



Administrative Office of the Courts

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Supreme Court clarifies state law limiting attorney fees in workers' compensation cases

SANTA FE – The state Supreme Court ruled today that people hurt in a workplace accident may qualify for separate awards of attorney fees for subsequent injuries stemming from their initial injury.

In a unanimous opinion, the Court concluded that a state agency worker was entitled under the Workers' Compensation Act to recover up to \$22,500 in attorney fees – a cap imposed by the law – on other injuries suffered after a slip-and-fall at the workplace. Treatment for the initial injury resulted in multiple surgeries and a brain injury.

The justices ordered a Workers' Compensation Administration (WCA) judge to make three awards of attorney fees covering the initial fall and two subsequent injuries. The judge is to determine how much is reasonable up to the maximum \$22,500 allowed by law in each instance.

The now-deceased state worker, Alfred J. Martin Jr., was a retired surgeon who worked as an attorney for what was formerly called the state Human Services Department. A month after undergoing total knee replacement, Martin slipped on an icy sidewalk and injured the knee. He underwent surgery to repair the damage. An infection occurred, and Martin underwent another surgery and suffered a severe allergic reaction from an intravenous antibiotic treatment. He developed pneumonia, which led to cardiac and respiratory failure that caused a brain injury that prevented him from working as an attorney or physician. He also had a pulmonary embolism after an intravenous antibiotic tube was removed and underwent more surgery related to the damaged knee.

The workers' compensation judge awarded Martin \$45,000 in attorney fees based on two separate accidental injuries – \$22,500 for the slip-and-fall and \$22,500 for the allergic reaction injury. Martin's employer was ordered to pay the fees, and the agency appealed the decision.

The case went to the Supreme Court after the Court of Appeals ruled there was a single accidental injury and ordered attorney fees of \$22,500.

State law limits attorney fees for a "single accidental injury" claim. The justices, in interpreting the meaning of the law, concluded that "the plain language of the statute indicates a subsequent

injury that flows from a primary workplace injury may constitute a ‘single accidental injury’ for purposes of awarding attorney fees under Section 52-1-54(I) (2013).”

“Further, even if the plain language of the statute remained ambiguous, we also conclude as we hereinafter discuss that the policies underlying the statute – ensuring adequate representation of workers while avoiding excessive legal costs – support a reading of Section 52-1-54(I) (2013) that allows a worker to collect an attorney fee cap of \$22,500 for the primary injury as well as for each subsequent accidental injury,” the Court wrote in an opinion by Justice Julie J. Vargas.

The Court rejected arguments by Martin’s employer that “new and distinct work-accidents” are necessary for a separate cap of attorney fees.

“If the Legislature intended the cap to apply to the primary workplace injury and all accidental injuries flowing from it, it could have clearly said so. Because the Legislature did not do so, this Court will not read such language into the statute,” the Court stated.

The justices explained that the law “uses the term ‘accidental injury,’ not ‘accident,’ to denote how the cap on attorney fees should apply. The difference is significant: the use of ‘accidental injury’ suggests a focus on the injury itself rather than the event that caused it; the word ‘accidental’ simply indicates that the injury came about unexpectedly.”

The Court determined Martin was entitled to attorney fees for the initial slip-and-fall as well as the allergic-reaction and the pulmonary embolism injuries. Martin died in 2023, and the Court substituted his attorney for him as a party in the case.

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To read the decision in *Hanrahan v. State, Human Servs. Dep’t*, No. S-1-SC-38405, please visit the New Mexico Compilation Commission's website using the following link:

<https://nmonesource.com/nmos/nmsc/en/item/537186/index.do>