

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 558 (Delegate Workman)
Economic Matters

Workers' Compensation - Timely Payment for Treatment and Services - Penalty

This bill alters the circumstances under which the Workers' Compensation Commission may impose a penalty against an employer or insurer for failing to pay covered medical services and treatment in a timely fashion. Under current law the commission can impose a fine if the employer or insurer fails to pay for the covered treatment or services within 45 days after the commission, by order, finally approves the charges. The bill provides that the commission may impose a fine if the employer or insurer fails to pay for the covered treatment or services within 45 days of receipt of an itemized statement from the provider unless the employer or insurer files issues with the commission stating the reason for the denial of payment.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues. Expenditures would not be affected.

Local Effect: None.

Fiscal Analysis

State Revenues: General fund revenues could increase to the extent that the Workers' Compensation Commission imposes fines on employers or insurers for failing to pay covered medical services or treatment within the specified time period. Information on the number of times fines could be imposed under this bill is not readily available. However, the increase is assumed to be minimal.

Information Source(s): Workers' Compensation Commission, Injured Workers' Insurance Fund, Subsequent Injury Fund, Uninsured Employers' Fund

Fiscal Note History: First Reader - February 13, 1996

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