

SUPREME COURT OF SOUTH DAKOTA

Stuckey v. Sturgis Pizza Ranch

2011 S.D. 1 (S.D. 2011) · No. #25605 · Decided January 12, 2011

SUMMARY

The South Dakota Supreme Court reviewed a workers' compensation dispute involving Michele Stuckey's entitlement to a lump-sum award of future disability benefits, attorney's fees and expenses, and medical care. The court reversed the circuit court's determination that Stuckey established exceptional financial need, but upheld the partial lump-sum award for attorney's fees, costs, and litigation expenses. It also addressed procedural challenges to the Department of Labor's approval of a future medical treatment plan and remanded in part.

CASE DETAILS

COURT	Supreme Court of South Dakota
WRITING FOR THE COURT	Severson, Justice; Gilbertson, Chief Justice; Konenkamp, Justice; Meierhenry, Justice; Zinter, Justice
JURISDICTION	South Dakota
DECIDED	January 12, 2011
DOCKET	#25605
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Employer and its insurer appealed the circuit court's review of a South Dakota Department of Labor workers' compensation decision. The circuit court reversed the Department's denial of a lump-sum award of future disability benefits but affirmed the Department's partial lump-sum award for attorney's fees, costs, and litigation expenses and its approval of a future medical-treatment plan.
STANDARD OF REVIEW	The Department's factual findings are reviewed for clear error. Whether the statutory exceptional-financial-need or attorney-fee requirements are satisfied as applied to the facts is reviewed de novo when the inquiry requires judgment concerning the legal values underlying the governing principles. The award and amount of attorney's fees are reviewed for abuse of discretion. The Supreme Court also reviewed the Department's procedural rulings under the applicable administrative and summary-judgment rules.

PRECEDENTIAL VALUE	Published and precedential decision of the Supreme Court of South Dakota
PARTIES	Sturgis Pizza Ranch, Nationwide Mutual Insurance Company v. Michele G. Stuckey

TOPICS

workers compensation administrative law statutory interpretation standard of review appellate procedure

PRACTICE AREAS

workers' compensation employment law administrative law appellate procedure

QUESTIONS PRESENTED

1. Whether Stuckey established an exceptional financial need caused by reduced income due to her injury sufficient to obtain a lump-sum award of future disability benefits under SDCL 62-7-6.
2. Whether Stuckey was entitled to a partial lump-sum award of future disability benefits to pay attorney's fees, costs, and litigation expenses under SDCL 62-7-6 and SDCL 62-7-36.
3. Whether the Department could treat Stuckey's post-hearing motion as a summary-judgment motion under ARSD 47:03:01:08.
4. Whether it was proper for the Department's director, who had not presided over the evidentiary hearing, to decide the summary-judgment motion.
5. Whether summary judgment was improper because genuine factual disputes existed concerning two components of the proposed future medical-treatment plan.
6. Whether the Department properly approved the proposed course of future medical treatment without awarding a lump sum for future medical expenses.

HOLDINGS

1. A permanently and totally disabled employee seeking a lump-sum award under SDCL 62-7-6 must prove an exceptional financial need that arose from reduced income due to the injury, in addition to satisfying the statute's best-interest requirement. Stuckey failed to meet that burden because her post-injury net weekly income was virtually the same as her pre-injury net weekly wages, and reduced income alone is insufficient.
2. The Department properly awarded Stuckey a partial lump sum equal to thirty percent of the disputed compensation to cover attorney's fees, costs, and litigation expenses because the award was necessary and in her best interest and the Department's factual findings were not clearly erroneous.
3. The Department did not err by treating Stuckey's post-hearing motion as a summary-judgment motion because ARSD 47:03:01:08 permits a party to move for summary judgment at any time after thirty days from filing the petition and does not require the motion to precede the hearing.

4. It was not error for the Department's director to decide the summary-judgment motion even though a different administrative law judge presided over the evidentiary hearing.
5. The Department properly granted summary judgment on the undisputed portions of the proposed future medical-treatment plan while reserving disputed questions concerning a hot tub and treadmill enclosure.
6. An injured employee has a statutory right to ongoing payment of reasonable, necessary, suitable, and proper medical expenses related to a work injury, but is not entitled to a lump-sum award of future medical expenses. The Department properly approved the proposed course of treatment subject to later review when expenses are incurred.

KEY QUOTATIONS

“Ultimately, “[t]he allowance of a lump sum award is the exception and not the general rule.”” (¶ 7)

“Thus, Stuckey’s income remained virtually the same, and Stuckey has not established that her present financial circumstances have arisen as a result of her work-related injury.” (¶ 12)

“The rule does not require that the motion be made before the hearing.” (¶ 20)

“An injured employee’s medical expenses are to be paid as they are incurred.” (¶ 27)

FACTUAL BACKGROUND

Stuckey suffered a work-related left-hand injury while operating a pizza-dough-flattening machine at Sturgis Pizza Ranch. Her condition deteriorated into Reflex Sympathetic Dystrophy and Complex Regional Pain Syndrome, leaving her permanently and totally disabled and dependent on assistance for personal care, meals, and housekeeping. Before the injury she was the primary wage-earner and caretaker for her family; afterward, her net weekly income was approximately equal to her workers' compensation benefit, although her family also received Social Security and other benefits. Her attorney performed extensive work that contributed to the determination that she was permanently and totally disabled and developed a proposed course of future medical treatment.

PROCEDURAL HISTORY

Stuckey petitioned the Department of Labor for workers' compensation benefits after a work-related hand injury and was adjudicated permanently and totally disabled. The Department denied a lump-sum award for future disability benefits, awarded a partial lump sum for attorney's fees, costs, and expenses, and approved the proposed course of future medical treatment while recognizing factual disputes concerning two treatments. The circuit court reversed the denial of the future-disability lump sum and affirmed the remainder. The Supreme Court affirmed in part, reversed in part, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded after reversing the circuit court's reversal of the Department's denial of a lump-sum award of future disability benefits. The Department's partial lump-sum attorney-fee award and approval of the future medical-treatment course remained affirmed, subject to SDCL 62-7-33.

CASES CITED

- Steinmetz v. State, D.O.C. Star Acad., 2008 S.D. 87, 756 N.W.2d 392
- Thomas v. Custer State Hosp., 511 N.W.2d 576 (S.D. 1994)
- Enger v. F.M.C., 2000 S.D. 48, 609 N.W.2d 132
- Darling v. W. River Masonry, Inc., 2010 S.D. 4, 777 N.W.2d 363
- Titus v. Sioux Valley Hosp., 2003 S.D. 22, 658 N.W.2d 388
- McNeil v. Superior Siding, Inc., 2009 S.D. 68, 771 N.W.2d 345
- Permann v. S.D. Dep't of Labor, 411 N.W.2d 113 (S.D. 1987)
- United States v. McConney, 728 F.3d 1195 (9th Cir. 1984)
- Stanton v. Hills Materials Co., 1996 S.D. 109, 553 N.W.2d 793
- In re S.D. Microsoft Antitrust Litig., 2005 S.D. 113, 707 N.W.2d 85
- Anderson v. Aesoph, 2005 S.D. 56, 697 N.W.2d 25
- Streeter v. Canton Sch. Dist., 2004 S.D. 30, 677 N.W.2d 221
- Krier v. John Morrell & Co., 473 N.W.2d 496 (S.D. 1991)
- Engel v. Prostrullo Motors, 2003 S.D. 2, 656 N.W.2d 299
- Hanson v. Penrod Constr. Co., 425 N.W.2d 396 (S.D. 1988)
- Hebert v. Shelton, 11 So. 3d 1197 (La. Ct. App. 2009)
- Polavarapu v. Gen. Motors Corp., 897 S.W.2d 63 (Mo. Ct. App. 1995)
- Reed v. S. Baptist Hosp., 541 So. 2d 233 (La. Ct. App. 1989)
- Andersen v. Eagle Asbestos Co., 355 So. 2d 1082 (La. Ct. App. 1978)
- Action Mech., Inc. v. Deadwood Historic Pres. Comm'n, 2002 S.D. 121, 652 N.W.2d 742
- State v. Nelson, 1998 S.D. 124, 587 N.W.2d 439
- Behrens v. Wedmore, 2005 S.D. 79, 698 N.W.2d 555
- State v. Pellegrino, 1998 S.D. 39, 577 N.W.2d 590
- Quist v. Leapley, 486 N.W.2d 265 (S.D. 1992)
- Hinman v. Hinman, 443 N.W.2d 660 (S.D. 1989)
- Larson's Workers' Compensation Law § 94.01[5], 9-11 (2006)