

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

House Bill 112 (Delegate Stukes, *et al.*)  
Economic Matters

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**Task Force to Study Abuse of Workers' Compensation**

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This bill establishes (and specifies membership for) the Task Force to Study Abuse of Workers' Compensation, which must report its findings and recommendations for preventing, identifying, and deterring workers' compensation fraud to the Governor and the General Assembly by December 1, 2014. The Workers' Compensation Commission (WCC) must provide staff for the task force.

The bill terminates June 30, 2015.

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with existing budgeted resources of WCC.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force is required to study (1) the deterrence, detection, and prosecution of fraud and abuse within the workers' compensation system; (2) the nature and extent of fraud and abuse in the workers' compensation system; (3) the cost associated with each type of identified fraud; and (4) the approaches adopted in other states to combat workers' compensation fraud. The task force must make recommendations regarding fraud prevention strategies and legislation to address workers' compensation fraud and abuse.

A member of the task force may not receive compensation as a member of the task force but is entitled to reimbursement for standard State travel expenses, as provided in the State budget.

**Current Law/Background:** In any administrative action before WCC, if it is established by a preponderance of the evidence that a person knowingly affected (or attempted to affect) the payment of compensation, fees, or expenses of workers' compensation benefits by means of a fraudulent representation, WCC must refer the case to the Insurance Fraud Division in the Maryland Insurance Administration.

WCC referred 14 cases to the division in fiscal 2012.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Workers' Compensation Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2013  
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