

SUPREME COURT OF SOUTH CAROLINA

State Accident Fund v. South Carolina Second Injury Fund

409 S.C. 240 (2014) · Decided July 30, 2014

SUMMARY

The South Carolina Supreme Court reviewed a workers’ compensation carrier’s request for reimbursement from the South Carolina Second Injury Fund for medical benefits paid after a work-related knee injury aggravated the claimant’s preexisting diabetes. The court held that the carrier was entitled to the statutory presumption that the diabetes was a permanent physical impairment constituting a hindrance or obstacle to employment, and that the Commission improperly evaluated rebuttal evidence. The court also held that increased medical costs alone could support reimbursement under the statute, reversed the Commission’s decision, and remanded for determination of the reimbursement amount.

CASE DETAILS

COURT	Supreme Court of South Carolina
WRITING FOR THE COURT	Chief Justice Toal; Toal; Kittredge; Hearn; Moore; Pleicones
JURISDICTION	South Carolina
DECIDED	July 30, 2014
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The State Accident Fund sought reimbursement from the South Carolina Second Injury Fund for medical benefits paid after a work-related knee injury aggravated the claimant's preexisting diabetes. The Workers' Compensation Commission denied reimbursement, the Commission's appellate panel affirmed, and the Supreme Court of South Carolina certified the appeal.
STANDARD OF REVIEW	Under the South Carolina Administrative Procedures Act, the court may not substitute its judgment for the agency's on the weight of the evidence, but may reverse if the decision is affected by an error of law or is clearly erroneous in view of the substantial evidence on the record as a whole.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	State Accident Fund v. South Carolina Second Injury Fund

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QUESTIONS PRESENTED

1. Whether the State Accident Fund was entitled to the statutory presumption that the claimant's preexisting diabetes was permanent and constituted a hindrance or obstacle to obtaining employment or reemployment.
2. Whether the South Carolina Second Injury Fund presented substantial evidence rebutting that presumption.
3. Whether the State Accident Fund established entitlement to reimbursement for substantially increased medical payments under S.C. Code Ann. § 42-9-400(a), even without increased compensation liability.

HOLDINGS

1. Because the State Accident Fund established the facts necessary to invoke S.C. Code Ann. § 42-9-400(d), it was entitled to a presumption that the claimant's diabetes was permanent and constituted a hindrance or obstacle to obtaining employment or reemployment.
2. The Second Injury Fund failed to rebut the presumption with substantial evidence, and the Commission's conclusion that the evidence rebutted the presumption was clearly erroneous.
3. The State Accident Fund satisfied § 42-9-400(a) by establishing that aggravation of the claimant's preexisting diabetes caused substantially greater medical-payment liability than would have resulted from the knee injury alone, and it was entitled to reimbursement for those medical payments.

KEY QUOTATIONS

“Therefore, we find that Appellant was entitled to a presumption that Claimant’s diabetes was permanent and constituted a hindrance or obstacle to his employment or reemployment.” (247)

“Therefore, based on the fact that the medical evidence supports the conclusion that the Claimant’s work-related injury aggravated his diabetes and resulted in increased medical costs, we hold that Appellant satisfied the requirements of section 42-9-400(a), and the Commission’s decision to deny Appellant’s claim for reimbursement of medical payments is clearly erroneous based on the evidence.” (250)

FACTUAL BACKGROUND

Johnny Adger, a police officer, injured his left knee at work and later underwent knee replacement surgery. He had preexisting diabetes known to his employer; although it was medically controlled around the injury, it became uncontrolled on several occasions during the treatment of his knee. His primary care physician opined that the work injury most probably aggravated the diabetes and caused substantially greater medical costs than

the knee injury alone would have caused, although it did not cause substantially greater lost work time or disability.

PROCEDURAL HISTORY

A Single Commissioner denied and dismissed the reimbursement claim with prejudice. The Appellate Panel of the South Carolina Workers' Compensation Commission affirmed. The State Accident Fund appealed to the court of appeals, and the Supreme Court of South Carolina certified the appeal pursuant to Rule 204(b), SCACR.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The Commission must determine the amount of reimbursement to which the State Accident Fund is entitled for the claimant's medical payments.

CASES CITED

- Grant v. Grant Textiles, 372 S.C. 196, 200, 641 S.E.2d 869, 871 (2007)
- Lark v. Bi-Lo, 276 S.C. 130, 136, 276 S.E.2d 304, 307 (1981)
- Grayson v. Carter Rhoad Furniture, 312 S.C. 250, 252, 439 S.E.2d 859, 860 (Ct. App. 1993)
- Liberty Mut. Ins. Co. v. S.C. Second Injury Fund, 318 S.C. 516, 458 S.E.2d 550 (1995)
- Springs Indus. v. S.C. Second Injury Fund, 296 S.C. 359, 372 S.E.2d 915 (Ct. App. 1988)
- State v. Scott, 351 S.C. 584, 588, 571 S.E.2d 700, 702 (2002)