



**Testimony of Chesapeake Employers’ Insurance Company
 and Injured Workers’ Insurance Fund in Opposition to House Bill 346**

House Bill 346 proposes to require 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.”

Under the bill, when an injured worker’s attorney requests vocational rehabilitation, or when vocational rehabilitation is initiated voluntarily, the carrier or self-insured employer would be required to pay benefits **as if** the injured worker were temporarily totally disabled during the gap period, for up to 60 days. (For reference, the Workers’ Compensation Commission has vocational rehabilitation dispute forms that typically result in a prompt phone conference or email exchange with an assigned Commissioner, and hearings—if needed—are generally scheduled within approximately two weeks of the form’s filing.)

The Maryland Courts have already decided this issue in *Ngo v. CVS*, 76 A.3d 499 (2013) wherein the Court held that the period between MMI and the start of vocational rehabilitation is not due.

From 2020 to 2025, Chesapeake Employers’ Insurance and the Injured Workers’ Insurance Fund provided vocational rehabilitation services to 779 injured workers (112 with Chesapeake Employers’ Insurance and 657 with IWIF/State of Maryland). The total cost of these cases was \$19,549,659, including \$2,517,566 for vocational rehabilitation services and \$17,032,093 in TTD benefits during vocational rehabilitation.

Assuming these 779 injured workers were entitled to an additional 60 days of TTD—or alternatively, an additional 30 days if not all workers qualified for the full period—the projected cost impact is summarized below:

	Number of Injured Workers:	Cost of Vocational Rehab Services:	Cost of TTD:	Cost of TTD for additional 60 days:	Cost of TTD for additional 30 days:
Chesapeake Employers’:	122	\$438,195	\$987,059	\$642,674	\$321,337
IWIF/State of Maryland:	657	\$2,079,371	\$16,045,034	\$5,673,545	\$2,836,773
Total:	779	\$2,517,566	\$17,032,093	\$6,316,219	\$3,158,110

*All numbers rounded to nearest whole dollar.

Therefore, the financial impact of this bill could be significant for both the State of Maryland, which pays claim costs directly through the Injured Workers' Insurance Fund, and policyholders, including our counties and municipalities, as higher claim costs ultimately increase premium rates.

For these reasons, Chesapeake Employers' Insurance Company and the Injured Workers' Insurance Fund respectfully urge an unfavorable report on House Bill 346.

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