



House Bill 346

Date: March 11, 2026
Committee: Economic Matters
Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

House Bill 346 (HB 346) would require an employer or its insurer to retroactively pay workers' compensation benefits to a covered employee as if the employee were temporarily totally disabled during the period between the date the employee reaches maximum medical improvement and the date vocational rehabilitation services begin, even if the employee did not receive compensation during that period.

This legislation would create a retroactive entitlement to wage replacement benefits even in circumstances where there has been no finding that the employee was temporarily totally disabled during that period. By requiring employers and insurers to pay benefits after the fact, the bill disconnects compensation from an actual determination of disability and undermines the structure of the workers' compensation system.

Additionally, the proposal risks incentivizing delays in the claims process rather than encouraging timely resolution and rehabilitation. Under current law, when an injured worker is out of work for six months or more, the employer must provide vocational rehabilitation services. Claimant's counsel already has the ability to request these services promptly if appropriate. Creating a retroactive payment window removes any incentive to act quickly and may encourage some parties to wait before requesting vocational services.

In practice, experienced claimant attorneys already move quickly to secure benefits and services for their clients. However, this bill may inadvertently reward delay. A claimant's attorney who waits to request vocational rehabilitation could potentially generate additional weeks of retroactive wage replacement benefits that would not otherwise exist under current law. HB 346 risks enriching poor claims practices rather than promoting efficient case management.

The Maryland Chamber is also concerned that this proposal could significantly increase costs in the workers' compensation system. By requiring retroactive temporary total disability payments

for a period that may span several weeks, or potentially months, HB 346 could add substantial additional lost wage payments to claims without a corresponding finding of disability or inability to work.

Maryland's workers' compensation system is designed to balance the needs of injured workers with the need for predictability and fairness for employers who fund the system. Policies that create retroactive liabilities without clear standards risk increasing costs while failing to improve outcomes for injured workers.

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 346**.