the State Police had no subrogation right where the benefits were paid under the Heart and Lung Act. The Court affirmed the Commonwealth Court's order.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Todd; Chief Justice Saylor; Justice Baer; Justice Donohue; Justice Dougherty; Justice Wecht; Justice Mundy
JURISDICTION	Pennsylvania
DECIDED	May 29, 2018
DOCKET	No. 14 WAP 2017
DISPOSITION	affirmed
PROCEDURAL POSTURE	Discretionary appeal from the Commonwealth Court's affirmance of a Workers' Compensation Appeal Board order holding that the Pennsylvania State Police had no subrogation lien against a trooper's third-party tort settlement.
STANDARD OF REVIEW	The opinion does not state a separately labeled standard of review; it reviews the legal question of subrogation under the Workers' Compensation Act, Heart and Lung Act, and Motor Vehicle Financial Responsibility Law.
PRECEDENTIAL VALUE	Published, precedential opinion of the Supreme Court of Pennsylvania
PARTIES	Pennsylvania State Police v. Workers' Compensation Appeal Board (Bushta)

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether benefits paid to an injured state trooper under the Heart and Lung Act constitute workers' compensation benefits subject to employer subrogation under Section 319 of the Workers' Compensation Act when the trooper is concurrently entitled to benefits under both statutes.
2. Whether a self-insured public employer has a right of subrogation against a third-party motor-vehicle tort settlement for workers' compensation benefits that were payable under the Workers' Compensation Act but were not actually paid to the claimant.

HOLDINGS

1. For purposes of the Motor Vehicle Financial Responsibility Law, Heart and Lung Act benefits subsume workers' compensation benefits when the claimant receives Heart and Lung benefits; therefore, the employer has no right of subrogation against the claimant's settlement with third-party motor-vehicle tortfeasors.
2. An employer has no basis for subrogation of workers' compensation benefits that were merely payable under the Workers' Compensation Act but were not actually received or collected by the claimant.

KEY QUOTATIONS

“It follows that, in cases where the employee does not actually receive or collect workers’ compensation benefits, such as in the instant case, there is no basis for subrogation.” (at 12)

“We agree with the Stermel court that, for purposes of the MVFRL, Heart and Lung benefits subsume WCA benefits, and thus subrogation of such benefits is barred.” (at 14)

“For all of the foregoing reasons, we conclude that all of the benefits Claimant received were Heart and Lung benefits, not WCA benefits. Thus, pursuant to the MVFRL, PSP does not have a right of subrogation against Claimant’s settlement with the third-party tortfeasors.” (at 16-17)

FACTUAL BACKGROUND

On February 25, 2011, Pennsylvania State Trooper Joseph Bushta was injured when his police vehicle was struck by a tractor-trailer while he was on duty. He was unable to perform his duties for approximately sixteen months and received full salary and medical benefits under the Heart and Lung Act, although a notice of compensation payable identified a workers' compensation rate and Inservco paid \$56,873.13 in wage-loss benefits directly to the Pennsylvania State Police. Bushta and his spouse later settled their claims against the third-party tortfeasors for \$1,070,000, after which the State Police asserted a lien based on workers' compensation and medical benefits.

PROCEDURAL HISTORY

Pennsylvania State Trooper Joseph Bushta was injured in a motor vehicle accident and received salary and medical benefits under the Heart and Lung Act. The Pennsylvania State Police sought subrogation from his settlement with third-party tortfeasors under Section 319 of the Workers' Compensation Act. A workers' compensation judge adopted a stipulation recognizing a lien, but the Workers' Compensation Appeal Board later held the stipulation void as contrary to law and reversed. The Commonwealth Court affirmed, and the Pennsylvania Supreme Court granted discretionary review and affirmed.

DISPOSITION

affirmed

CASES CITED

- City of Erie v. Workers' Compensation Appeal Board (Annunziata), 838 A.2d 598 (Pa. 2003)
- Oliver v. City of Pittsburgh, 11 A.3d 960 (Pa. 2011)
- Heller v. Pennsylvania League of Cities and Municipalities, 32 A.3d 1213 (Pa. 2011)
- Stermel v. Workers' Compensation Appeal Board (City of Philadelphia), 103 A.3d 876 (Pa. Cmwlth. 2014)
- Bureau of Workers' Compensation v. Workers' Compensation Appeal Board (Excalibur Insurance Management Service), 32 A.3d 291 (Pa. Cmwlth. 2011)
- Wisniewski v. Workmen's Compensation Appeal Board (City of Pittsburgh), 621 A.2d 1111 (Pa. Cmwlth. 1993)
- Organ v. Pennsylvania State Police, 535 A.2d 713 (Pa. Cmwlth. 1988)
- Fulmer v. Pennsylvania State Police, 647 A.2d 616 (Pa. Cmwlth. 1994)
- City of Philadelphia v. Workers' Compensation Appeal Board (Ford-Tilghman), 996 A.2d 569 (Pa. Cmwlth. 2010)
- Jaquay v. Workers' Compensation Appeal Board (Central Property Services), 717 A.2d 1075 (Pa. Cmwlth. 1998)