

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 179 (Senator Hafer)

Finance

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**Workers' Compensation - Calculation of Hearing Loss**

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This bill specifies the method by which hearing loss may be calculated for workers' compensation purposes. The bill lowers the threshold hearing for a compensable injury by increasing the specified frequencies over which hearing loss is measured.

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**Fiscal Summary**

**State Effect:** Minimal increase in State workers' compensation costs for hearing loss claims, returning to present levels (approximately \$204,200) over a five-year period.

**Local Effect:** Minimal increase in local workers' compensation costs for hearing loss claims, returning to present levels over a five-year period.

**Small Business Effect:** Minimal increase in small business workers' compensation costs for hearing loss claims, returning to present levels over a five-year period.

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**Analysis**

**Bill Summary:** This bill specifies the method by which hearing loss may be calculated for workers' compensation purposes. The bill requires that hearing loss be measured by specified audiometric instrumentation and conducted in a sound room that meets the criteria for maximum permissible ambient noise for audiometric test rooms.

Behavioral psychoacoustic measurements must be obtained with instrumentation that uses insert earphones. Electrodiagnostic measurements may be obtained to determine the nature

and extent of workplace hearing loss. To evaluate a claimant's compensable hearing loss, audiologic results must be used in conjunction with other information.

The bill calculates percentage of hearing loss for compensation by averaging, in decibels, the hearing thresholds for the 500, 1,000, 2,000, and 3,000 hertz frequencies. The average is calculated by adding the lowest measured losses in each of the four frequencies and dividing by four. The loss is not compensable if the average is 25 decibels or less. No consideration may be given as to whether an amplification device improves the ability of a covered employee to understand speech or enhance behavioral hearing thresholds. The bill increases, to age 50, the threshold for the decibel level reduction allowance related to age.

Both bone conduction and air conduction results must be used in determining whether noise-related hearing loss is compensable. For a conductive loss, the bone conduction thresholds for each ear must be used to calculate a claimant's average hearing loss.

**Current Law:** Hearing loss for workers' compensation purposes is measured by pure tone air conduction audiometric instruments approved by nationally recognized authorities in the field of hearing loss. The percentage of hearing loss for compensation is calculated by averaging, in decibels, the hearing thresholds for the 500, 1,000, and 2,000 cycles per second. The average is calculated by adding the lowest measured losses in each of the three frequencies and dividing by three. To allow for nonoccupational causes due to age, the decibel level is reduced by one-half decibel for each year of the employee's age over 40 at the time of the last exposure. The loss is not compensable if the average is 15 decibels or less. No consideration may be given as to whether a hearing aid improves the ability of a covered employee to understand speech.

**State Expenditures:** The Injured Workers' Insurance Fund (IWIF), which administers the State's workers' compensation program, advises that the Workers' Compensation Commission denies many claims for hearing because the degree of loss is not sufficient at the time the claim is submitted. However, a worker who has suffered a work-related hearing loss often resubmits the claim after the hearing loss has progressed to a compensable level. Workers' compensation costs are expected to be higher during the period over which the hearing loss progresses to a compensable level, estimated to be between three and five years. In calendar 1999, IWIF paid \$204,200 to injured workers for compensable hearing loss. The actual amount of the temporary increase cannot accurately be estimated at this time, but it is assumed to be minimal.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 13, 2000  
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