



TESTIMONY

COMMITTEE: House Economic Matters

DATE: March 11, 2026

POSITION: Unfavorable

BILL: HB 346

The Maryland Municipal League (MML) opposes House Bill 346, Workers' Compensation - Vocational Rehabilitation Services - Retroactive Compensation.

HB 346 requires an employer or insurer to pay compensation to a covered employee as if the employee were temporarily totally disabled (“TTD”) during the period between maximum medical improvement (“MMI”) and the start of vocational rehabilitation, up to 60 days. This period is commonly referred to as the “gap period,” and can occur for a variety of reasons: from delays in attorney response time, to administrative backlogs, to adjusters requiring additional time to review vocational training requests.

While the goal is for a seamless transition from MML to vocational rehabilitation, there are instances of delay, albeit in many cases the gap period is minimal. Practices vary on how these gap periods are handled with some adjusters voluntarily paying benefits, in some cases benefits are ordered to be paid, and in some they are not. Filling the gap period with TTD level compensation raises two primary concerns; 1) 60 days of TTD benefits is well beyond the typical gap period length, and 2) this may incentivize the claimant to drag out the gap period beyond what it would normally take as they would receive TTD benefits for up to 60 days. The combination of these two factors set up a scenario for increased costs to local governments.

MML wants to thank the sponsor for discussing the bill with us and leaving open a path for amendments which we are currently considering. However, as of now, the League respectfully requests that the committee provide House Bill 346 with an unfavorable report on the bill as introduced.

For more information relating to this piece of testimony, please contact:

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Municipalities in Maryland support 42,000 jobs and provide \$5.2 billion in employee compensation.