

HB 1199 - Workers' Compensation – Occupational Disease Presumptions – COVID–19

**Position: Unfavorable**

The MABE Worker's Compensation Group Self-Insurance Fund "Fund" provides workers' compensation coverage to 17 of the 24 school districts in Maryland. The Fund provides coverage to just school districts in Maryland, no other entities, or businesses. Over 40,500 employees of those school systems are covered under this program.

Maryland Workers' Compensation law already has provisions to cover compensable occupational diseases and accidental injuries. An employee contracting COVID-19 while working could have a compensable accidental injury by showing the causal relationship between their employment and the condition. Those workers exposed to the virus on their jobs where the likelihood of contracting the disease is significantly higher than the average worker, may well sustain compensable claims.

The proposed presumption of compensability for COVID-19 claims would be detrimental to school system operations. Maryland's Public Schools are not closed environments. A school system employee could be COVID-19 positive walking into the school building from a community exposure, but then receive lifetime presumptive workers' compensation medical and indemnity benefits because they are a school system employee. The public-school districts do not have the capacity to conduct screening programs to test employees prior to entering the school buildings.

Presumptive claims for COVID-19 through Workers' Compensation could lead to significant payments for prescriptions, medical treatment and hospitalizations. Additionally, temporary total disability, permanent disability and payments for death would drive up the cost of the claims. The cost of those claims is born by the member school districts, who would spend greater sums of money on their premiums. These presumptive compensable claims could impact the Fund's ability to secure necessary reinsurance protection in the marketplace.

The impact of enacting presumptive COVID-19 legislation would discourage school districts from opening schools back up for employees and students, given the potential costs.

This proposed change in the law adding presumptions of compensability would be an undue burden to the local school systems and the Fund. Should the local school districts and the Fund incur these additional costs, they would be drawn from funds that would otherwise be used educational responsibilities.

The MABE Workers' Compensation Group Self-Insurance Fund and its 17-member school districts oppose this legislation that would broaden their exposures and increase their costs. We respectfully request an unfavorable report on HB 1199.