

Case Name: Jeff Leighton v. CSX Transportation, Inc.

Date Decided: March 11th, 2011

Originally Filed in: Kentucky (state)

Decided by: Kentucky Court of Appeals (State)

Court: Court of Appeals of Kentucky

Judge: Judge Acree

Citation: 338 S.W.3d 818

Background:

Jeff Leighton ("Leighton") appeals a lower court's denial of his motion for a new trial. Leighton filed suit against his employer, CSX Transportation, Inc. ("CSX") under the [Federal Employers' Liability Act](#) ("FELA"), 45 U.S.C. Â§ 51 *et seq.* for injuries he sustained in the course of his employment. He sought damages for medical expenses and lost employment benefits. As a result of his injuries, Leighton incurred approximately \$11,000 in medical bills. CSX paid all but \$3,000 Leighton's medical bills per their obligation under The [Railroad](#) Employees National Health and Welfare Plan ("the Plan"). At trial, both parties filed motions *in limine* seeking to exclude evidence of medical expenses paid to Leighton. Leighton wanted the trial court to exclude any evidence that he received payments from insurers or other collateral sources (the \$8,000 paid by CSX), and CSX wanted to limit evidence of Leighton's medical expenses to those he paid out-of-pocket (the remaining \$3,000). The trial court "struck a balance," ruling Leighton would be able to offer his total medical expenses into evidence (\$11,000), but that the court would instruct the jury that Leighton could only be awarded \$3,000 in medical expenses (his out-of-pocket expenses). The jury returned a verdict for Leighton, awarding \$3,000 in medical expenses and \$5,200 in lost employment benefits. However, the Court found Leighton partially at fault for his injuries and reduced the award to \$4,300. Leighton filed a motion for a new trial arguing the jury instruction limiting his award of medical expenses was in violation of the collateral source rule under FELA. The trial court denied his motion and Leighton appealed to the Court of Appeals of Kentucky.

Issue:

Was the limiting instruction given to the jury concerning Leighton's recovery for medical expenses a violation of the collateral source rule under FELA?

Overall Issues Discussed or Touched Upon in this Case:

- *Damages*
- *Reduction of Damages*
- *Applicability of FELA at Issue*
- *Found Plaintiff Comparatively Negligent*
- *Insufficient Evidence of Damages*
- *Procedural Issues - State*

Held:

No, the Court upheld the trial court's ruling. The collateral source rule as applied by the Kentucky Supreme Court makes it improper "to reduce a plaintiff's damages by payments for medical treatment under a health insurance policy if the premiums were paid by the plaintiff or a third party other than the tortfeasor." Federal courts interpreting the collateral source rule under FELA have held "application of the collateral source rule depends more upon the character of the benefits than upon the source of the funds." In *Blake v. Delaware & Hudson Ry. Co.*, the Second Circuit clarified the application of the collateral source rule explaining: where payment of an amount of medical expenses pursuant to a railroad's insurance plan was "not simply more than a fringe benefit," the collateral source rule would bar any reduction in damages. The Court went on to say that railroads could avoid this result through language in their collective bargaining agreements. Since the ruling in *Blake*, railroads have added provisions to their collective bargaining agreements providing for an offset in the recovery obtained in a legal action against any benefits already paid via a company insurance plan. Here, the record shows that the Plan contained precisely this type of provision. Consequently, the Court found that the limiting instruction given to the jury was not a violation of the collateral source rule reasoning Leighton's argument was based solely on the pre-supposition that the Plan was a collateral source where the facts and relevant case law indicate it was not. Judgment AFFIRMED.

Comments: