

In a recent unpublished opinion, the Court of Appeals opened the door to awarding an injured worker interest on unpaid medical bills when the workers wins a denied claim. In *Masood v. Erwin Oil Co. (Masood II)*, the Court remanded the case to the Industrial Commission for additional findings of fact on whether the worker should be awarded interest on his unpaid medical bills.

Akhtar Masood was shot while working as a cashier at a gas station. His workers' compensation claim was originally denied, a decision upheld by the Industrial Commission. However, the decision was reversed by the Court of Appeals in *Masood I*. On remand, the Industrial Commission awarded benefits but refused to award interest on his unpaid medical expenses. Plaintiff appealed.

The Workers' Compensation Act requires employers to pay interest on a 'final award' in favor of an employee. See [N.C. Gen. Stat. 97-86.2](#). The Court of Appeals has previously held that a final award includes not just 'cash' disability benefits owed the worker, but also medical expenses paid out of pocket. Thus, an injured worker is entitled to interest on money he pays out of pocket for injury-related medical expenses.

More recently, the Court of Appeals held that an injured worker is not entitled to interest on medical expenses that were paid by his health insurance while the workers' compensation claim was denied. The Court explained that the worker (1) did not experience a 'loss of use' of the money and (2) was not disadvantaged by an inability to pay for his care.

In *Masood II*, the injured worker's medical bills went unpaid because he could not afford them and had no health insurance. The Court of Appeals stated that the proper analysis is whether Mr. Masood 'experienced a loss of use of his money or was disadvantaged by an inability to pay for care.' The Court determined that if Mr. Masood was disadvantaged by an inability to pay for care, he might be entitled to an award of interest on the unpaid medical bills. Because the Industrial Commission had made no findings of fact as to any disadvantage, the Court remanded the case for additional findings of fact on that issue.

Thus, when an injured worker ultimately wins a denied claim, he can receive an award of interest on his unpaid medical bills if he was disadvantaged by the fact that the bills remained unpaid. It seems clear that the inability to obtain

additional medical care because of the unpaid bills would constitute such a disadvantage. Perhaps 'disadvantage' could also include harm to the worker's credit rating or even the harassment of debt collection.

What does this mean for the injured worker?

Masood II is potentially a big decision for injured workers. Often, medical expenses will be significantly greater than disability benefits. An injured worker may be entitled to interest at an 8% rate on such expenses if he is disadvantaged by the inability to pay for medical treatment.