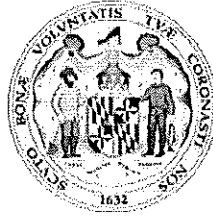


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August 30, 2021

The Honorable Guy Guzzone
Chair
Senate of Maryland
Budget and Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

The Honorable Maggie McIntosh
Chair
House of Delegates
121 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

RE: Joint Chairmen's Report April, 2021
Review of Workers' Compensation Agency Structure

Response Report of the Workers' Compensation
Commission, the Department of Budget and
Management, the Subsequent Injury Fund, and the
Uninsured Employers' Fund

Dear Chair Guzzone and Chair McIntosh,

Pursuant to Section 41 of the Chapter 357 of the Acts of 2021 (FY 2022 Budget Bill) and pages 248-249 of the 2021 Joint Chairmen's Report, the Workers' Compensation Commission ("WCC"), the Department of Budget and Management ("DBM"), the Subsequent Injury Fund ("SIF"), and the Uninsured Employers' Fund ("UEF") respectfully submit this report to the budget committees analyzing the existing structure of UEF, SIF, and WCC. The report includes:

- (1) An evaluation of the current structure of the UEF, SIF, and WCC, including but not limited to areas of overlapping responsibilities;
- (2) A recommendation of whether the agencies should be restructured, including but not limited to resource sharing and merging; and
- (3) If the recommendation does not call for restructuring, a thorough evaluation of the UEF's personnel needs.

Maryland Uninsured Employer Fund – History and Current Status

The UEF is a statutory completely self-funded agency which was created to protect Maryland workers who are injured on the job from an accidental injury or an occupational disease during certain specific circumstances. The purpose of the agency is to provide workers' compensation benefits to injured workers and their families when an uninsured employer fails to have legally required Workers' Compensation Insurance, an employee is injured, benefits are awarded by the Maryland Workers' Compensation Commission (WCC/Commission) and the uninsured employer fails to pay that award as ordered by the WCC. The agency's obligation to provide benefits and/or compensation is triggered when an uninsured employer defaults on an award issued by the Commission. The agency also covers claims for compensation for insolvent self-insured employers as well.

In Maryland, the State Workers' Compensation Commission began as the State Industrial Accident Commission in 1914 (Chapter 800, Acts of 1914). It was renamed the Workmen's Compensation Commission in 1957 (Chapter 584, Acts of 1957) and, as of January 1, 1986, the Workers' Compensation Commission. By enactment of the reorganized Labor and Employment Article of the *Annotated Code of Maryland*, the Commission became the State Workers' Compensation Commission in 1991 (Chapter 8, Acts of 1991). The WCC administers the Maryland Workers' Compensation Act and adjudicates claims for compensation arising under that law (Code Labor and Employment Article, secs. 9-101 through 9-1201). Reports of accidents are received and processed by the Commission which conducts hearings of contested workers' compensation cases throughout the State. Claimants requiring rehabilitation are referred by the Commission to appropriate rehabilitation service providers.

While the Commission is not a court and does not have judicial powers, it is an independent administrative agency "empowered to ascertain some questions of fact and apply the existing law and in doing so acts *quasi-judicially*." *Workers' Compensation in Maryland*, Pressman (1970) at 170 (emphasis added); *Solvuca v. Ryan & Reilly Co.*, 131 Md. 265 (1917); *Mattare v. Cunningham*, 148 Md. 309 (1925). In other words, "an order of the Commission has the evidential value of judgment of a court of general jurisdiction and is presumed to be *prima facie* correct." *Workers' Compensation in Maryland*, Pressman; *Broniszewski v. Baltimore O.R.R.*, 156 Md. 447 (1929).

In addition to the Commission itself, there are a number of "major players" (not including counsel for each major player) in the workers' compensation system in Maryland:

1. The Covered Employee

2. The Employer
3. The Subsequent Injury Fund ("SIF")
4. The Uninsured Employers' Fund ("UEF")
5. The Insurer (or Self-Insured Employer)

The UEF is a special fund. It is funded by fines levied by the WCC against uninsured employers and assessments imposed on awards of indemnity benefits. The agency also is to receive reimbursement from uninsured employers for expenditures made to claimants but because many uninsured employers fail to make those payments those funds are often a challenge to collect. The UEF receives no general funds.

The UEF was originally designed to be a limited stop-gap fund for injured workers whose employers failed to maintain legally required workers' compensation insurance. It was apparently believed when the agency was established that there would only be a small number of such cases because employers would maintain workers compensation insurance to cover their employees since that was required in most cases by law. Over the years this prediction has proven to be erroneous. Some employers, especially in the dangerous construction and landscaping industries, routinely fail to carry required insurance because it enables them to underbid their competition and thus obtain work. Add to this, honest employers who simply fail to have coverage for some reason and then have a claim from an injured worker. The UEF is also responsible for the claims of bankrupt self-insured employers such as the Bethlehem Steel Corporation (BSC) and A&P Supermarkets (A & P). By 2021, the UEF has grown to cover approximately 750-800 injured workers at any one time, with expenditures for both lost wages and medical bills totaling millions of dollars per year.

The UEF's coverage for a claim can last for any amount of time depending on the Order of the WCC: weeks, months, years, a lifetime. Workers sometimes come back to the WCC with a claim for worsening of their condition, requiring a new hearing, resulting in a new order, which can happen multiple times. Even if a claimant does not claim a worsening of their condition the UEF is still responsible for causally related medical treatment for the rest of the claimant's life.

In the past, the UEF attempted to operate an in-house equivalent of a claims administration unit. That attempt did not meet the standards needed. The nature and requirements for providing competent claims administration and investigation services for workers compensation claims requires an organization with national outreach and a host of experts to handle the multiple complex tasks involved in claims administration now. Trying to replicate such a complicated program in a government setting simply did not and does not compare to the services, cost savings and results of contracting with a professional TPA. Although done as part of an emergency procurement, the location and hiring of a competent, experienced national TPA was determined to be a critical part of correcting ongoing deficiencies in the functioning of the UEF. TPA services not only impact claimants, because of the nature of the UEF's mission and responsibilities, but a competent, experienced TPA with national experience is important to other areas of the UEF, including legal defense, collections, cost management and enforcement. A TPA with proven experience in, and success with, the management of worker's compensation claims management provides efficiency, and medical

and investigation savings that in-house claims administration simply cannot provide. After a lengthy RFP process, Corvel was awarded a five-year contract for TPA services in 2019. The current claims administrator, Corvel, has extensive national and in-state experience in workers' compensation claims administration, providing services around the country to numerous government entities, including several Maryland counties.

After more than three years of service, the UEF can emphatically state, based on documented successes, figures and evidence, that the contractual relationship between the UEF and Corvel has been an unqualified success. No action undertaken in the past four years to assist the UEF has done more to improve the functioning of all aspects of the UEF than hiring Corvel to do the agency's claims administration work. The results have been significant, with their administration, investigation, cost management and other benefits more than recouping the cost of Corvel's services.

Corvel's task was daunting; it literally had to build the agency's case management record from the ground up from what data was available while also taking on investigating and managing new claims immediately upon their arrival at the agency. It took Corvel months to collect, organize and process data and files just to get to a point where the agency could even know, with confidence, how many open claims were in existence (that number would eventually be approximately 950 open claims per month, since reduced).

Additionally, Corvel's success at data management and investigations took the rate of cases where insurance coverage is found in new claims from a rate of approximately 9% per month to approximately 35% per month. Their effective case investigation, management, and large network of healthcare practitioners provides substantial savings to the agency. The cost of finally having a competent TPA with a written contract added to expenditures starting in 2017, causing an increase in costs but the resulting competence, accuracy and savings achieved were outstanding, cost-effective and are long-overdue.

Thanks to finally having a record of information and data from the professional claims administration services received, the UEF is finally able to have and be able to report a host of information based on reliable data.

A five-month average of the expenses incurred (claim payments plus reserves) from February 2020 to June 2020 was approximately \$52,400,000.00 and as of September, 2020, the agency had 751 open claims. The "average" UEF claim therefore, has an exposure of \$69,773.64.

One example of the significant savings the agency receives under this contract involves the finding of insurance coverage for claims. In fiscal 2020 Corvel found coverage on 153 of 423 new claims cases, or coverage for 36.2% of new claims. This percentage should be contrasted to the 9% coverage found under the prior claims administration system at the agency. Finding coverage means that the agency is not responsible in that case because some other entity pays the claim. Additionally, this coverage number will almost certainly need to be revised upward as it includes cases from March through June of 2020 that are currently coded as no coverage that have not been litigated yet. The agency will undoubtedly find coverage on many of those claims.

As of now, the agency can report at least a 27.2% increase in real terms from 9% in the past to 36.2% currently in claims in where coverage has been found.

From an agency savings standpoint this increase is remarkable; and the savings are enormous. The 27.2% of the 423 claims the agency received in fiscal 2020 equals 115 cases. Multiplying that figure by the cost of the average case, \$69,773.64, results in a total of \$8,023,968.60 in claims savings. The contract with Corvel has, therefore, resulted in approximately \$8 million in demonstrable savings to the agency for the claims opened this year where coverage was found.

Further, when Corvel started to service the agency in 2017, the UEF had no information as to what the total exposure was for the agency claims. Today, the agency has reserves set for every claim and an overall figure of reserves as previously noted. The agency finally has an idea as to its liabilities and exposure going forward and can plan accordingly based on genuine data and realistic estimates.

The contract with Corvel has resulted in other benefits and savings as well. By working closely with Corvel staff, the agency has been successful in defending several claims in which the amount of liability potential reached over \$1 million dollars. The professional investigations and active collaboration with Corvel and our attorneys general played a critical role in the agency's success in prevailing in these cases.

Collection efforts have also been augmented by the contract with the TPA. Corvel regularly works with UEF collections staff, providing important information which allows the agency to locate and contact relevant parties in both the assessment and the uninsured employer recovery areas. The UEF has received numerous corrected addresses and contacts from Corvel which enabled collection of assessments and repayment of fines due and owing to the agency. One of the most important and non-duplicable benefits of the contract is the staff provided to the UEF by Corvel. The Corvel employees are extremely competent and experienced. Three of its adjusters on the UEF account have an average of 25 years of experience. That level of experience is extremely rare. The agency's on-site manager has over 35 years of experience in handling workers compensation claims. His experience includes having served as the President of the Maryland Workers' Compensation Educational Association, the premier Maryland statewide organization involving all aspects of workers compensation. These experienced claims professionals are available only because the TPA has a large staff of experienced claims administrators available.

Corvel's staff consists of five investigators, the three highly experienced adjusters noted previously, a claims assistant, a manager/supervisor and an Account Manager. That is 11 staff members that the State is not responsible for paying salary, health insurance, retirement/pension, taxes, workers compensation, E & O exposure, and other expenses which is an enormous, short and long-term benefit to the State.

Merging of Functions between the WCC, UEF and SIF

Prior to 1983, both the UEF and SIF were "part of" the WCC and were housed in WCC's Baltimore City location. In the early 1980's, legitimate concerns were raised by the General

Assembly concerning conflicts of interest between WCC on the one hand and UEF and SIF on the other, especially with SIF and UEF attorneys appearing before the WCC. By Chapter 576, Acts of 1983, the General Assembly formally divested UEF and SIF from the WCC to create three independent State agencies. Following this change, WCC did not provide *any* administrative services to the UEF or SIF, particularly none involving staffing, budgeting, or the administration of the Funds. The WCC, UEF and SIF have been separate, independent units for several decades.

UEF Function

The Uninsured Employers' Fund is, in effect, the insurer of last resort under the Act.¹ It was created as an independent state agency by Chapter 576, Acts of 1983. The UEF "steps into" the shoes of the employer who, for whatever reason, lacks insurance to pay the injured worker compensation as required by the Act. The UEF's function is to pay workers' compensation benefits to any claimant working for an uninsured employer whenever the uninsured employer refuses to pay. The UEF fulfills this role, and protects its interests, by pointing its finger at every possible insurer/self-insurer or statutory employer/insurer connected with a claim. The UEF's attributes are similar to those of the Subsequent Injury Fund, in that it may participate as a party, raise its own issues, etc., and it is represented by the Attorney General. Indeed, when it is not trying to recoup moneys from delinquent employers or insurers, the UEF acts much like an employer/insurer when appearing before the Commission. The UEF may contest a case brought by a covered employee and all defenses available to employers and insurers are available to it. Its primary function is to seek out existing insurance coverage so that it may be dismissed from the proceedings. In other words, where the compensability of an injury is clear the claimant is assured that benefits shall be paid; the question is, by whom? The claimant becomes a virtual spectator while the UEF deals with those parties it suspects may have responsibility for coverage of the claim. The UEF is funded by assessments on all awards for permanent disability and other assessments against uninsured employers² and may recover any expenditures for benefit payments from any non-insured employer for whom it is compelled to pay benefits.³ In recent years, the amount of the assessments has fluctuated as the UEF has sought more or less funds in response to its outstanding and projected liabilities.

SIF Function

In 1963, Section 802 of the Maryland Annotated Code created the Subsequent Injury Fund to encourage the hiring of workers with preexisting disabilities. The SIF is financially responsible for the effects of a preexisting permanent impairment due to an accident, disease or congenital condition that is, or is likely to be, a hindrance to employment when combined with the effects of a subsequent compensable job-related accident, personal injury or occupational disease. The SIF conducts complex medical reviews of workers' compensation claims that involve pre-existing health conditions that contribute to a substantial increased disability to Maryland workers who sustain on the job injuries. The SIF pays benefits for the preexisting

¹ See Md. Code Ann., Lab. & Empl. § 9-1002; *Maryland Workers' Compensation Handbook*, Fourth Edition, Gilbert & Humphreys.

² Md. Code Ann., Lab. & Empl. § 9-1005(a).

³ Md. Code Ann., Lab. & Empl. § 9-1003.

portion of an injured workers' overall disabling condition, in accordance with Workers' Compensation Commission permanency and death awards.

Initially the General Assembly made the Worker's Compensation Commission responsible for the SIF. The Commission handled all SIF functions - payroll, personnel, accounting, purchases, benefit payments, etc. Assistant attorneys general representing the SIF appeared daily before the WCC, the decider of fact, to defend the SIF in adversarial cases. This awkward arrangement created an ethical problem for the WCC and SIF.

The Uninsured Employers' Fund joined the SIF under the WCC administrative umbrella. During the early days, the same group of assistant attorneys general represented both the SIF and the UEF. The attorneys often appeared before the WCC to argue the same case from disparate legal positions, an even more difficult ethical situation.

In 1981, the Office of the Attorney General acknowledged the ethical problems of: (1) the SIF and UEF being controlled by the adjudicating authority of the WCC; and (2) the SIF and the UEF sharing personnel and resources. By 1983, the SIF and UEF began operating independent of the WCC with separate governing boards, employees, funding mechanisms and operating budgets. The remaining connection between the two agencies was accounting services. The SIF fiscal unit provided accounting services, including assessment invoice preparation, assessment collections and benefit payments for both the SIF and UEF. The SIF accounting department was dependent on the accuracy of the documentation provided by the UEF to process benefit payments to UEF claimants and medical treatment providers.

Repeated legislative audits cited the SIF for UEF related fiscal deficiencies. The Legislature approved a negotiated agreement between the SIF and UEF to end the accounting services shared source arrangement. In 2011, SIF Accounting Department personnel interviewed, hired and trained two fiscal employees to staff the newly created UEF Accounting Department. The SIF transferred two fully trained fiscal employees, along with the respective PINS, to the UEF, ending the final connection between the agencies.

The ethical and operational problems of combining SIF and UEF resources is part of the historical record. To require either SIF or the UEF to perform and be responsible for similar but not identical functions, without complete control of the function, would be a disservice to both organizations. The shared services accounting agreement between the SIF and UEF was not successful. Attempting to cure a current problem by resurrecting an abandoned failed arrangement is unwise and would be counterproductive.

Summary

As discussed, as regards resolving workers' compensation cases, the WCC is the "court" and the UEF and SIF appear as parties before it.

Inherent in the roles WCC, UEF, and SIF play in providing compensation for injured workers in Maryland are a number of structural conflicts which were first addressed by the General Assembly in 1983.

The Commission itself is an independent adjudicatory agency which is obliged to uphold and apply the law and perform all its quasi-judicial duties "impartially and fairly." Each WCC Commissioner looks to the Maryland Rules and the Code of Judicial Conduct for guidance in fulfilling their duty to act "impartially and fairly" to the litigants before them. *See, e.g.,* Md. Rule 18-102.2. In that regard, each Commissioner is bound to ensure that each proceeding is free from bias, prejudice, and harassment, Rule 18-102.3; and external influences on judicial conduct, Rule 18-102.4; including not having any *ex parte* communications with the parties; all while ensuring the right to be heard, Rule 18-102.9.

By the code of conduct applicable to the Commissioners as quasi-judicial officers, and applicable to each as attorneys (*see generally*, Md. Rule 19-303.5, *Impartiality and Decorum of the Tribunal*), the Commissioners individually and the Commission as a whole cannot inquire into the internal administration of the UEF or SIF unless it appears as an issue in a particular case. How the UEF and SIF staff or fund their operations, and indeed, whether and to what extent each may or may not have "passed" a legislative audit is completely outside the authority of the Commission to adjudicate or regulate. If a Commissioner were to inquire into these "internal" issues with the UEF or SIF in deciding a case, they could be subject to attorney discipline. By way of analogy, it would be equally improper for the Maryland Office of the Public Defender to be "reorganized" into the Maryland Judiciary, even though both are State agencies or entities.

The SIF and the UEF appear, not infrequently, in cases as opposing parties before the WCC. To have the WCC oversee any aspect of either, or both agencies, would create the clear appearance of impropriety. Any such system would put the WCC in an impossible position. Just as clearly, to have the SIF and the UEF to combine functions would also create similar appearance concerns, especially any merger that in any way impacted the legal representation of the two separate agencies.

The UEF and SIF also each have separate Boards, which oversee their respective Funds. Whether and to what extent those Funds are adequate is a matter within the authority granted to the Boards by the General Assembly. *See, generally*, Maryland Code, Labor and Employment Article, Title 10, subtitle 2 (SIF) and subtitle 3 (UEF). Since 1983, the General Assembly has not, and for the reasons outlined above could not, assign an oversight role to the Commission with regard to the Funds. Each Board is independently responsible for publishing annual reports (*see* LE 10-219 (SIF); and LE 10-320 (UEF)) to the Governor and to the General Assembly subject to section 2-1257 of the State Government Article. For the UEF in particular, the State Treasurer is the custodian of each Fund (LE 10-315), administered by the Director (LE 10-316), within the budget submitted annually to the Governor (LE 10-316(b)) for inclusion in the budget bill submitted to the General Assembly (LE 10-316(b)). Similar provisions apply to the SIF. In no event, however, is the WCC involved except to adjudicate claims of injured workers. The WCC is not the custodian, administrator, or regulator of these Funds.

The Subsequent Injury Fund once provided certain support services, including, at various points in time: invoice processing, payroll, processing collections for deposit, maintenance of accounting records, and data processing services) for UEF for a period of years before 2011.

These attempts at joint functioning were unsuccessful which resulted in serious ongoing disruption to both agencies. *See, e.g.* OLA UEF Audit Report, May 2009; SIF OLA Audit Report, April 2009. Both agencies suffered because of these attempts.

As a result of the ongoing issues, the Department of Budget and Management (DBM) determined in 2010 that the two agencies should separate functions. In February 2010, the SIF and UEF entered into a memorandum of understanding to separate the operational support services provided by SIF, with the intent for UEF to assume those functions and duties. This arrangement was approved by the Department of Budget and Management, and in August 2010, the Executive Directors of both SIF and UEF approved a project plan for the separation. Separation was achieved in 2011.

As the OLA Audit's demonstrated, because the agencies have different missions and requirements, the prior attempt to merge functions caused serious confusion, inefficiency, and disruption at both agencies. It was clear that the missions of the two agencies were such that the attempts to combine functions were impossible. The failures and resulting problems finally reached a point where then-Governor O'Malley's DBM recognized that the processes then in place did not and could not work and oversaw the complete separation of the two agencies, a process that took over a year to achieve. That separation was successful – the SIF is today functioning expertly and efficiently. The UEF is, because of numerous improvements over the past few years, also now functioning much more efficiently and appropriately as well. Attempting to combine functions would only fail again and disrupt what have become clearly self-functioning entities.

Just as clearly, as the adjudicatory body before which both the SIF and the UEF regularly appear, the WCC, cannot manage aspects of those agencies. The appearance of impropriety, recognized by all involved in the 1980's, would make any such system unworkable.

There is no overlap of responsibilities among WCC, SIF and UEF. While all three agencies operate in the field of workers' compensation, the SIF, UEF and WCC are separate agencies with vastly differing responsibilities. Sharing or merging resources would be inefficient, and because of the need for impartiality required for independent quasi-judicial tribunals such as WCC, any oversight or mingling of administrative functions would prevent the impartiality necessary to adjudicate claims.

Additionally, neither the SIF nor the WCC has any experience with a number of the central functions of the UEF. These functions include collecting funds owed by uninsured employers – which involves both civil and criminal procedures with which the WCC and the SIF have no experience; preparing and defending cases involving uninsured employers; investigating each claim with the goal of finding insurance coverage for the claim; and working with a workers' compensation third party claims administrator on a daily basis to investigate, manage, and process medical and compensation claims and payments. No agency in the State of Maryland has the mission or the unique requirements of the UEF.

The UEF, SIF and WCC have, for decades worked together, as appropriate, on various matters, mostly administrative, to improve functioning. The SIF has been a repeat, and always

available, collaborator with the UEF in areas where the two agencies have common ground. But the fact that both the WCC and the SIF deal with workers compensation issues does not mean that they have the experience, manpower or expertise to handle the unique functions of the UEF. Such is also the case between the WCC and the UEF and the functioning of the SIF. Each agency fulfills an important, but unique role, in Maryland's Workers Compensation system. Each agency currently performs its mission with efficiency and effectiveness. To arbitrarily require merging of functions would disrupt that current success and result in poor service to the citizens involved in the Maryland Workers Compensation system. In the end, it would simply require separation of the functions once again.

UEF Personnel Needs

The UEF has the following staffing as of June 30, 2021:

- One Administrative Program Manager I (Chief Financial Officer) – Eight years' experience with the UEF (thirteen years' experience with the State); Assists the Director with the management of the Agency. This staff member is responsible for the complete oversight of all aspects of the agency's financial matters, issues and requirements, including compliance with State Financial procedures. This individual reviews the vouchers for payment submitted by the agency TPA for accuracy and payment, and reviews individual cases/claims for appropriateness. Responsibilities also include assisting with oversight of both collections processing and deposits and expense processing and deposits. This person has deep and complete experience with the unique nature of the agency's funding, collections, medical and indemnity processes, payments and procedures. Maintains and updates records and data. Supervises the day-to-day activities of staff and reports on same to Director. The position requires a knowledge of not only Workers Compensation but the unique role of the UEF in the Maryland Workers' Compensation system.
- One Administrative Program Manager – thirty-four years' experience with the agency (forty-two years' experience with the State); This person is responsible for reviewing each assessment and claim for accuracy and completeness. Works with other staff to ensure collections are processed correctly and that amounts due notices are prepared, processed, and forwarded as appropriate. Assists in numerous aspects of both the preparation of, the production of and the processing of agency billing notices.
- One Administrative Specialist III – thirty-two years' experience all with agency; This person handles and processes all incoming mail, including checks, bills, and legal notices. Works with other staff to process regular dunning notices for amounts owed and with all aspects of collections. Maintains records and prepares reports. Generally, assists all aspects of collections.
- Director – four years' experience with the UEF (seventeen years' experience with the State); responsible for the operation of the agency; works with all staff as required; works with OAG staff on legal and related issues; interacts with TPA staff as required regarding relevant issues; handles a host of assignments including interacting with the legislative and executive branches and preparing reports for same.

- Five Assistant Attorneys General – The Principal Counsel and the four staff attorneys handle all aspects of the legal issues and WCC hearings facing the agency; staff represents the UEF in WCC hearings and hearings, cases and appeals in all Maryland Constitutional Courts. Work with staff on collection matters and enforcement mechanisms such as business license suspension and criminal enforcement cases
- Ten Third Party Claims Administrator (TPA) staff – The agency has had, since 2017, a professional TPA team in place to handle all aspects of the agency’s claims processing and case investigation requirement. TPA staff consists of five investigators, the three adjusters, a claim assistant, and a manager/supervisor. Although all are experienced in workers’ compensation claims work, they have become specialists in Maryland uninsured claims management and other specialized aspects of their involvement with a state agency dealing with uninsured employers and their injured employees.
- Four Temporary Employees – Of these staff positions, one position works exclusively in collections; one position serves as a paralegal; and two positions provide fiscal support to the CFO and the agency as well as assisting with aspects of the collections process. These positions will become absorbed into already budgeted and approved contractual positions as described below.
- Vacant Positions in the process of being filled:
One Program Manager IV – this position will function as the agency’s Claims Manager, and Procurement Officer, and will be directly responsible for working with the TPA, collections and the legal staff on a daily basis to insure efficiency, accountability and cost savings in the program. This position will also review billing to ensure accuracy and achieve appropriate savings. The position will be responsible for monitoring and evaluating the TPA for efficiency and effectiveness and will make recommendations for increasing both. The position will also be responsible for revising the (Request for Proposals) RFP for Third Party Claims Services and lead the agency in the RFP process in 2024.

Fiscal Accounts Technician I and II positions - these positions will work under the current Chief Financial Officer (CFO) at the UEF to provide support to the CFO and to work with both claims processing, billing and collections as required. They will replace two temporary positions which currently exist at the agency and will result in increased efficiency, stability and cost savings for the agency

Two Claims Investigator IV positions – these positions will handle a host of claims investigation and collection roles for the agency. Both are contractual positions. They will replace a temporary position which has been at the agency involving collections work.

One Paralegal position – this position will handle all of the responsibilities required of a paralegal and will replace the current temporary staff person in this role.

Once these positions are filled, the current position complement is sufficient to operate the agency. Ongoing evaluation of needs will be performed regularly.

This concludes the requested report.

Respectfully submitted,

The Honorable R. Karl Aumann,
Chair
Workers' Compensation Commission

The Honorable David R. Brinkley
Secretary
Department of Budget and Management

The Honorable Edgar Dodd
Director of Administration
Subsequent Injury Fund

The Honorable Michael Burns
Director
Uninsured Employers' Fund