

SUPREME JUDICIAL COURT OF MAINE

Graves v. Brockway-Smith Co.

2012 ME 128, 55 A.3d 456 · Decided November 15, 2012

SUMMARY

The Maine Supreme Judicial Court held that the six-year limitations period for a workers' compensation petition under 39-A M.R.S. § 306(2) did not begin until the employer filed a first report of injury. The court concluded that this rule applied even though the employer was not required to file the report because the injury initially caused no lost work time. The court affirmed the hearing officer's award of incapacity benefits to Richard Graves.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Silver, J.; Alexander; Gorman; Jabar; Levy; Mead; Saufley; Silver
JURISDICTION	Maine
DECIDED	November 15, 2012
DISPOSITION	affirmed
PROCEDURAL POSTURE	Brockway-Smith Company and MMTA Workers' Compensation Trust petitioned for appellate review of a Workers' Compensation Board hearing officer's decision awarding Richard Graves incapacity benefits. The Supreme Judicial Court granted appellate review under 39-A M.R.S. § 322(3) and Maine Rule of Appellate Procedure 23(c).
STANDARD OF REVIEW	The court construed the Workers' Compensation Act de novo, seeking to effectuate legislative intent by first examining the plain meaning of the statutory language and the statutory scheme as a whole. If the language was ambiguous, the court would consider other indicia of legislative intent, including legislative history.
PRECEDENTIAL VALUE	precedential
PARTIES	Brockway-Smith Company, MMTA Workers' Compensation Trust v. Richard Graves

TOPICS

workers compensation

statutory interpretation

appellate procedure

standard of review

PRACTICE AREAS

workers compensation

employment law

QUESTIONS PRESENTED

1. Whether the six-year limitations period under 39-A M.R.S. § 306(2) began to run before the employer filed a first report of injury with the Workers' Compensation Board when the employer was not initially required to file that report under 39-A M.R.S. § 303.
2. Whether the limitations period was tolled until the employer filed the first report of injury, notwithstanding the employer's payment of benefits.

HOLDINGS

1. The six-year limitations period under section 306(2) does not begin to run until the employer files a first report of injury, even when the employer was not required to file the report under section 303.
2. The employer's medical payments did not trigger the six-year limitations period before the first report of injury was filed because those payments were made before the period provided in section 306(1) had begun.

KEY QUOTATIONS

"The "period provided in subsection 1" does not begin to run until the filing of the first report, regardless of whether the employer was required to file a first report and regardless of whether the employer paid benefits." (¶ 18)

"Employers should not be able to assert a statute of limitations defense without first filing a first report of injury because the first report prompts the Board to notify injured employees of their rights under the Act." (¶ 18)

FACTUAL BACKGROUND

Richard Graves sustained a gradual overuse injury to his left shoulder in January 2003 while repeatedly cutting open cardboard boxes in the course of his employment with Brockway-Smith Company. He received treatment through May 2003, did not miss work, and continued working with informal accommodations; the employer paid the medical bills, with the last payment made on June 27, 2003. Because the injury did not initially cause Graves to lose a day of work, Brockway-Smith was not required to file its completed first report of injury with the Workers' Compensation Board. After Graves's shoulder condition later required replacement surgery and he filed a petition for benefits in March 2010, the employer filed the first report and asserted the statute of limitations as a defense.

PROCEDURAL HISTORY

A Workers' Compensation Board hearing officer ruled that Graves's petition was not barred by the six-year limitations period and awarded partial and total incapacity benefits. After additional findings were requested, the hearing officer modified the benefits award and referred the limitations issue to the full Board under 39-A M.R.S. § 320. The Board denied review, and Brockway-Smith sought appellate review, which the court granted.

DISPOSITION

affirmed

CASES CITED

- Wilson v. Bath Iron Works, 2008 ME 47, 942 A.2d 1237
- Jensen v. S.D. Warren Co., 2009 ME 35, 968 A.2d 528
- Monaghan v. Jordan's Meats, 2007 ME 100, 928 A.2d 786
- Hanson v. S.D. Warren Co., 2010 ME 51, 997 A.2d 730
- Davis v. Scott Paper Co., 507 A.2d 581, 583 (Me. 1986)
- Damon v. S.D. Warren Co., 2010 ME 24, 990 A.2d 1028
- Stickles v. United Parcel Serv., 554 A.2d 1176, 1179 (Me. 1989)

OPINION

SILVER, J.

SILVER, J. [¶ 1] Brockway-Smith Company and MMTA Workers' Compensation Trust appeal from a decision of a Workers' Compensation Board hearing officer (Goodnough, HO) awarding incapacity benefits to Richard Graves for a 2003 work-related injury to his left shoulder. Brockway-Smith contends that Graves's claim for the 2003 injury is barred for failure to file it within the six-year limitations period in 39-A M.R.S. § 306(2) (2011).¹ We are asked to decide whether that six-year period was tolled until the employer filed a first report of injury with the Workers' Compensation Board, even though at the time of the injury the employer was not required to file a first report pursuant to 39-A M.R.S. § 303 (2011).

We agree that the limitations period did not begin to run until the first report was filed, and we affirm the hearing officer's decision. I. BACKGROUND [¶ 2] Richard Graves worked for Brockway-Smith first as a truck driver, then as a warehouse worker, from 1986 until 2009. Graves suffered a gradual overuse injury to his left shoulder in January 2003, caused by repeatedly cutting open cardboard boxes with a knife.² He was diagnosed with calcific tendinitis, and received treatment through May of 2003.

He did not miss any work but was under a restriction at that time to minimize use of the left shoulder. He continued to experience low-level pain, and Brockway-Smith accommodated him on an informal basis. Graves received no additional medical treatment for his shoulder until May 2008. He underwent left shoulder replacement surgery in 2009. [¶ 3] Graves timely reported the 2003 injury to Brockway-Smith.

Brockway-Smith completed a first report of injury, but because it was a "medical only" injury — Graves did not lose any time from work — Brockway-Smith was not required to and did not file

the report with the Board. See 39-A M.R.S. § 303. Brockway-Smith paid all medical bills for the injury, the last of which was paid on June 27, 2003. *458[¶ 4] Graves filed a petition for award for the 2008 shoulder injury on March 15, 2010.

Brockway-Smith filed a first report of injury after receiving the petition, and asserted as a defense that Graves's petition was filed beyond the limitations period provided for in 39-A M.R.S. § 806(2). [¶ 5] The hearing officer determined that the claim was not barred, following our decision in *Wilson v. Bath Iron Works*, 2008 ME 47, 942 A.2d 1237, abrogated by *Jensen v. S.D.*

Warren Co., 2009 ME 35, ¶ 26, 968 A.2d 528. In *Wilson*, we held that pursuant to 39-A M.R.S. § 306(1) (2007),³ “the statute of limitations expires two years after the date of injury or two years after the date the employer files the first report of injury, whichever is later.” 2008 ME 47, ¶ 15, 942 A.2d 1237. Based on the language in section 306(2), the hearing officer concluded that the six-year period similarly did not begin to run until the employer filed the first report of injury in 2010. [¶ 6] The hearing officer proceeded to grant the petition and awarded Graves partial incapacity benefits for the period following his termination from Brockway-Smith (January 30, 2009, until June 9, 2009); total incapacity benefits for the period following his shoulder replacement surgery (June 9, 2009, until September 3, 2009); and partial incapacity benefits thereafter. [¶ 7] Graves filed a motion for additional findings of fact and conclusions of law pursuant to 39-A M.R.S. § 318 (2011), and both parties filed proposed findings.

The hearing officer granted the motion and, based on evidence of a work search and our decision in *Monaghan v. Jordan's Meats*, 2007 ME 100, 928 A.2d 786, changed the decision to award Graves ongoing 100% partial incapacity benefits beginning July 10, 2010.

The hearing officer also issued additional findings of fact and conclusions of law regarding the six-year limitations period but did not alter the decision on that issue. [¶ 8] Pursuant to 39-A M.R.S. § 320 (2011),⁴ the hearing officer then submitted to the full Workers' Compensation Board the question of whether the holding in *Wilson*, which involved application of the two-year statute of limitations in 39-A M.R.S. § 306(1), should be applied to cases involving the six-year statute of limitations in section 306(2).

The Board denied the request for review. Brockway-Smith then filed a petition for appellate review, which we granted pursuant to 39-A M.R.S. § 322(3) (2011) and M.R.App. P. 23(c). II. DISCUSSION A. Statutes of Limitations and the Standard of Review [¶ 9] We are called upon to construe the limitations period provided for in 39-A M.R.S. § 306(2). “When construing provisions of the Workers' Compensation Act, our purpose is to give effect to the Legislature's intent.” *Hanson v. S.D.* *459 *Warren Co.*, 2010 ME 51, ¶ 12, 997 A.2d 730. “In so doing, we first look to the plain meaning of the statutory language, and construe that language to avoid absurd, illogical, or inconsistent results.” *Id.* We also consider “the whole statutory scheme of which the section at issue forms a part so that a harmonious result, presumably the intent of the Legislature,

may be achieved.” *Davis v. Scott Paper Co.*, 507 A.2d 581, 583 (Me.1986). “If the statutory language is ambiguous, we then look beyond the plain meaning and consider other indicia of legislative intent, including legislative history.” *Damon v. S.D.*

Warren Co., 2010 ME 24, ¶ 10, 990 A.2d 1028. “Statutory language is ambiguous if it is reasonably susceptible of different interpretations.” *Id.* [¶ 10] The parties in this case each argue that the Legislature’s intent is discernable from the plain language of section 306(2), but they argue for competing plain language interpretations. Brockway-Smith contends that the language in section 306(2) means that the six-year limitations period begins to run when the employer has made a payment within the two-year period prescribed in 39-A M.R.S. § 306(1) (2011).

Graves contends it means that the six-year period does not begin to run until a payment is made after the employer files a first report of injury. B. Title 39-A M.R.S. § 306 (2011) and its Statutory Context [¶ 11] Title 39-A M.R.S. § 3065 provides, in relevant part: 1. Statute of limitations. Except as provided in this section, a petition brought under this Act is barred unless filed within 2 years after the date of injury or the date the employee’s employer files a first report of injury as required in section 303, whichever is later.

2. Payment of benefits. If an employer or insurer pays benefits under this Act, with or without prejudice, within the period provided in subsection 1, the period during which an employee or other interested party must file a petition is 6 years from the date of the most recent payment. [¶ 12] Title 39-A M.R.S. § 303 is referenced in section 306(1). Pursuant to section 303, an employer is not required to file a first report of injury until an employee has lost a day’s work.⁶ Section 303 provides, in relevant part: When any employee has reported to an employer under this Act any injury arising out of and in the course of the employee’s employment that has caused the employee to lose a day’s work, or when the employer has knowledge of any such injury, the employer shall report the injury to the board within 7 days after the employer receives notice or has knowledge of the injury....

The employer shall complete a first report of injury form for any injury that has required the services of a health care provider within 7 days after the employer receives notice or has knowledge of the injury. The employer shall provide a copy of the form to the injured employee and retain a copy for the employer’s records but is not obligated to submit the form to the board unless the injury *460later causes the employee to lose a day’s work. [¶ 13] The filing of a first report of injury with the Board triggers action by the Board pursuant to 39-A M.R.S. § 304 (2011) for the benefit of the employee to ensure that the employee has notice of the employee’s rights under the Act, including notice of the two-year limitations period for filing claims.

See 39-A M.R.S. § 304;⁷ *Wilson*, 2008 ME 47, ¶ 7, 942 A.2d 1237; *Stickles v. United Parcel Serv.*, 554 A.2d 1176, 1179 (Me.1989). C. *Wilson v. Bath Iron Works* and Legislative History [¶ 14] In *Wilson*, we analyzed the statutory language and the legislative history of section 306(1) and

determined that the two-year limitations period did not begin to run until the employer filed a first report of injury — even though the employer was not required to file a first report.

2008 ME 47, ¶ 15, 942 A.2d 1237. We observed that section 306 had been amended in 1999. P.L.1999, ch. 354, § 6 (effective Sept. 18, 1999). Wilson, 2008 ME 47, ¶ 9, 942 A.2d 1237. Prior to that amendment, the statute read as follows, in relevant part: An employee's claim for compensation under this Act is barred unless an agreement or petition is filed within 2 years after the date of the injury or, if the employee is paid by the employer or the insurer without the filing of any petition or agreement, within 2 years of any payment by such employer or insurer for benefits otherwise required by this Act.

The 2-year period in which an employee may file a claim does not begin to run until the employee's employer, if the employer has actual knowledge of the injury, files a first report of injury as required by section 303 of this Act.... No petition of any kind may be filed more than 6 years following the date of the latest payment made under this Act. 39-A M.R.S.A. § 306 (Supp.1998).

This language was carried over in large part from the prior version of the Act. See 39 M.R.S.A. § 95 (1989). [¶ 15] “In 1999, the Legislature divided section 306 into subsections and specifically added the language ‘whichever is later’ in subsection one.” Wilson, 2008 ME 47, ¶ 9, 942 A.2d 1237 (citing P.L.1999, ch. 354, § 6).⁸ In Wilson, we attributed significance to the addition of the phrase “whichever is later,” noting that the applicable version of the statute said nothing about the period of limitations being tolled only by the employer's failure to file when the employer had a duty to file.

Wilson, 2008 ME 47, ¶ 15, 942 A.2d 1237. We reasoned: The meaning of section 306(1) is clear in its current form: the statute of limitations expires two years after the date of injury or two years after the date the employer files the first report of injury, whichever is later. There is nothing in the statute to indicate that the limitations period should be extended by the filing of a first report of injury only when the employer has a duty to file such a first report during the two-year period following the date of injury.

Accordingly, the hearing officer correctly determined that the limitations period in this case began to run on the date that BIW filed the first report of injury, and that Wilson's claim is not time-barred. *Id.* (emphasis added). D. Analysis [¶ 16] The hearing officer determined that pursuant to the plain language of section 306(2), the six-year period was tolled until Brockway-Smith filed the first report of injury in 2010 because (1) section 306(2) specifically refers back to 306(1) in setting the starting point for when the six-year period is triggered; (2) that starting point in section 306(1) is “within 2 years after the date of injury or the date the employee's employer files a first report of injury as required in section 303, whichever is later”; and (3) the same policy reason we found

significant in Wilson — that the filing of the first report of injury triggers formal notification rights to the employee — supports tolling the six-year period until the first report is filed.

Thus, the hearing officer determined that Wilson governed the outcome and the claim was not barred. [¶ 17] Brockway-Smith argues that Wilson does not apply here because the language of section 306(2) differs from section 306(1). Section 306(2) does not contain the phrase “whichever is later,” and it does not refer to filing a first report of injury.

We disagree with Brockway-Smith and affirm the hearing officer’s decision. [¶ 18] Looking at the plain language of section 306(2), the six-year period begins to run when payments are made “within the period provided in subsection 1.” The “period provided in subsection 1” does not begin to run until the filing of the first report, regardless of whether the employer was required to file a first report and regardless of whether the employer paid benefits.

This reading of the statute is consistent with our decision in Wilson and the policy reasons articulated in that decision. Employers should not be able to assert a statute of limitations defense without first filing a first report of injury because the first report prompts the Board to notify injured employees of their rights under the Act.

The notice provisions of section 304 would be rendered meaningless if the employee’s rights were cut off before receiving notice of those rights. The entry is: The decision of the Workers’ Compensation Board hearing officer is affirmed..

The Maine Workers’ Compensation Act of 1992, 39-A M.R.S. §§ 101-909 (2011), including 39-A M.R.S. § 306 (2011), has been substantially amended since the hearing officer issued the decree in this case. See P.L.2011, ch. 647 (effective Aug. 30, 2012). Portions of the amended Act apply to employees injured on or after January 1, 2013. Id.. Graves also filed petitions alleging three additional work injuries — a 2000 injury to his right knee, a 2004 injury to his left middle finger, and a 2008 injury to the left shoulder.

None of those injuries are at issue in this appeal.. Section 306 remained the same from that time until the time relevant to this case. See 39-A M.R.S. § 306 (2011).. Title 39-A M.R.S. § 320 (2011) provides, in relevant part: A hearing officer may request that the full board review a decision of the hearing officer if the decision involves an issue that is of significance to the operation of the workers’ compensation system_There may be no such review of findings of fact made by a hearing officer.

The board shall vote on whether to review the decision. If a majority of the board’s membership fails to vote to grant review or the board fails to act within 60 days after receiving the initial request for review, the decision of the hearing officer stands..

The parties do not dispute that Brockway-Smith made medical payments that constitute "benefits under this Act," and that section 306(2) applies. See 39-A M.R.S. § 306(2).. An employer can file a first report of injury at any time and need not wait until the employee has lost a day's work. This report can be filed electronically. Filing, however, may affect the employer's ratings and costs..

Title 39-A M.R.S. § 304 (2011) provides, in relevant part: 1. Inform employee. Immediately upon receipt of the employer's report of injury required by section 303, the board shall contact the employee and provide information explaining the compensation system and the employee's rights.

The board shall advise the employee how to contact the board for further assistance and shall provide that assistance. 3. Notice by board. Within 15 days of receipt of an employer's report of injury, as required by section 303, unless it has received a petition for award of compensation relating to the injured employee, the board shall take reasonable steps to notify the employee that, unless the employer disputes the claim, the employer is required to pay compensation within the time limits established in section 205; that a petition for award may be filed; and that rights under this Act may not be protected unless a petition of award or memorandum of payment is on file with the board within 2 years of the injury..

The Legislature has since amended section 306(1) again. It now provides that the two-year limitations period will be tolled by the failure to file a first report of injury only if the employer was required to file the report pursuant to section 303. P.L.2011, ch. 647, § 18 (effective Aug. 30, 2012) (to be codified at 39-A M.R.S. § 306(1)).

The statute was amended as follows: 1. Statute of limitations. Except as provided in this section, a petition brought *461under this Act is barred unless filed within 2 years after the date of injury or the date the employee's employer files a required first report of injury as if required in section 303, whichever is later.

The amendment does not have retroactive application and does not apply in this case.