



March 1, 2026

Bill: HB 346 – Workers’ Compensation – Vocational Rehabilitation Services – Retroactive Compensation
Position: Oppose

Dear Chair, Vice Chair, and Members of the Committee:

On behalf of the City of Gaithersburg, I write to express our opposition to House Bill 346, which would require employers and insurers to pay up to 60 days of temporary total disability (TTD) benefits for a period when such benefits are not presently allowed.

The City’s workers’ compensation program is administered through Montgomery County and a third-party administrator and HB 346 would create new costs and perverse incentives without meaningfully improving outcomes for injured workers.

HB 346 would require the employer/insurer to continue paying TTD for up to 60 days after MMI even if the employee has not yet started vocational services and is no longer in active medical treatment. This creates a new category of wage continuation benefits during a period when TTD is not currently payable.

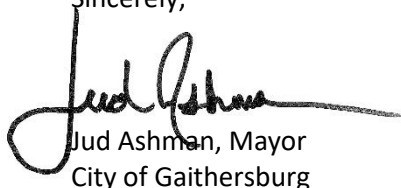
By guaranteeing 60 days of TTD in this gap period, the bill could unintentionally encourage claimants to delay the start of vocational services to receive “free” wage continuation benefits. A claimant could postpone engaging in vocational services, or terminate participation after only an initial vocational assessment, and still receive the full 60 days of benefits. This undermines the purpose of vocational rehabilitation, which is to return the injured worker to suitable employment as quickly and safely as possible.

These mandatory additional TTD payments would increase costs for employers and insurers, including local governments, without ensuring improved rehabilitation outcomes. We fear this bill would result in more delayed services, extended claims, and requests for services that claimants do not truly intend to pursue.

For these reasons, the City of Gaithersburg respectfully urges an unfavorable report on House Bill 346.

Thank you for your consideration.

Sincerely,



Jud Ashman, Mayor
City of Gaithersburg

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