

SUPREME COURT OF LOUISIANA

NO. 97-C-0397

JERRY D. CLARK

V.

MRS. FIELDS COOKIES

ON WRIT OF CERTIORARI TO THE COURT OF APPEAL, FOURTH CIRCUIT
OFFICE OF WORKERS' COMPENSATION
DISTRICT EIGHT

MARCUS, Justice*

Jerry Clark was injured in the course and scope of his employment with Mrs. Fields Cookies. Hartford Insurance Company, the worker's compensation insurance carrier for his employer, voluntarily paid weekly temporary total disability payments to Clark from the date of injury, May 22, 1991, through July 12, 1993. On July 15, 1993, Hartford sent Clark a notice advising him that it was suspending all further compensation payments because he had failed to appear for an independent medical examination. When the notice was sent, Clark was incarcerated in an out-of-state prison. He was released in March, 1994.¹

In August, 1994, thirteen months after receipt of the last compensation payment, Clark filed a claim against Mrs.

* Traylor, J. not on panel. Rule IV, Part 2, §3.

¹ There is no question that Clark received the notice. Attached to his brief to the court of appeal is a copy of a letter dated July 30, 1993, written by his counsel to the adjuster for Hartford Insurance Company, protesting the termination of benefits.

Fields Cookies for wrongful termination of benefits and wrongful refusal to reinstitute benefit payments. Mrs. Fields and Hartford answered disputing Clark's entitlement to further payments. In addition, defendants filed an exception of prescription, asserting that the claim was time barred pursuant to La. R.S. 23:1209(A) because it was instituted more than one year after the last compensation payment made on July 12, 1993. The hearing officer granted the exception and dismissed plaintiff's claim. The court of appeal reversed the judgment, holding that prescription was suspended during Clark's incarceration.² Upon the application of Mrs. Fields Cookies and Hartford Insurance Company, we granted certiorari to review the correctness of that decision.³

The narrow issue presented for our review is whether incarceration suspends the running of prescription for filing a worker's compensation claim while an injured worker remains confined. For the reasons explained below, we hold that it does not.

Title 23, Chapter 10, of the Louisiana Revised Statutes sets forth a comprehensive scheme regulating the rights of employees injured in the course and scope of their employment. Part II, Subpart A, contains the general provisions regarding claims for benefits, including special rules dictating the prescriptive periods applicable to worker's compensation claims. La. R.S. 23:1209(A) provides in pertinent part:

² 96-1120 (La. App. 4th Cir. 12/4/96); 684 So. 2d 1052.

³ 97-0397 (La. 4/4/97); 692 So. 2d 407. We do not reach the merits of plaintiff's claim due to our holding with respect to prescription.

§ 1209. Prescription; timeliness of filing; dismissal for want of prosecution

A. In case of personal injury, including death resulting therefrom, all claims for payments shall be forever barred unless within one year after the accident or death the parties have agreed upon the payments to be made under this Chapter, or unless within one year after the accident a formal claim has been filed as provided in Subsection B of this Section and in this Chapter. Where such payments have been made in any case, the limitation shall not take effect until the expiration of one year from the time of making the last payment (emphasis added) . .

. .

The purpose of the prescriptive periods set forth in the statute is to enable an employer to determine when his potential liability for an accident will cease, to prevent, as a matter of public policy, suits based on stale claims where evidence might be destroyed or difficult to produce, and to fix a statute of repose giving rise to a conclusive presumption of the waiver of the claim. Lunkin v. Triangle Farms, 208 La. 538, 23 So. 2d 209 (1945).

In keeping with the plain wording of the statute, where, as here, compensation payments have been made and are discontinued, the one year prescriptive period runs from the date of the last payment. Young v. American Marine Corp., 458 So. 2d 549 (La. App. 4th Cir. 1984). Clark had one year from the date of the last payment, July 12, 1993, to file his claim; the claim filed in August of 1994 was prescribed.

Plaintiff suggests that La. R.S. 23:1201.4, which provides for the forfeiture of compensation benefits while an injured employee is incarcerated, requires a different result. He argues that La. R.S. 23:1201.4 should be interpreted to prevent an injured worker from filing a claim for benefits while imprisoned and to implicitly suspend the running of prescription otherwise provided in La. R.S. 23:1209 during incarceration. We

do not agree.

In Theriot v. Midland Risk Ins. Co., 95-2895 (La. 5/20/97); 694 So. 2d 184, we reviewed settled principles of statutory interpretation. Therein we noted that the starting point in interpreting any statute is the language of the statute itself. Where part of an act is to be interpreted, it should be read in conjunction with the rest of the act. Moreover, the paramount consideration in interpreting a statute is ascertaining the legislature's intent and the reasons that prompted the legislature to enact the law. In searching for legislative intent, the legislative history of the enactment in question and contemporaneous circumstances are helpful guides. When there is any doubt about the intent or meaning of a law in derogation of long accepted rules, the statute is given the effect that makes the least change in the existing body of law. Theriot, supra.

Application of these established principles of statutory construction leads us to reject the interpretation of La. R.S. 23:1201.4 advanced by plaintiff.

The statute in question provides:

§ 1201.4. Forfeiture of benefits while incarcerated

The employee's right to compensation benefits, including medical expenses is forfeited during any period of incarceration; unless a hearing officer finds that an employee has dependents who rely on a compensation award for their support, in which case said compensation shall be made payable and transmitted to the legal guardian of the minor dependent or other person designated by the hearing officer and such payments shall be considered as having been made to the employee. After release from incarceration, the employee's right to claim compensation benefits shall resume (emphasis added).

Nowhere in the statute is there any reference to suspension of prescription. Nor does the language of the statute purport to create a civil disability that would preclude

the filing of a compensation claim and deny an inmate access to the courts during imprisonment. In our view, La. R.S. 23:1201.4 does not address the applicable prescriptive period or the filing of compensation claims. It only provides for the temporary forfeiture of the right to receive benefits so that inmates will not be receiving compensation checks while incarcerated.⁴

The first sentence of the statute provides that the right to compensation benefits is forfeited. It does not provide that the right to file a claim is forfeited. The last sentence of La. R.S. 23:1201.4 provides that the right to claim benefits shall resume. Read in context, this is clearly a reference to the right to resume receipt of payments already established as due. It is the right to receipt of benefits that resumes, not the right to file a claim for benefits. We find nothing in the statute that precludes an employee from filing and/or pursuing a compensation claim while incarcerated, even though each benefit payment established as due will be forfeited until the inmate's release from prison.⁵ Nor do we find anything

⁴ Prior to the passage of the statute, the only Louisiana case that had considered the question of forfeiture of benefits was Crawford v. Midwest Steel Co., Inc., 517 So. 2d 918 (La. App. 3rd Cir. 1987). There, the trial judge awarded total and permanent disability benefits to an incarcerated employee but suspended the inmate's right to receive payments while imprisoned. Citing our decision in Atchison v. May, 201 La. 1003, 10 So. 2d 785 (1942), he reasoned that the purpose of the social legislation was to insure that disabled employees have an income for their upkeep and maintenance during their disability. He concluded that it would be contrary to the purpose of the act to require payment of a weekly benefit to a worker who, because of his incarceration, required no upkeep and maintenance. The court of appeal reversed the order of forfeiture of benefits, noting that the authority to forfeit an injured worker's compensation benefits must be expressly provided by statute, the resolution of the issue being more appropriately left to the legislature. The enactment of La. R.S. 23:1201.4 constituted a legislative authorization of the result reached by the trial judge in Crawford.

⁵ We reject plaintiff's argument that a claim filed by an incarcerated employee would be subject to an exception of

in the statute that relieves the incarcerated employee from filing suit in accordance with the prescriptive periods established in La. R.S. 23:1209. In short, incarceration provides no defense to the failure to timely file a compensation claim.

We are reinforced in our interpretation of La. R.S. 23:1201.4 by our review of the legislative history of the act. In testimony before the House Committee on Labor and Industrial Relations, the purpose for enacting La. R.S. 23:1201.4 was explained as follows:

[I]f an individual is in jail and not in a position to earn wages, he should not be entitled to receive worker's compensation benefits while incarcerated. . . . [T]he basic premise is that if an individual is in jail, he cannot be earning wages, as worker's compensation is a partial replacement of wages that someone is not able to earn.⁶

No reference can be found in the legislative history to suggest an intent to obliquely alter the prescriptive periods clearly set forth in La. R.S. 23:1209 or to create a civil disability preventing the filing of claims while an injured worker is in prison.⁷ Indeed, the statute provides that where a hearing

prematurity. The injured employee who proves his entitlement to benefits has a current right to benefits, even though he forfeits each payment pro tanto while incarcerated. If the employee has dependents, a hearing officer may authorize the transmittal of the benefit payments made in recognition of that current right to needy dependents. Moreover, because the statute provides that the employee has a right to claim resumption of benefits upon release, it is appropriate for the inmate to go forward with his case while incarcerated in order to avoid delays in payment in the event he is still entitled to benefits upon release and to avoid difficult problems of proof that might arise in pursuing a stale claim after a long period of incarceration.

⁶ See Minutes of the House Committee on Labor and Industrial Relations, May 26, 1989.

⁷ House Bill 1431 originally provided in pertinent part:

The employee's right to compensation benefits, including medical expenses, is forfeited during any period of incarceration. After release from

officer deems it appropriate, benefit checks which would otherwise have been payable to the inmate can be transmitted to

incarceration, the employee's right to compensation shall resume, with the employer receiving credit for any week the employee was incarcerated against any benefits due under R.S. 23:1221(1), (2), (3), or (4).

The digest prepared by the House Legislative Service indicated:

Proposed law provides for forfeiture of benefits due an employee while he is incarcerated, for resumption after release and for credit to the employer of benefits forfeited by employee.

In the initial version of the statute, the provision that "the employee's right to compensation shall resume" clearly referred back to the forfeiture of "compensation benefits" mentioned in the first sentence of the proposed act.

The second version of the disputed portion of the House Bill read:

The employee's right to compensation benefits, including medical expenses, is forfeited during any period of incarceration; unless a hearing officer finds that an employee has minor dependents who rely on a compensation award for their support, in which case said compensation shall be made payable and transmitted to the legal guardian of the minor dependent or other person designated by the hearing officer. After release from incarceration, the employee's right to compensation shall resume, with the employer receiving credit for any week the employee was incarcerated against any benefits due under R.S. 23:1221(1), (2), (3), or (4).

The interposition of the clause regarding payment of benefits to dependents, while it placed some linguistic distance between the initial reference to benefits and the resumption language, did not change the meaning of the proposed act.

Moreover, the last clause in this version of the act, which gave the employer a credit for benefits due for any week the employee was incarcerated, is also instructive. Only if benefits had already been established prior to release could there be any question of granting a credit against benefits due for weeks of incarceration. The last sentence clearly addressed a resumption of benefit payments and not a restoration of the right to file an action. When the last clause of the sentence was dropped, it did not change the import of the first section of the sentence; it only removed the legislative provision mandating a credit.

the inmate's dependents. This necessarily implies that entitlement to benefits has already been established. If an inmate were precluded from filing a claim for benefits while imprisoned, the inmate's dependents would be deprived of the chance to receive benefit checks whenever the employee was incarcerated after a work related injury but before a claim had been filed and concluded. This result is plainly adverse to the statute's manifest purpose of allowing benefits to the dependents of an injured worker but not to the worker himself during a period of incarceration.

A contrary holding would be at cross-purposes with the intent of the prescriptive statute to discourage stale claims. Moreover, the interpretation of La. R.S. 23:1201.4 advanced by plaintiff would constitute a departure from accepted principles of law. No civil disability has ever been recognized in our jurisprudence that would prevent an inmate from filing and pursuing a compensation claim while incarcerated. Prior to the passage of the legislation in question, our courts had also rejected the proposition that imprisonment affects an injured worker's right to receive benefit payments.⁸ La. R.S. 23:1201.4 altered the preexisting law relative to receipt of benefit payments. However, there is no indication of legislative intent to alter the law regarding the filing of claims during

⁸ Thomas v. Union Tank Co., 94-778 (La. App. 3rd Cir. 12/7/94); 647 So. 2d 581; Miles v. F.D. Shay Contractor, Inc., 626 So. 2d 74 (La. App. 3rd Cir. 1993); Crawford v. Midwest Steel Co., Inc., 517 So. 2d 918 (La. App. 3rd Cir. 1987); King v. McClanahan, 3 La. App. 117 (La. App. 2nd Cir. 1925). It is likewise well established that incarceration or institution-alization does not alone give rise to a civil disability or serve as a basis for suspension of prescription for tort claims. Corsey v. State, Through Dept. of Corrections, 375 So. 2d 1319 (La. 1979); Vance v. Ellerbe, 150 La. 388, 90 So. 735 (1922); Hampton v. Kroger Co., 27,073 (La. App. 2nd Cir. 6/21/95); 658 So. 2d 209; Dixon v. Roque, 503 So. 2d 659 (La. App. 3rd Cir. 1987); Buvens v. Buvens, 286 So. 2d 144 (La. App. 3rd Cir. 1973).

imprisonment or applicable prescriptive periods. We refuse to adopt an interpretation of La. R.S. 23:1201.4 that would modify established law in the absence of a clear expression of legislative intent and where the language of the statute and its legislative history suggest a contrary result.

For the reasons set forth above, we hold that if an employee has not filed a claim interrupting prescription or obtained a settlement or judgment entitling him to benefits prior to incarceration, he must file his claim within twelve months of the injury or last payment, regardless of incarceration. Plaintiff in this case did not do so; his claim is prescribed.⁹

Plaintiff argued alternatively before the hearing officer and on appeal that his suit should not have been dismissed because it related back to an earlier claim for medical benefits filed in 1992 but dismissed for failure to prosecute and because defendants had made a general appearance interrupting prescription. The court of appeal did not address these issues. We remand the matter to the court of appeal to consider plaintiff's other arguments in support of his claim that his action for compensation benefits is not prescribed.

DECREE

For the reasons assigned, the judgment of the court of appeal is reversed insofar as it held that plaintiff's claim was timely filed because prescription was suspended during his period of incarceration. The matter is remanded to the court of

⁹ Plaintiff also argues that the statute prevented a court from entertaining his case, and he can therefor invoke the doctrine of contra non valentem because a "legal cause" prevented him from pursuing his claim. However, having found that nothing in the statute precluded the filing of his claim, the doctrine of contra non valentem is inapplicable.

appeal to consider whether the hearing officer erred in dismissing the plaintiff's claim for other reasons.