



Administrative Office of the Courts

FOR IMMEDIATE RELEASE

April 1, 2024

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Supreme Court rules that workers' compensation benefit cap for mental impairments violates NM Constitution

SANTA FE – New Mexico's limits on the duration of workers' compensation benefits for a mental impairment caused by a workplace physical injury are unconstitutional, the state Supreme Court ruled today

In a unanimous opinion, the Court concluded that Workers' Compensation Act caps on benefits for disabilities from mental impairments violated the equal protection clause of the New Mexico Constitution because workers with those impairments were treated differently than employees with physical impairments resulting from a work-related injury.

"Both mentally disabled workers and physically disabled workers are impaired in their capacities to perform work. A mental disability compensable under the Act affects workers in the same way as a compensable physical disability does by preventing them from earning a wage because of an on-the-job accident," the Court wrote in an opinion by Justice Briana H. Zamora. "The idea that mentally disabled workers may be entitled to recover less compensation than physically disabled workers is contrary to the purposes of the Act, which guide our equal protection analysis."

The Court affirmed a decision of the state Court of Appeals in a case involving a special educator teacher, Ana Lilia Cardenas, who injured a knee while working for Aztec Municipal Schools and suffered a mental impairment because of the injury.

A Workers' Compensation Administration judge awarded Cardenas 150 weeks of permanent partial disability benefits for the physical injury to her knee. The law limited the duration of benefits for the secondary mental impairment to the maximum allowed for the physical injury.

Cardenas appealed, contending that her mental impairment should have been treated as a separate and distinct injury. She argued there was an equal protection violation in the law because the duration of workers' compensation benefits for subsequent physical impairments is determined differently than it is for a secondary mental impairment. The Court of Appeals ruled in her favor. The school district and its insurer asked the Supreme Court to review the decision.

The law establishes a schedule for the maximum number of weeks – ranging from seven to 200 weeks – that a worker can receive benefits for an accidental injury to certain body parts, such as a knee. These are considered “scheduled injuries.” Other injuries, such as to the hip, shoulder and back, are not covered by the benefit list in the law. These are referred to as “non-scheduled” injuries and the compensation for a permanent partial disability from these injuries is capped at 500 or 700 weeks, depending on the extent of the disability. Secondary mental impairments also are considered non-scheduled injuries under the law but, unlike a physical impairment, the maximum period of benefits is tied to the duration of compensation for the original physical injury.

For example, if a worker initially injured a knee but subsequently impaired a shoulder, the maximum period of benefits for the non-scheduled shoulder injury would be 500 to 700 weeks rather than the law’s 200-week cap for a scheduled knee injury, the Court explained. In the case of Cardenas, however, compensation for her secondary mental impairment – a non-scheduled injury under the law – was limited to the duration of benefits for her original knee injury.

“Thus, for compensation purposes, the Act treats a subsequent physical impairment, whether scheduled or non-scheduled, as a distinct and separate injury from the original physical injury arising out of and in the course of employment,” the Court wrote. “But it does not treat a secondary mental impairment as a separate and distinct injury from the original physical injury for compensation purposes; instead, it tethers the benefits duration to the initial physical injury.”

The Court concluded that Cardenas “met her burden to demonstrate that persons with secondary mental impairments are similarly situated to persons with subsequent physical impairments and that they are treated differently by the Workers’ Compensation Act.”

The Court also determined that Cardenas’ employer failed to show that the disparate treatment of persons with mental impairments was justified by an important governmental interest.

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To read the decision in *Aztec Municipal Schools v. Cardenas*, No. S-1-SC-39225, please visit the New Mexico Compilation Commission's website using the following link:

<https://nmonesource.com/nmos/nmsc/en/item/522451/index.do>