

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 88 (Chairman, Economic Matters Committee)  
(Departmental - State Police)

Economic Matters

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**Workers' Compensation - Heart and Lung Disease - Presumption - Deputy State  
Fire Marshal**

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This departmental bill adds sworn members of the Office of the State Fire Marshal to the group of State and local fire fighters for whom there is a presumption of occupational disease for workers' compensation purposes, when specified illnesses have resulted in partial or total disability or death.

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**Fiscal Summary**

**State Effect:** Potential indeterminate increase in State workers' compensation expenditures (all fund types), depending on the number and severity of claims filed.

**Local Effect:** None.

**Small Business Effect:** The Department of State Police has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

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**Fiscal Analysis**

**Bill Summary:** This bill creates a presumption that a sworn officer of the State Fire Marshal's office has an occupational disease that was suffered in the line of duty if: (1) the individual has heart disease, hypertension, or lung disease; and (2) the heart disease, hypertension, or lung disease results in partial or total disability or death. A presumption is also created that a sworn officer of the State Fire Marshal's office has an occupational disease that was suffered in the line of duty if the individual: (1) has leukemia or pancreatic, prostate, rectal, or throat cancer that is caused by contact with a toxic substance that the

individual has encountered in the line of duty; (2) has completed at least five years of service as a fire fighter or certain related employment; and (3) is unable to perform the normal duties of a fire fighter.

This presumption facilitates the sworn fire fighting officer receiving workers' compensation. The bill specifies that these workers' compensation benefits are to be paid in addition to any retirement benefits, which would include disability retirement. The combined benefits, however, may not exceed the salary of the officer.

**State Expenditures:** The average cost of a workers' compensation claim paid by the Injured Workers' Insurance Fund, which administers workers' compensation coverage for the State, is \$21,000 per claim. Claims involving heart disease, hypertension, and lung diseases are likely to be significantly higher, at least \$36,000 per claim (including permanent partial disability award, medical expenses, and temporary total payments, if any).

If the claimant is found to be permanently and totally disabled, the claimant is eligible for benefits up to \$573 per week for life, including annual cost-of-living adjustments. Permanent and total disability benefits are paid at two-thirds of the claimant's average weekly wage, not to exceed 100% of the State's average weekly wage (\$573 for calendar 1998). To receive the maximum \$29,796 annual benefit requires an annual pre-injury salary of \$44,694. Each permanent and total disability claim could potentially cost more than \$1 million.

There are approximately 45 sworn officers in the State Fire Marshal's office. It cannot be determined how many of them will be subject to permanent partial or permanent total disabilities based on the above occupational diseases.

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**Information Source(s):** Department of State Police, Injured Workers' Insurance Fund, Subsequent Injury Fund, Uninsured Employers' Fund

**Fiscal Note History:** First Reader - January 21, 1998

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