

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1053
Economic Matters

(Delegate Valderrama, *et al.*)

Workers' Compensation Commission - Location of Hearings - Claims Filed by
Employees of Governmental Agencies

This bill requires the Workers' Compensation Commission (WCC) to hold any compensation hearing for a covered employee of a county, county board of education, bicounty agency, or municipality at the regional hearing location closest to the county's government offices if other hearings are not scheduled in the employer's county. WCC may only move a hearing that involves a local government employer to a different location if the covered employee demonstrates a medical necessity to hold the hearing elsewhere through a detailed medical report.

Fiscal Summary

State Effect: The bill's requirements can be handled by using existing budgeted resources. Revenues are not affected.

Local Effect: Local government expenditures decrease minimally to the extent the bill results in more compensation hearings being held in close proximity to local government offices and fewer instances where local governments are required to send legal representatives to multiple hearing locations throughout the State, as discussed below.

Small Business Effect: None.

Analysis

Current Law: Unless otherwise specified by law, a covered employee may have a compensation hearing on his or her claim (1) at a regional hearing location that WCC decides is convenient to all parties; (2) at a regional hearing location that covers the county

where the covered employee resided when the workplace injury allegedly occurred; or (3) in Baltimore City.

For employers that are counties, county boards of education, bicounty agencies, and municipalities, WCC is required to conduct any compensation hearing in the county in which the governmental agency is located if other hearings are scheduled in that county. If hearings are not conducted in the county, a hearing may be held in the regional hearing location closest to the county's government offices. However, WCC may move the hearing if the covered employee objects to the proposed location.

Background: There are seven workers' compensation hearing locations throughout the State: Baltimore City; Abingdon (Harford County); Frederick (Frederick County); La Plata (Charles County); Cumberland (Allegany County); Cambridge (Dorchester County); and Beltsville (Prince George's County).

Most counties and municipalities are, like the State, self-insured, and the Chesapeake Employers' Insurance Company (Chesapeake) insures many other local government entities. Some local governments have advised that employee objections to hearing locations have led to challenging situations where county compensation attorneys have been scheduled for cases at multiple hearing locations on the same day. These situations result in staff spending more time traveling to and from compensation hearings. Additionally, in some cases, local compensation attorneys have been late to or absent from hearings due to scheduling conflicts, resulting in delays in proceedings. WCC advises that there have been 128 change of venue requests so far in fiscal 2016 and that there will likely be 250 total requests by the end of the year.

Local Expenditures: By requiring a covered employee to demonstrate a medical necessity before a hearing can be relocated and by requiring WCC to schedule hearings at the location closest to the government offices of a local government, more hearings for local government employers are likely to take place at the location most convenient for the local government. Thus, local government expenditures decrease minimally as it becomes easier for compensation attorneys to attend hearings; however, the bill is not expected to impact all local governments equally.

For example, Carroll County advises that it has never experienced the problem being addressed by the bill, Charles County anticipates no fiscal impact from the bill, and Chesapeake advises that it routinely sends its attorneys to the seven hearing locations for the local governments it represents without issue. Conversely, the impact on Montgomery County is more significant. Montgomery County advises that the issue being addressed by the bill occurs so frequently that, unless the bill is enacted, it may need to hire additional compensation attorneys, at an annual cost of \$150,000 per attorney, to ensure that it is able to attend all of its compensation hearings.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, SB 174 (Senator Feldman – Finance) is not identical.

Information Source(s): Workers' Compensation Commission; Carroll, Charles, and Montgomery counties; Chesapeake Employers' Insurance Company; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2016
min/ljm

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