

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 453
Economic Matters

(Delegates Jameson and Minnick)

Finance

Workers' Compensation - Jurisdiction Pending Appeal - Proposed Settlement

This bill allows the Workers' Compensation Commission (WCC) to retain jurisdiction pending an appeal to consider a proposed settlement of a claim.

Fiscal Summary

State Effect: The bill does not materially affect governmental finances or operations.

Injured Workers' Insurance Fund Effect (IWIF): Potential decrease in IWIF legal expenditures as the appeals process becomes more efficient in certain workers' compensation cases.

Local Effect: The bill does not materially affect local government finances.

Small Business Effect: Potential minimal.

Analysis

Current Law: An employer, covered employee, dependent of a covered employee, or any other interested person aggrieved by a decision of WCC may file an appeal in circuit court, provided the appeal is filed within 30 days of WCC's order. WCC retains jurisdiction pending appeal to consider requests for additional medical treatment and attention or requests for temporary total disability benefits, under certain circumstances.

If a settlement is reached in a case that was appealed from WCC to the circuit court, the circuit court is required to remand the case back to WCC for approval of the settlement. If the settlement is not approved, a new appeal to the circuit court must be filed.

Injured Workers' Insurance Fund Effect: IWIF advises that the agency has approximately 350 pending appeals in the circuit courts at any given time; the majority of these appeals are settled out of court. According to IWIF, the bill streamlines the settlement process because the parties are able to negotiate settlements without having to give up their appeal prematurely. Legislative Services advises that, while it is not possible to quantify the fiscal impact, the bill is expected to result in improved operational efficiencies and reduced legal expenditures for parties involved in the disposition of workers' compensation cases.

Additional Information

Prior Introductions: SB 610 of 2010 passed in the Senate and received a hearing in the House Economic Matters Committee, but no further action was taken.

Cross File: SB 269 (Senators Kittleman and Klausmeier) - Finance.

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

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