

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 166 (Chairman, Economic Matters Committee)  
(By Request – Departmental – Workers’ Compensation Commission)

Economic Matters Finance

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**Workers' Compensation - Timing of Benefit Payments, Filing Issues, and Processing Claims**

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This departmental bill changes the triggering event for certain filing, payment, and decision procedures for workers’ compensation claims.

The bill is effective July 1, 2006.

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**Fiscal Summary**

**State Effect:** None. The bill codifies existing practice.

**Local Effect:** None.

**Small Business Effect:** The Workers’ Compensation Commission (WCC) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

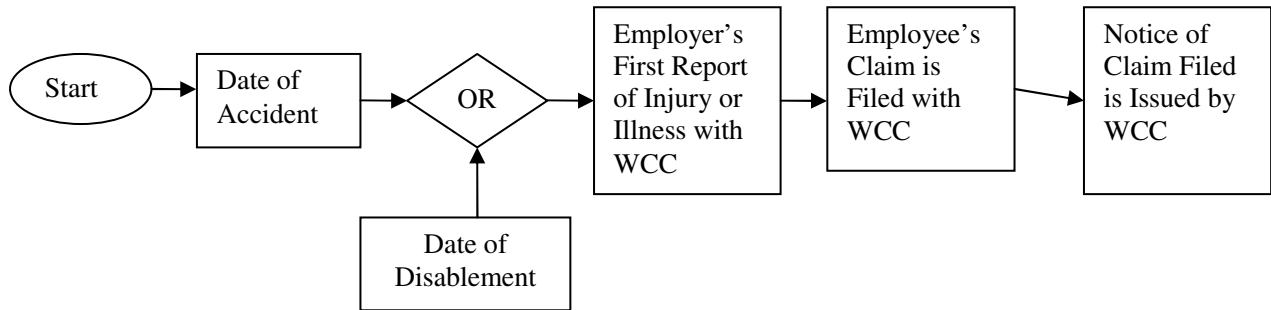
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**Analysis**

**Current Law/Bill Summary:** Under current law, the event that triggers the timeliness of the claim payment and the determination process is the date on which a claim is filed with WCC. **Exhibit 1** is a diagram of the current process.

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## Exhibit 1 Workers' Compensation Claim Process



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The bill changes the triggering event to the date WCC mails the notice of the filing of a claim. The following procedures are governed by the trigger date:

- within 21 days, the employer or its insurer must either begin paying temporary total disability benefits or file with WCC any issue to contest the claim;
- WCC may assess a 20% penalty if the timeframe is not met;
- WCC may assess a 40% penalty if the employer or its insurer does not begin to pay benefits or file with WCC within 30 days; and
- WCC must make a determination on claims with 30 days.

**Background:** State law provides that the date on which a claim is filed with WCC is the event that triggers the timeliness of the claim payment and determination process. However, as a matter of practicality, WCC is currently using the date that a notice of filing of a claim is sent to the employer to provide a more consistent and identifiable timeframe.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 8, 2006  
ncs/jr

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