



LEGISLATIVE POSITION:

Unfavorable

Senate Bill 619

Workers' Compensation – Fees for Legal Services

Senate Finance Committee

Tuesday, March 3, 2020

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

Senate Bill 619 authorizes the Workers' Compensation Commission to require payment for legal fees for services rendered up to \$2,000 if no compensation is payable to the covered employee. The Workers' Compensation Commission may order these fees to be paid by either the covered employee themselves, the employer or its insurer, a self-insured employer, or the Uninsured Employers Fund.

The Maryland Chamber of Commerce has several concerns with this piece of legislation as introduced. First, claimants' attorneys are paid from indemnity benefits awarded to their clients and continued representation of those clients when medical benefits associated with the claim should be encouraged even when the right to indemnity benefits has run out since the attorney has already received compensation for the claim, often in proportion to the severity of the claim.

Additionally, the burden of litigating medical benefits in a dispute should not fall on the employers, who are responsible only for payment of medical bills to the medical providers based on the Workers' Compensation Medical Fee Guide. Requiring additional payment for attorney fees increases an employers' obligation to go beyond the intention of current statute. Mandating employers to provide payment for attorneys' fees for litigation of medical only issues unjustly exposes employers as future medical treatments can be quantified but future litigation of medical treatment is speculative.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on Senate Bill 619.