

Department of Fiscal Services  
Maryland General Assembly

**FISCAL NOTE**

House Bill 496 (Delegate Rawlings, et al.)  
Economic Matters

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**Workers' Compensation - Occupational Diseases - Correctional Officers**

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This bill creates a presumption of compensability under the workers' compensation law for a correctional officer employed by the State or a local government if that officer suffers from heart disease, hypertension, acquired immune deficiency syndrome (AIDS), tuberculosis, hepatitis, or has tested positive for human immunodeficiency virus (HIV). Compensation for AIDS, tuberculosis, hepatitis, and HIV related illnesses is conditional on the requirement that the officer was not diagnosed with such illnesses at the time of the individual's physical examination on entering employment.

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**Fiscal Summary**

**State Effect:** Potential significant increase in general fund expenditures, as discussed below. Revenues would not be affected. Special fund revenues and expenditures could increase by an indeterminate amount.

**Local Effect:** Local expenditures could increase by an indeterminate amount as discussed below. Revenues would not be affected. **This bill imposes a mandate on a unit of local government.**

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**Fiscal Analysis**

**State Expenditures:** Expenditures could increase to the extent that additional workers' compensation benefits are paid to correctional officers. It is estimated that the bill would not generate very many additional claims; however, a single claim could be extremely costly. For example, the State could be required to pay weekly workers' compensation benefits to a correctional officer suffering from hypertension for a period of 40 years or more in addition to extensive medical bills. The Injured Workers' Insurance Fund (IWIF) estimates that an average workers' compensation claim for hypertension or heart disease is at least \$35,000.

However, any claim has the potential of becoming much more costly. The typical claims for AIDS or HIV related illnesses may be much higher.

As a matter of reference, IWIF pays approximately \$5.3 million annually in claim payments on behalf of the Department of Public Safety and Correctional Services. IWIF bills the State annually based on actual claims paid on behalf of the State, a proportionate amount of administrative expenses, and a reserve equal to one month's liabilities.

Special fund revenues and expenditures could increase to the extent that the presumption of compensability provided by this bill would increase the amount of assessment payable to the Subsequent Injury Fund (SIF) and the volume of cases and benefits payable by SIF. Any increase cannot be reliably estimated at this time.

**Local Expenditures:** Expenditures could increase to the extent that additional workers' compensation benefits are payable to correctional officers, as discussed above. At this time, it is not possible to provide a reliable estimate of the impact this bill could have on the property tax rate of the local jurisdictions.

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**Information Source(s):** Workers' Compensation Commission, Subsequent Injury Fund, Injured Workers' Insurance Fund, Department of Fiscal Services

**Fiscal Note History:** First Reader - February 12, 1996  
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