



House Bill 501

Labor and Employment – Workers’ Compensation Claims – Fees for Legal Services

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: February 15, 2022

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** HB 501. This bill would reverse the historical “no-fault” nature of Maryland’s workers’ compensation program and would pose an unreasonable fiscal burden on local governments as major employers in the state.

For more than a century, Maryland’s workers’ compensation program has operated as a “no-fault” system in which neither employee nor employer are deemed responsible in workers’ compensation claims, as symbolized by current law that prohibits the rendering of legal fees on medical benefits approved under workers’ compensation.

HB 501 would reverse this longstanding balance by allowing legal fees of up to \$2,000 to be rendered on medical benefits claims, which would be borne by employers. This would, by default, place fault on employers. Counties, as employers, strongly resist this unfair and out-of-touch change.

Furthermore, counties would experience undo financial hardship under the legal fee updates proposed in HB 501. Allowing legal fees to be rendered under cases of medical benefits would indefinitely expand the legal fee application for the life of each workers’ compensation claim — again, a burden that would surely fall on employers.

Under Maryland’s workers’ compensation program, claimants awarded long-term or lifetime medical benefits must occasionally renew their eligibility and awards. Under HB 501, up to \$2,000 in legal fees would be permissible per hearing, for the lifetime of these recurring eligibility renewal hearings.

At \$2,000 per hearing, per claimant, indefinitely, HB 501 would very quickly require counties to shift resources from critical services like public safety and public health to cover these legal fees. While HB 501 would allow for insurers to cover these legal fees, the costs would surely be passed on to counties and other insured employers via premium increases, with similar loss of important services.

HB 501 reverses longstanding fair and reasonable state law and would force counties, as employers, to incur unfair and ultimately detrimental legal costs. For these reasons, MACo **OPPOSES** HB 501 and urges an **UNFAVORABLE** report.