

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 298 (Delegate La Vay, *et al.*)

Economic Matters

Workers' Compensation - Evaluation of Permanent Impairment

This bill provides that, in a workers' compensation claim for a permanent impairment that involves a behavioral or mental disorder, a psychiatrist, other qualified physician, or a licensed psychologist must perform a psychological evaluation of the impairment and report the evaluation to the Workers' Compensation Commission (WCC) in accordance with regulations adopted by the WCC.

Fiscal Summary

State Effect: Potential increase in State workers' compensation expenditures for the payment of permanent awards to the extent that awards involving mental or behavioral disorders increase. Any such increase is assumed to be minimal.

Local Effect: Local governments that self-insure could experience an increase in workers' compensation expenditures for the payment of permanent awards to the extent that awards involving mental or behavioral disorders increase. Any such increase is assumed to be minimal. Local governments that do not self-insure could experience a minimal increase in workers' compensation insurance premiums.

Small Business Effect: Minimal.

Analysis

Current Law: A physician must evaluate and report to WCC for cases involving permanent impairment. The report must include information about atrophy; pain; weakness; and loss of endurance, function, and range of motion.

Background: The Injured Workers' Insurance Fund (IWIF), which administers the State's workers' compensation program, advises that it paid a total of \$1.2 million for compensation as a result of permanent impairment in 28 cases involving only mental or behavioral disorders during calendar 1997, 1998, and 1999. These statistics do not include cases involving psychiatric trauma from a physical injury.

IWIF further advises that it uses the services of a psychiatrist when evaluating a case of permanent impairment involving behavioral or mental disorders.

Additional Information

Prior Introductions: A similar bill, HB 1313, was introduced in the 2000 session and received an unfavorable report from the House Economic Matters Committee. HB 1313 would have required a licensed psychologist to perform the psychological evaluation of the impairment.

Cross File: None.

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

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