

MARYLAND WORKERS' COMPENSATION COMMISSION



ANNUAL REPORT

fiscal year 2018



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

R. Karl Aumann, Chairman
Mary K. Ahearn, Chief Executive Officer

MARYLAND WORKERS' COMPENSATION COMMISSION

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MISSION

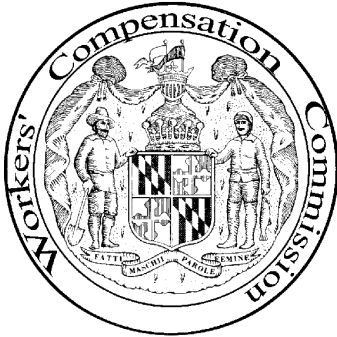
The Maryland Workers' Compensation Commission seeks to secure the equitable and timely administration of the provisions of the Maryland Workers' Compensation law on behalf of its customers, the injured workers and their employers, by providing an efficient forum for the resolution of individual claims.

VISION

The Workers' Compensation Commission envisions a state wherein injured workers and employers are empowered to create an equitable partnership to facilitate prompt and fair resolution of workers' compensation matters.

Equal Opportunity Employer

The Workers' Compensation Commission continues to acknowledge and accept its commitment to equal opportunity for all current and prospective employees as well as its clients.



LETTER FROM THE CHAIRMAN

On behalf of all the Commissioners and staff, I am pleased to present the Maryland Workers' Compensation Commission's 2018 Annual Report. In accordance with the legislative mandate in LE 9-312, this publication covers our fiscal year from July 1, 2017 through June 30, 2018. We are proud to serve the citizens of Maryland and that focus is reflected in the work outlined in this report.

The Commission staff is committed to excellence and diligently performs their responsibilities and duties. The professionalism and technical acumen of our team is what makes the agency operate smoothly and effectively. It is the foundation of why Maryland's workers' compensation system operates at a level rarely seen elsewhere in the United States.

This report is an excellent resource for every stakeholder in the workers' compensation community. It is posted on our website to ease its availability to the public. The information included in it is extensive and gives specific insight to the facts and trends affecting the Maryland system. Special thanks go out to Amy S. Lackington and her colleagues for their work on the report.

On behalf of the entire Commission, I extend my gratitude to our indispensable partners and leaders in government. Governor Larry Hogan and the General Assembly have been stalwart supporters. I also appreciate the immeasurable help from the Legislative Oversight Committee, the Maryland Workers' Compensation Education Association, the Medical Fee Guide Committee, and the Budget Advisory Committee. Collectively, we are able to better serve the entire community.

Sincerely yours,

R. Karl Aumann

THE COMMISSION AT A GLANCE

The Maryland Workers' Compensation Commission (the "Commission" or "WCC") is an Independent Agency within the Executive Branch of Maryland State Government. *See generally*, Md. Code Ann., Labor and Employment Article ("LE"), §§ 9-101 - 9-1201. Appointed by the Governor with Senate advice and consent, the Commission's ten members serve twelve-year terms. LE § 9-302. The Governor names the chair. LE § 9-303.

Under Administration, work of the WCC is carried out by three offices: Finance, Information Technology, and Operations.

- a. Finance oversees Fiscal Services; Insurance Programs, Compliance and Reporting; Personnel, and Document Processing, and is aided by the Budget Advisory Committee.
- b. Information Technology oversees Software and Database Development, Systems and Networks, Information Security, Datacenters and Technical Customer Support.
- c. Operations oversees Court Reporting, Hearings, Claims/Case Processing, Interpreter Services, Public Service, Appeals and Support Services (Medical Fee Guide Publisher, Vocational Rehabilitation Certification and Registry).
- d. WCC also is aided by the Advisory Committee on the Registration of Rehabilitation Practitioners, and the Medical Fee Guide Revision Committee.

The WCC administers the Workers' Compensation Law and adjudicates claims for compensation arising under the law. *See generally*, Md. Code Ann., Labor and Employment Article ("LE"), §§ 9-301—9-316. Claims are filed and processed by the WCC which hears contested cases throughout the State. Claimants requiring rehabilitation are referred by the Commission to appropriate rehabilitation service providers.

Employers file a First Report of Injury form with the Commission after a qualifying employee injury occurs. If the injured worker files a claim for benefits within the statutory time limits, an Employee Claim file is created. Employee Claims for benefits may also be filed for occupational disease under specialized statutory definitions. Although not directly subject to HIPAA as a

covered entity or trading partner, WCC adheres to strict data privacy protections. Access to non-public data and document images is restricted.

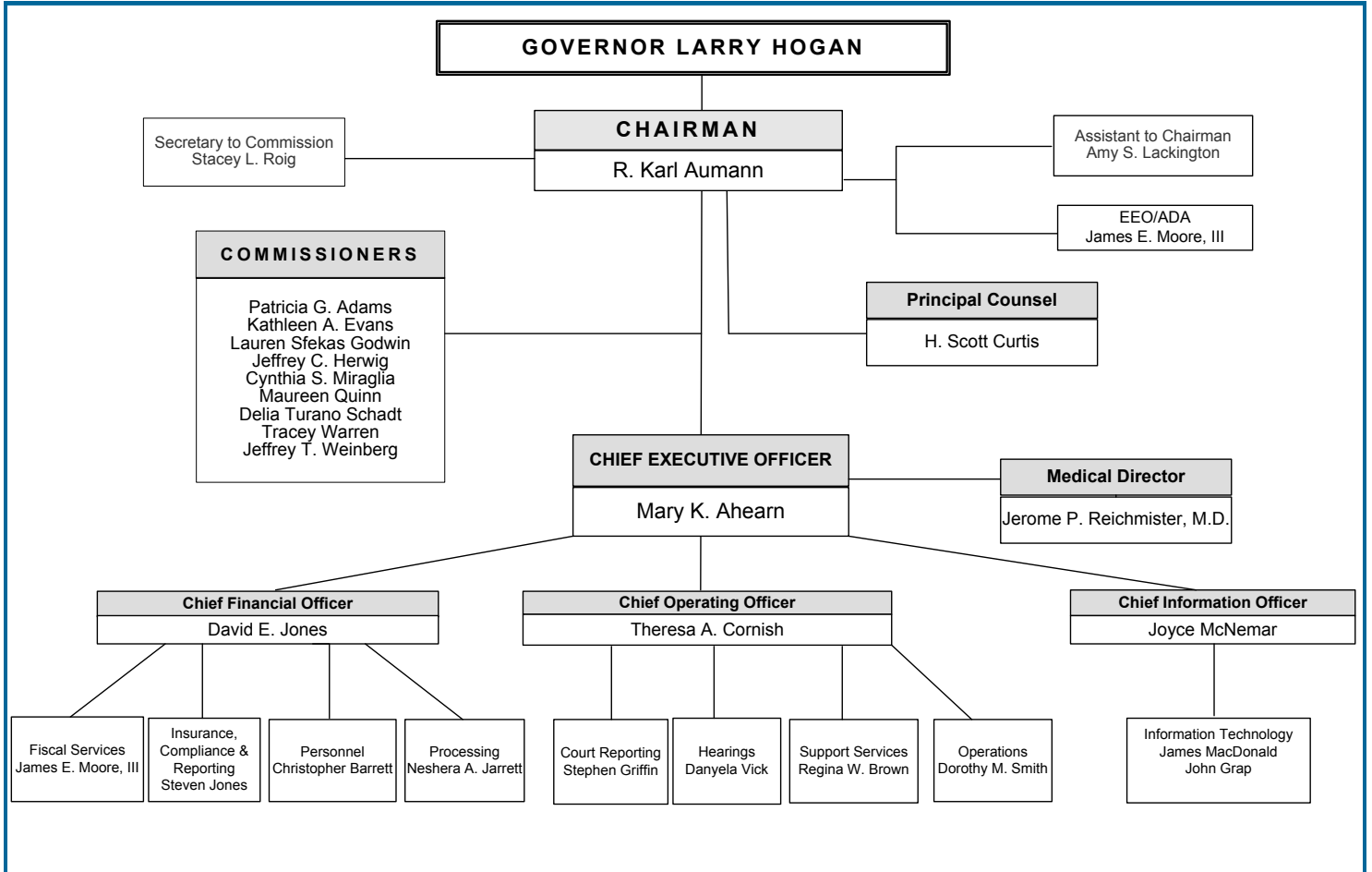
The Commission functions similarly to a judicial system in adjudicating the disputed claims of injured workers in Maryland. A case may be set for one or more hearings before a Commissioner. The Commissioner makes decisions based on issues raised and creates Commission orders. Appeals of Commission decisions are sent to one of Maryland's 24 county or municipal circuit courts. The WCC is required to provide certain notifications to parties and, on request, case related documents to the circuit courts.

The WCC schedules and conducts hearings at multiple hearing sites strategically located across the State. Hearing sites are located in Abingdon, Baltimore City, Beltsville, Cambridge, Cumberland, Frederick, and LaPlata. Commissioners rotate among the hearing locations. The WCC coordinates and schedules language and hearing interpreters for case hearings. The interpreter service is available upon request by a party in the case at no charge to the parties. Interpreters are sourced from a combination of in-house and outside services.

The Commission also:

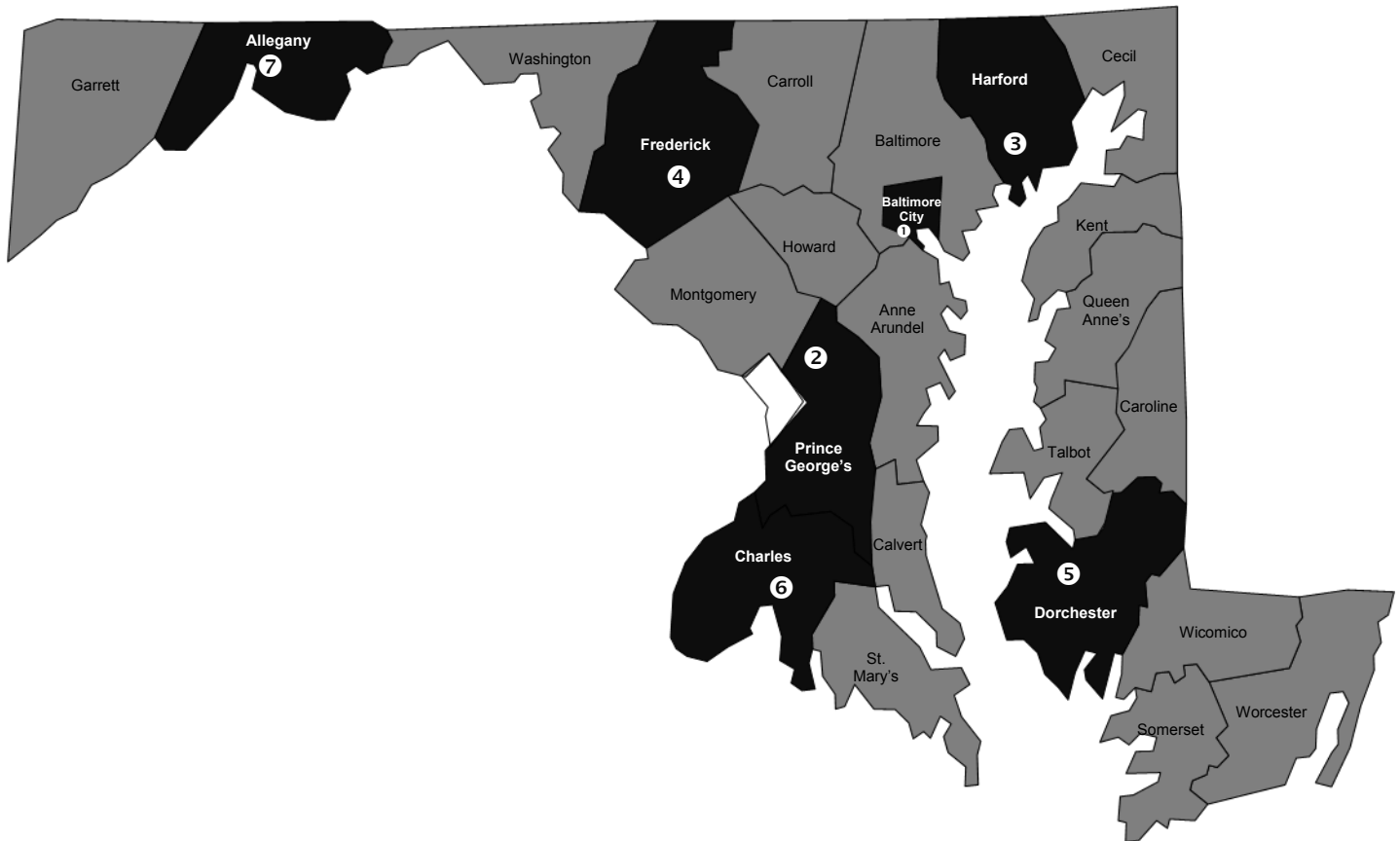
- Tracks and orders employer compliance with workers' compensation insurance requirements.
- Processes attorney registrations for admission to worker's compensation law practice in Maryland.
- Assesses insurers for amounts based on the size of employer payrolls in Maryland for which they have written workers' compensation insurance policies.
- Oversees the self-insurance program and tracks the financial health of self-insured employers and establishes security deposit requirements.
- Registers and certifies vocational rehabilitation practitioners and providers, and tracks their continuing education.
- Updates and publishes an annual medical fee guide and handles medical fee dispute resolution. The Commission maintains internal subject matter expertise and internal consultative services on workplace injury related medical topics.

ORGANIZATIONAL CHART
Workers' Compensation Commission



Pictured (left to right) David Jones, Christopher Barrett, Theresa Cornish, Neshera Jarrett, Mary Ahearn, Joyce McNemar, Steven Jones, Amy Lackington, Regina Brown, Danyela Vick, Stephen Griffin, and Stacey Roig.

HEARING SITE LOCATIONS



1. BALTIMORE CITY
Commission Offices and Hearing Rooms
10 East Baltimore Street, 4th Floor
Baltimore, MD 21202

2. CENTRAL REGIONAL
4780 Corridor Place, Suite D
Beltsville, MD 20705

3. NORTH EAST REGIONAL
3465 Box Hill Corporate Center Drive, Suite E
Abingdon, MD 21009

4. NORTH WEST REGIONAL
1890 N. Market Street, Suite 200
Frederick, MD 21701

5. EASTERN REGIONAL
828 Airpax Road, Building B, Suite 400
Cambridge, MD 21613

6. SOUTHERN REGIONAL
403 East Charles Street
La Plata, MD 20646

7. WESTERN MARYLAND
Comfort Inn & Suites
1216 National Highway
Lavale, MD 21502

BIOGRAPHIES

R. Karl Aumann, *Chairman*



R. Karl Aumann was appointed to the Maryland Workers' Compensation Commission in February 2005, and subsequently named Chairman in October of that year. Initially appointed by Governor Robert Ehrlich, in 2017 he was reappointed by Governor Larry Hogan. Immediately prior to this appointment, he served as Maryland's Secretary of State. He earned a B.A. from Loyola University in Maryland in 1982 and his J.D. in 1985 from the University of Baltimore, School of Law. Chairman Aumann was an associate with the Towson firm of Power & Mosner and later with the Baltimore office of Miles & Stockbridge. In 1991, President George H.W. Bush appointed

him Counsel and Senior Policy Advisor to the Appalachian Regional Commission. From 1994 until 2003, Chairman Aumann served as Chief Administrator and District Director for Congressman Robert Ehrlich. He is a Board member and past-president of SAWCA and is chair of the International Committee of the IAIABC. Elected as a Fellow of the College of Workers' Compensation Lawyers in 2015, he has also served since 2010 on the board of the National Association of Workers' Compensation Judiciary, and since 2006 on the Maryland Workers' Compensation Educational Association board of directors.

Mary K. Ahearn, *Chief Executive Officer*



Mary Ahearn was appointed Executive Director of the Workers' Compensation Commission in 2003, and has been a member since 1999. She graduated summa cum laude from the College of Notre Dame with a Bachelor of Arts in Business with a dual emphasis in Management and Human Resource Management. She was a member of the national graduate honor societies Kappa Gamma Pi and Delta Mu Delta. She is a past president of the Southern Association of Workers' Compensation Administrators

(SAWCA) and is a past president of the International Association of Industrial Accident Boards & Commissions (IAIABC). In 2013, she served on the Governor's Task Force to Study Temporary Disability Insurance Programs & the Process for Assisting Individuals with Disabilities at Local Departments of Social Services. In addition to her years of experience with the Commission, Ms. Ahearn has more than 10 years of management and administrative experience in the public and private sectors.

BIOGRAPHIES

Patricia G. Adams, *Commissioner*



Patricia G. Adams was appointed a member of the Maryland Workers' Compensation Commission by Governor Martin O'Malley and confirmed by the State Senate on March 9, 2007. She previously served as a Commissioner from 1999 to 2004. Before her work at the Commission, she was the managing partner of Serio, Tansey and Adams from 1982 to 1999. During her tenure, she managed a large workers' compensation practice, representing primarily injured police officers and firefighters. In April 2003, the Daniel O'Connell Law

Society selected her as Lawyer of the Year for Distinguished Service in the Public Sector. She is also a former Commissioner with the Attorney Grievance Commission of Maryland. Before attending law school, Commissioner Adams worked as a public school teacher in Prince George's County. She is a 1980 graduate of the University of Baltimore School of Law. She graduated magna cum laude with a Bachelor of Science degree from the University of Maryland in 1976.

Kathleen A. Evans, *Commissioner*



Kathleen A. Evans was appointed a member of the Maryland Workers' Compensation Commission by Governor Lawrence J. Hogan, Jr., in 2015. She received her Bachelor of Arts from the University of Maryland in 1979 and earned her Juris Doctorate from the University of Baltimore Law School in 1982. Commissioner Evans served as a prosecutor in both Anne Arundel County and Prince George's County for 19 years. During her tenure as an Assistant State's Attorney, Commissioner Evans prosecuted all major violent crime felonies occurring throughout Anne Arundel County and Prince George's County including homicides, armed robberies, attempted murders and serious assaults, and related firearms, weapons, and drug felonies. She

served as the Assistant Division Chief of the Homicide and Narcotics Division in Prince George's County, Chief of the District Court Division in Anne Arundel County, and Chief of the Narcotics Unit in Prince George's County. Commissioner Evans is a member of the Maryland State Bar Association, the Maryland State's Attorney's Association, the Anne Arundel County Bar Association, and the Women's Bar Association, to name a few. She actively participates in many business and civic organizations and has been the recipient of numerous federal, state and local level awards for her work as a prosecutor. Commissioner Evans has been a frequent speaker for over 20 years on criminal and law enforcement related matters.

BIOGRAPHIES

Lauren Sfekas Godwin, *Commissioner*



Lauren Sfekas Godwin was appointed a member of the Maryland Workers' Compensation Commission in 1996 by Governor Parris N. Glendening. She is a 1978 cum laude graduate of Mount Saint Mary's College. In 1981, she graduated cum laude from the University of Baltimore School of Law, where she served as editor of the *Law Review*. Commissioner Godwin spent 14 years in private practice,

concentrating on workers' compensation law. She serves on the President's Council of Mount Saint Mary's University, is a volunteer driver for the Road to Recovery Program of the American Cancer Society and participates on the scholarship committees of the Ulman Cancer Foundation and the Community Foundation for Howard County. She has published and lectured extensively on workers' compensation matters.

Jeffrey C. Herwig, *Commissioner*



Jeffrey C. Herwig was appointed a member of the Maryland Workers' Compensation Commission in 2006 by Governor Robert L. Ehrlich, Jr. He graduated from Loyola College in Maryland summa cum laude in 1978 and earned his J.D. from the University of Maryland School of Law in 1981. After clerking for Judge James A. Perrott in the Circuit Court for Baltimore City, he joined Smith, Somerville and Case where he became a partner in 1989. He founded Herwig & Humphreys, LLC, in 1991 with the late Robert L. Humphreys, Jr., and served as managing partner until his appointment to the Commission. Throughout his 25 years in legal practice, Commissioner Herwig has concentrated in the defense of workers' compensation claims in Maryland, the District of Columbia, and in the Federal Longshore and Harbor Workers'

Compensation System. He has been chair of the Maryland State Bar Association's Negligence and Workers' Compensation Section, Chair of the Joint Task Force on Injured Workers' Rehabilitation, President of the District of Columbia Association of Insurance Compensation Attorneys, board member of various civic organizations, and author of the annual supplement to the *Maryland Workers' Compensation Handbook* (Gilbert and Humphreys; Michie Pub.1993), author of articles on vocational rehabilitation issues, and a frequent lecturer on Maryland and District of Columbia workers' compensation law, vocational rehabilitation, Social Security disability and related topics. Commissioner Herwig is an Adjunct Professor at the University of Baltimore School of Law.

BIOGRAPHIES

Cynthia S. Miraglia, *Commissioner*



Cynthia S. Miraglia was appointed a member of the Maryland Workers' Compensation Commission in January 1999 by Governor Parris N. Glendening. She graduated cum laude with a J. D. from the University of Baltimore School of Law in 1983. Commissioner Miraglia received her bachelor's degree in political science from Goucher College in 1979. She was employed by Allstate Insurance Company as a senior casualty claims adjuster from 1979 until 1980. From 1983 until 1999 she was engaged in the private practice of law, serving as a civil trial attorney for Ashcraft and Gerel, LLP, where she concentrated on workers' compensation, personal injury,

medical malpractice and product liability. Commissioner Miraglia is a past president of the Women's Bar Association of Maryland, Inc., and former board member of the Maryland Chapter of the National Association of Women Law Judges. She has served as a board member of the University of Baltimore Alumni Association and is a current member of The Citizens' Review Board of Maryland for Baltimore County and is a current member of The Board of Trustees for The Caroline Center. Commissioner Miraglia was the recipient of the 2009 Rita C. Davidson award by the Women's Bar Association of Maryland.

Maureen Quinn, *Commissioner*



Maureen Quinn was appointed a member of the Maryland Workers' Compensation Commission in 2002 by Governor Parris N. Glendening. She graduated from Temple University School of Law with a J.D. in 1987. Commissioner Quinn received her bachelor's degree in 1982 from American University, where she was a recipient of the Stafford Cassell Award for Governmental

Leadership. She was engaged in the private practice of law as a trial attorney from 1987 until 2002. She established her own law firm in 1995 and was primarily focused on general civil litigation. Commissioner Quinn is an adjunct professor at the University of Maryland University College where she teaches Business Ethics.

BIOGRAPHIES

Delia Turano Schadt, *Commissioner*



Delia Turano Schadt, a native of Cumberland, Maryland, graduated from James Madison University with a Bachelor of Science Degree in Political Science in 1989. She earned her Juris Doctor from The University of Dayton School of Law in 1992. She then served as law clerk to The Honorable J. Frederick Sharer and The Honorable Gary G. Leasure in the Circuit Court for Allegany County. She began her

legal career practicing workers' compensation law and was employed by the Injured Workers' Insurance Fund from 1993 until 2000. Following this, she was employed with the Maryland Office of the Attorney General where she served as Board Counsel to health occupation licensing boards until being appointed to the Maryland Workers' Compensation Commission by Governor Martin O'Malley in 2011.

Tracey Warren, *Commissioner*



Tracey Warren was appointed a member of the Maryland Workers' Compensation Commission in June 2016 by Governor Lawrence J. Hogan, Jr. Immediately prior to this appointment, she served as an Administrative Law Judge in the Office of Administrative Hearings. She graduated *cum laude* from the University of Baltimore School of Law. Commissioner Warren subsequently clerked for The Honorable Arrie W. Davis (Ret.), Court of Special

Appeals of Maryland, and through the US Attorney General's Honors Program, she served as Attorney Advisor for the Department of Justice. She was also an attorney with the US Department of Veterans Affairs. She is a member of the Board of Regents for Morgan State University and a member of the Appellate Judicial Nominating Commission. She is a member of the bars of Maryland, the District of Columbia, and the Supreme Court of the United States.

BIOGRAPHIES

Jeffrey T. Weinberg, *Commissioner*



Jeffrey T. Weinberg was appointed to the Maryland Workers' Compensation Commission on February 16, 2007 by Governor Martin O'Malley. Commissioner Weinberg was confirmed by the State Senate on March 9, 2007. Jeffrey T. Weinberg attended the University of Maryland at College Park and the University of Baltimore School of Law. Prior to being appointed to the Commission, Mr. Weinberg was in private practice, focusing primarily on workers' compensation matters. Commissioner Weinberg has been a board member and past

president of the Maryland Workers' Compensation Educational Association; past Chairman of the Bar Association of Baltimore City Workers' Compensation Section; past member of the Workers' Compensation Medical Fee Advisory Committee; past member of the Maryland Trial Lawyers Association Workers' Compensation Committee as well as its Vice Chairman 2005-2006 and a past member of its Legislative Committee; and a member of the Maryland State Bar Association.

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

PERSONNEL IN THE NEWS

Retirements

After many years of dedicated service with the State of Maryland and the Workers' Compensation Commission, the following employee retired in Fiscal Year 2018. We wish the best of luck in this new chapter of life!

Dates of Service

Christel Surdokas - 12/9/1992—6/1/2018
Agency Procurement
Specialist Lead

WORKERS' COMPENSATION PROFESSIONAL ASSOCIATIONS

The success of the Maryland Workers' Compensation Commission rests largely on a strong foundation of highly talented and knowledgeable Commissioners and staff. Continuing professional development for both is one of the key elements in the Commission's quest to provide a smooth process and positive outcome in claims adjudication. Each year the Commissioners and staff are actively involved in educational opportunities sponsored by local, national and international workers' compensation professional associations.

American Bar Association.

2018 Workers' Compensation Midwinter Conference, co-sponsored by the Tort Trial & Insurance Practice Section and the Section of Labor and Employment Law.
www.americanbar.org

College of Workers' Compensation Lawyers

Each year, the College of Workers' Compensation Lawyers sponsors a Symposium held in conjunction with the ABA Midwinter Conference which hosts some of the Nation's most distinguished and knowledgeable Workers' Compensation practitioners and professionals. Commissioner Lauren Sfekas Godwin was inducted as a Fellow in the College on March 3, 2018.
www.cwclawyers.org

International Association of Industrial Accident Boards and Commissions (IAIABC).

Founded in 1914, the IAIABC is the largest trade association of workers' compensation jurisdictional agencies in North America. It is an association of

workers' compensation regulators and industry professionals who work to advance the efficiency and effectiveness of workers' compensation systems throughout the world and provides information and education on workers' compensation policy, regulation, and administration. The IAIABC works to improve and clarify laws, identify best practices, develop and implement standards, and provide education and information sharing. <http://www.iaiabc.org>

Maryland Workers' Compensation Educational Association (MWCEA)

Founded in 1984, the MWCEA promotes education and communication by bringing together the Maryland Workers' Compensation community to provide a forum for employees, employers, insurers, program administrators, medical and rehabilitation providers and attorneys. The goal of MWCEA and its 15 constituent organizations is to provide education and support for the strategic continuation and betterment of the workers' compensation system to the benefit of all participants.
<http://mwcea.com>

National Association of Workers' Compensation Judiciary, Inc. (NAWCJ)

NAWCJ is a non-profit organization designed to provide educational forums for the workers' compensation judiciary concerning issues that are unique to workers' compensation. It is an educational source and national forum which enhances the ability of workers' compensation judges on a national scale to deal with a commonality of issues, regardless of the substantive laws of the different states. www.nawcj.org

Southern Association of Workers' Compensation Administrators (SAWCA) and Roger L. Williams National Regulators College

Comprised of 21 jurisdictional members, SAWCA is an organization which makes available to its members information and instruction regarding the administration of workers' compensation laws by means of forums, lectures, meetings, and written material. The College, held in association with the National Association of Workers' Compensation Judiciary, provides programs specifically designed for regulators and legislators on topics that cover the full scope of regulatory responsibilities. <http://www.sawca.com>.

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

NEW FORMS, REVISION, AND REPRINTED

C-24R	Request to Enter Appearance of Counsel (rev. 05/2018)
C-25R	Notice to Withdraw Appearance (rev. 03/2018)
C-26R	Request to Enter Appearance of Counsel for Employer/Insurer (rev. 03/2018)
C-50R	Stipulation for Advancement (rev. 11/2017)
H-10	Application for Lump Sum (rev. 11/2017)
H-12	Request for a Hearing on Previously Withdrawn Issues (rev. 04/2018)
H-24R	Issues (rev. 01/2018)
H-25R	Request for Action on Filed Issues (rev. 05/2018)
H-28R	Request for Continuance of Hearing (rev. 05/2018)
H-34	Stipulation of Parties and Award of Compensation (rev. 04/2018)
H-35R	Request for a Hearing for Referral to Maryland Insurance Fraud Division (rev. 11/2017)
H-44	Claimant's Consent to Pay Fees and Costs (rev. 03/2018)
H-50	Request for Transcript (rev. 11/2017)

HIGHLIGHTS AND PROCESS IMPROVEMENTS

Employer Compliance Program

In FY18, the Commission scheduled Show Cause hearings for those employers whose workers' compensation policies have lapsed and/or cancelled without corresponding new coverage. The Commission scheduled suspected uninsured employers to show cause why they should not be: (1) required to secure compensation for all covered employees of the employer; (2) found in violation of §9-402 of the Labor and Employment Article; and (3) assessed a penalty for noncompliance with §9-402 of the Labor and Employment Article. As a result of these efforts, 180 penalty orders were issued with fines totaling approximately \$1.2 million. The goal of the Employer Compliance Program is to enforce employer compliance with the requirement that an employer secure workers' compensation insurance for covered employees, thereby reducing the cost associated with workers' compensation for all stakeholders.

Coverage Verification

190,421 searches were performed using the Coverage Verification mobile app and employer details were provided on 73,044 searches.

Self-insured employer audits

Five self-insured employers were audited to verify the accuracy and validity of their reporting to the Commission. Payroll covered by these audits totaled approximately \$730 Million.

Prescription Drug Study

The Commission performed a Prescription Drug Study with assistance of the National Council on Compensation Insurance (NCCI). The Commission received data from approved self-insured employers, self-insured groups and Chesapeake Employers Insurance Company and forwarded the data to NCCI to be combined with insurer data. The study allows the Commission to provide a comprehensive analysis of the cost and prevalence of dispensed drugs in Maryland.

Payroll Report Review

As part of the assessments process, the Commission reviewed payroll reports submitted by insurers and self-insured employers for more than \$144 billion. This payroll is the basis for determining the assessment rate used to levy the annual assessment to insurers and self-insured employers.

Documents Processed

The Commission processed 326,500 documents, scanned 2,010,000 pages, mailed out 632,040 pieces of mail, and opened 81,091 pieces of incoming mail. There was also a conversion of 1,851 microfilm cases into Filenet document images.

Appeal Cases Printed

The Commission saw a continued reduction in the cost of mailing out appeal cases this year. The number of appeal cases printed was reduced from 554 cases in FY17 to 262 cases in FY18. This also reduced the cost of mailing 68% from \$4,603 in FY17 to \$1,472 in FY18.

Enterprise Modernization

The Enterprise Modernization Project began in earnest in FY2018. The core development team is in place and has completed training on the development tools to be used.

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

These new tools will allow WCC to develop new software applications faster, and be able to implement changes more easily. Early in FY2019 we expect to award a major development support contract in order to add additional subject matter experts to the project team. This will allow us to accelerate the development and deployment process significantly. Our goal is to complete the five-year project in about three years, and continue WCC's position as a technology leader in workers' compensation nationally.

Electronic Employee Claim Filing System

The Commission's web-based All Electronic Employee Claim Filing system debuted in May 2017 to great success. In FY 2018 we conducted two community outreach training sessions at our Baltimore City office and also presented at the Maryland Workers' Compensation Educational Association (MWCEA) Conference in Ocean City, MD. Thanks to WCC community participation and input, we enhanced the system to include a claim status inquiry feature, added and updated context sensitive help texts, and streamlined internal processing of new claim submissions. The results: at the end of FY 2018, 75% of all of employee claims were filed online, as compared with the end of FY 2016 when only 47% of employee claims were filed using the prior hybrid online/paper system.

Website

The Commission's informational web site, <https://www.wcc.state.md.us> totaled 3/4 million visits in FY 2018 and our Online Services subscription site supports over 3,000 active subscribers. Active public users accessed the site 278,503 times in fiscal year 2018. Many subscribers use our electronic or eNotice service to receive claim-related notices from the Commission electronically instead of on paper via postal mail. The eNotice service reduces costs of both outbound and inbound postal mail handling and delivers quicker access to important claim-related documents to participating subscribers. During FY 2018 we broadened our eNotice service offering: We expanded the number of subscriber roles eligible to participate in the eNotice system. We added the Grant/Deny Postponement Request to available eNotices for additional convenience.

The Commission's Information Technology Division has also implemented a new testing system to simulate real-time use of our Online Services and other applications. The system simulates how changes or new features will respond when used by our subscribers and the public under an actual workload, assuring the best performance and quality of all new or updated programs and services.

Online Services

In March 2018, a new regulation became effective which required attorneys to register for the Commission's online service: COMAR 14.09.04.01(B), and allowed subscriber attorneys the opportunity to enter their appearances at the onset of the claim, thereby eliminating the need to separately enter their appearance. The required electronic filing of the C-1 (Claim Form) also provided for a more efficient and faster level of claims processing, which in turn resulted in a decrease in paper filings. For fiscal year 2018, 24,041 claims were filed of which 2,679 were electronic filings by claimant attorneys from March 12 until the end of the fiscal year in June. In addition, the mandated \$25 attorney registration fee to practice before the Commission was eliminated.

Electronic Decision Memos

The Commission increased the use of the Electronic Decision Memos from 7,017 in fiscal year 2017 to 10,113. In addition to procedural changes this tool has facilitated reduction in turnaround time of orders on average of about one week.

Interpreter Program

The Interpreter Program received 2,954 requests for interpreter services compared to 3,315 in fiscal year 2017. This was an average of 246 requests processed monthly. The number of Spanish interpretations totaled 73.5%. In addition, the Commission provided interpreter services to 42 other languages.

Settlements

The Commission processed a total of 8,310 settlements. At the beginning of the fiscal year the returned settlement rate at the intake stage was at 10%. The returns were largely due to missing documents, missing

signatures, incorrect insurers or omission of dates. By the end of the fiscal year the settlement return date was reduced to 3%. This reduction derived from the efforts of the Claims Services staff working closely with the law firms to reduce the error ratio on settlements presented for approval. Commission staff is continuing to impress upon practitioners the importance of reviewing settlements prior to filing.

Claim for Medical Services (C-51)

The Support Services/Medical Division streamlined the submission process of C-51s by requesting that providers submit a more complete and precise listing of the number of implants used in surgical procedures along with invoices detailing the cost of the implants. In fiscal year 2018, the division processed 1,786 C51's compared to 1,506 in fiscal year 2017. The division also provides open dialogue with providers who are performing surgeries that are not approved for Ambulatory Surgery Center to work with carriers regarding reimbursement rates prior to performing the procedure. These dialogues assist medical providers in receiving prompt payments from carriers. The Medical division continues to provide intermittent medical alerts to update and educate Commissioners and staff.

Effective October 1, 2017 time limits for medical billing were put into effect. LE § 9-660 now requires a provider of medical services to submit to an employer or their insurer a bill for providing medical service or treatment within a certain timeframe.

Claims Processing

In April 2018, the Commission began adding the Uninsured Employers' Fund (UEF) to all uninsured cases at the onset of the case. This procedural change gave UEF the opportunity to begin their employer/insurer research process earlier on and also presented the opportunity for the Commission to reduce the number of premature UEF hearings set.

Hearing Transcripts

The Court Reporting Division's transcript production rate for fiscal year 2018 was 1,475 compared to 1,555 in fiscal year 2017.

Public Service Phone Calls

In fiscal year 2017, the Commission upgraded its Public Service telephone system to provide greater functionality for the staff and better service to its customer. Since then, the number of incoming calls answered has increased 4% to 76,000 for fiscal year 2018.

Appeals Processing

In an effort to provide a more efficient means for processing appeals, in January of 2018, the appeals unit began sending out a letter to attorneys when the petition for judicial review has not been served on the Workers' Compensation Commission. Since its implementation, a total of 49 letters were sent out and the information needed to process the appeals is now being received in a timely manner. In fiscal year 2018 1,960 appeals were processed compared to 1,895 in fiscal year 2017.

Report on Fraud Unit

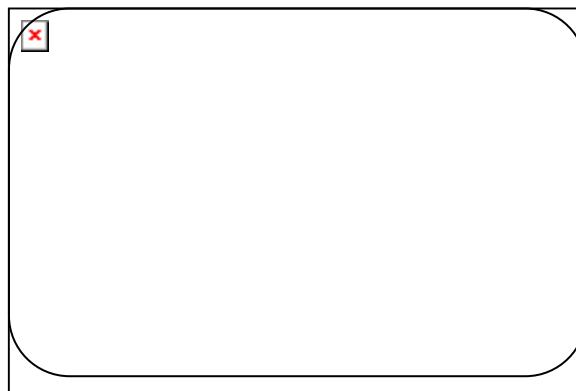
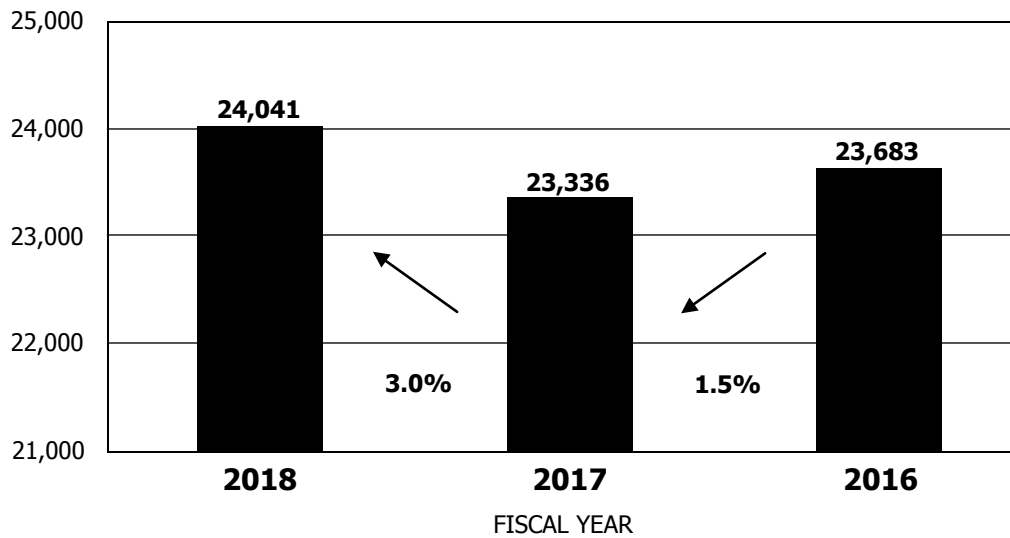
Labor and Employment Article, § 9-310.2, Annotated Code of Maryland, requires the Commission to refer to the Insurance Fraud Division of the Maryland Insurance Administration any case in which it is established by a preponderance of the evidence, after a hearing, that a person knowingly affected or knowingly attempted to affect the payment of compensation benefits, fees or expenses under the Workers' Compensation Act by means of a fraudulent representation. During fiscal year 2018, the Commission continued to review cases for possible referral to the Insurance Fraud Division and referred five (5) files for investigation. For FY 2018, the Insurance Fraud Division had jurisdiction over insurance fraud only and did not investigate cases involving alleged fraud against self-insured employers.

Additionally, the Commission receives frequent anonymous allegations of fraudulent activity including the improper collection of benefits and failure to maintain workers' compensation insurance. In such instances there is generally insufficient information to positively identify the individual allegedly committing fraud. If sufficient information does exist, the matter is forwarded to all of the parties in the claim or to the Insurance Fraud Division

AGENCY PERFORMANCE

TABLES AND CHARTS

FIGURE 1 • Filed Claims



MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 2 • Filed Claims by Industry

INDUSTRIES WITH MORE THAN 100 FILED CLAIMS	FISCAL YEAR					
	2018		2017		2016	
	Count	Percent	Count	Percent	Count	Percent
Policemen - Security	2,041	8.5%	2,176	9.3%	2,007	8.5%
Colleges Or Schools Incl. Day Care	1,422	5.9%	1,519	6.5%	1,440	6.1%
Municipal Township County Or State Employees N.O.C.	1,237	5.1%	1,161	5.0%	1,168	4.9%
TOP 3 INDUSTRIES IN FILED CLAIMS	4,700	19.5%	4,856	20.8%	4,615	19.5%
Hospitals - All Other Employees	946	3.9%	979	4.2%	1,007	4.3%
Truckmen N.O.C.	815	3.4%	998	4.3%	795	3.4%
Hotels, Restaurants, Bars & Nightclubs	752	3.1%	776	3.3%	772	3.3%
Firemen Incl. Volunteer Dept & Ambulance Service	729	3.0%	719	3.1%	763	3.2%
Building, Raising Or Moving - General Construction	695	2.9%	690	3.0%	614	2.6%
Convalescent Or Nursing Homes All Employees	635	2.6%	737	3.2%	641	2.7%
Storage Warehouses General Merchandise N.O.C.	624	2.6%	583	2.5%	622	2.6%
Meat Combined Grocery And Provision Stores Retail	502	2.1%	472	2.0%	415	1.8%
Taxicab And Bus Companies	491	2.0%	439	1.9%	573	2.4%
Automobile Garages Or Repair Shops Inc. Dealers	423	1.8%	398	1.7%	426	1.8%
Clerical Office Employees N.O.C.	309	1.3%	256	1.1%	359	1.5%
Buildings Operation By Contractors	269	1.1%	259	1.1%	333	1.4%
Charitable Organizations (Goodwill)	267	1.1%	250	1.1%	341	1.4%
Store Risks Wholesale Or Combined N.O.C. K-MART	248	1.0%	289	1.2%	395	1.7%
Aircraft Operation All Other Employees	238	1.0%	221	0.9%	206	0.9%
Unclassified (Insufficient Data)	224	0.9%	191	0.8%	340	1.4%
Mail & Parcel Delivery Employees, Salespersons & Drivers	224	0.9%	210	0.9%	200	0.8%
Physicians Incl. Clerical	199	0.8%	144	0.6%	138	0.6%
Landscape & Tree Surgery	175	0.7%	198	0.8%	233	1.0%
Employment Agencies	169	0.7%	199	0.9%	179	0.8%
Garbage Refuse Collecting	162	0.7%	147	0.6%	176	0.7%
Clothing Or Dry Goods Stores Retail	156	0.6%	253	1.1%	222	0.9%
Carpentry N.O.C. - Renovations	153	0.6%	198	0.8%	209	0.9%
Housing Authorities - Apts & Condos Incl. Real Estate	148	0.6%	123	0.5%	177	0.7%
Sheet Metal Work Incl. Air Conditioning & Refrigeration	146	0.6%	146	0.6%	180	0.8%
Electrical Wiring In Buildings	139	0.6%	164	0.7%	155	0.7%
Athletic Teams or Parks	116	0.5%	N/A		N/A	
Plumbing-Steam Fitting	104	0.4%	140	0.6%	136	0.6%
Hardware Stores - Locksmiths	104	0.4%	N/A		101	0.4%
Concrete Construction N.O.C.	N/A		N/A		108	0.5%
Industries With More Than 100 Filed Claims	10,162	42.3%	10,179	43.6%	10,816	45.7%
Number Of Industry Groups Represented	32		30		32	
All Other	9,179	38.2%	8,301	35.6%	8,252	34.8%
TOTAL	24,041	100.0%	23,336	100.0%	23,683	100.0%

Source: Commission Data, July 2018

Note: Chart represents filed claims in which an award has been ordered.

NOC: Not Otherwise Classified

MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 3 • Awards According to Weeks of Disability and Body Part

FISCAL YEAR 2018					
TOP TEN BODY PARTS DISABLED					
BODY PART	1—74 Weeks	75—249 Weeks	Greater than 249 Weeks	Total	Percent of Total
Thorax-Lower (Back)	1,290	414	38	1,742	22.0%
Shoulders	723	711	31	1,465	18.5%
Knees	789	367	9	1,165	14.7%
Neck	693	300	21	1,014	12.8%
Hands	452	121	2	575	7.3%
Legs	290	179	8	477	6.0%
Ankle or Ankle and Leg	327	92	3	422	5.3%
Arms	238	121	6	365	4.6%
Wrists	272	83	2	357	4.5%
Foot or Feet	244	80	9	333	4.3%
TOTAL	5,318	2,468	129	7,915	100.0%
PERCENT OF TOTAL	67.2%	31.2%	1.6%	100.0%	

Source: Commission Data, July 2018

FIGURE 4 • Permanency Awards According to Weeks of Disability

FISCAL YEAR	1—74 Weeks	75—249 Weeks	Greater than 249 Weeks	Total
2018	7,066	2,981	184	10,233
	69.1%	29.1%	1.8%	100.0%
2017	7,097	2,879	177	10,153
	69.9%	28.4%	1.7%	100.0%
2016	7,681	3,085	164	10,930
	70.3%	28.2%	1.5%	100.0%

Source: Commission Data, July 2018



MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 5 • Permanency, Fatality, and Compromise Awards by Type of Award

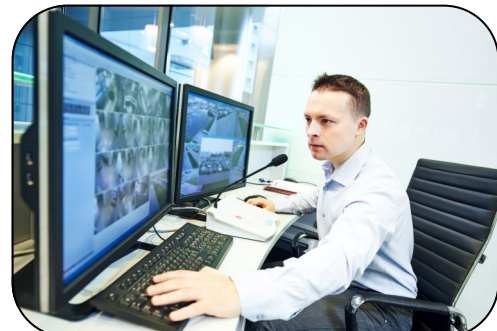
TYPE	FISCAL YEAR								
	2018			2017			2016		
	Count	Amount	Average	Count	Amount	Average	Count	Amount	Average
Permanent Total	43	\$4,289,418	\$99,754	57	\$5,387,093	\$94,510	61	\$5,719,367	\$93,760
Percent Change - Prior Year	-24.6%	-20.4%	5.6%	-6.6%	-5.8%	0.8%	35.6%	40.7%	3.8%
Permanent Partial	10,253	203,997,650	19,896	10,144	194,331,264	19,157	10,940	199,600,677	18,245
Percent Change - Prior Year	1.1%	5.0%	3.9%	-7.3%	-2.6%	5.0%	11.3%	10.5%	-0.7%
Fatality	49	8,806,429	179,723	45	8,608,164	191,292	40	6,676,372	166,909
Percent Change - Prior Year	8.9%	2.3%	-6.0%	12.5%	28.9%	14.6%	-11.1%	-7.7%	3.9%
Compromise	6,296	177,154,264	28,138	6,468	178,566,115	27,608	6,035	151,515,415	25,106
Percent Change - Prior Year	-2.7%	-0.8%	1.9%	7.2%	17.9%	10.0%	-1.7%	-3.0%	-1.3%
Total	16,641	394,247,761	23,691	16,714	386,892,636	23,148	17,076	363,511,831	21,288
Percent Change - Prior Year	-0.4%	1.9%	2.3%	-2.1%	6.4%	8.7%	6.3%	4.4%	-1.8%
Compromise as a Percent of Permanent Partial		86.8%	141.4%		91.9%	144.1%		75.9%	137.6%

Source: Commission Data, July 2018

FIGURE 6 • Commission Claims Data

COMMISSION CLAIM ACTIONS	FISCAL YEAR					
	2018		2017		2016	
	Count	Percent	Count	Percent	Count	Percent
First Reports of Injury	92,483		89,757		91,109	
Total Filed Claims	24,041		23,336		23,683	
Disputed Accidental Injury Claims	10,318	42.9%	9,187	39.4%	8,981	37.9%
Temporary Total Awards	12,663	52.7%	12,253	52.5%	13,126	55.4%
Claims Settled	6,296	26.2%	6,468	27.7%	6,035	25.5%
Claims Deferred	7,908	32.9%	7,818	33.5%	7,171	30.3%
Claims Disallowed by Commission	619	2.6%	551	2.4%	610	2.5%

Source: Commission Data, July 2018



MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 7 • Fatalities by Industry Grouping

INDUSTRY GROUP	Employment ⁽¹⁾	FISCAL YEAR		
		Fatalities ⁽²⁾		
		2018	2017	2016
STATE GOVERNMENT	98,499	1	4	1
LOCAL GOVERNMENT	253,206	19	22	16
GOVERNMENT SECTOR TOTAL	351,705	20	26	17
GOOD PRODUCING				
Natural Resources and Mining	6,221	0	1	1
Construction	163,237	6	4	3
Manufacturing	107,551	2	2	1
SERVICE PROVIDING				
Trades, Transportation , and Utilities	474,820	3	4	1
Information Technology	37,289	0	0	0
Telecommunications	13,705	0	0	0
Financial Activities	139,996	0	0	0
Professional and Business Services	447,444	1	4	1
Education and Health Services	443,146	0	2	0
Leisure and Hospitality	273,508	1	0	1
Other Services	91,388	2	1	2
UNCLASSIFIED	0	10	13	19
PRIVATE SECTOR TOTAL ALL INDUSTRIES	2,198,305	25	31	29
TOTAL EMPLOYMENT/FATALITIES	2,550,010	45	57	46

Source: ⁽¹⁾ DLLR 4th Quarter 2017

⁽²⁾ Commission Data, July 2018



FIGURE 8 • Filed Claims by Gender and Age

FISCAL YEAR 2018			
Gender	Age Group	Claims Filed	Percent
Male	Unknown	4	0.0%
Male	10 - 19	175	0.7%
Male	20 - 29	2,397	10.0%
Male	30 - 39	3,467	14.4%
Male	40 - 49	3,340	13.9%
Male	50 - 59	3,337	13.9%
Male	60 - 69	1,515	6.3%
Male	70 - 79	268	1.1%
Male	80 - 89	37	0.2%
Total		14,540	60.5%
Female	Unknown	0	0.0%
Female	10 - 19	124	0.5%
Female	20 - 29	1,458	6.1%
Female	30 - 39	1,872	7.8%
Female	40 - 49	2,104	8.7%
Female	50 - 59	2,610	10.9%
Female	60 - 69	1,170	4.9%
Female	70 - 79	151	0.6%
Female	80 - 89	12	0.0%
Total		9,501	39.5%
Total Filed Claims		24,041	100.0%

Source: Commission Data, July 2018



FIGURE 9 • Source of Appeals

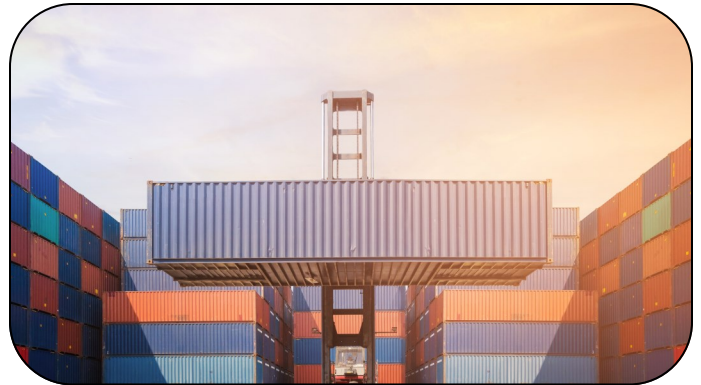
SOURCE	FISCAL YEAR		
	2018	2017	2016
Claimant	1,018	1,042	1,154
Employer/Insurer	866	784	705
Subsequent Injury Fund	60	55	38
Uninsured Employers' Fund	12	14	10
Other Party	3	N/A	N/A
TOTAL	1,959	1,895	1,907

Source: Commission Data, July 2018

FIGURE 10 • Hearing Transcripts

CATEGORY	FISCAL YEAR		
	2018	2017	2016
Non Appeal Transcripts	1,226	1,417	1,321
Appeal Transcripts	1,475	1,555	1,676

Source: Commission Data, July 2018



MARYLAND WORKERS' COMPENSATION COMMISSION

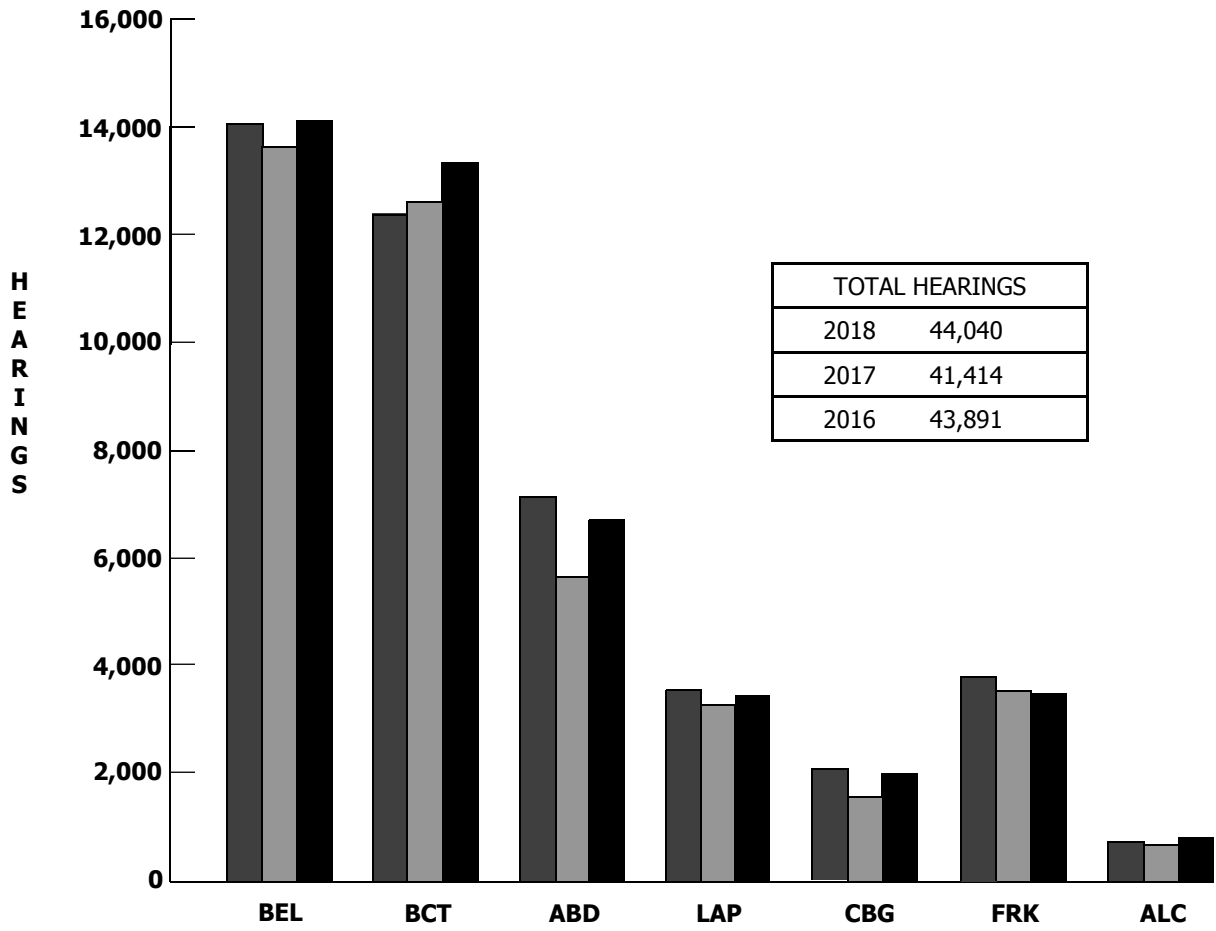
FIGURE 11 • Source of Claims and Appeals by Political Subdivision

JURISDICTIONS	FISCAL YEAR					
	2018		2017		2016	
	Claims	Appeals	Claims	Appeals	Claims	Appeals
Baltimore County	4,152	310	4,045	322	3,985	299
Baltimore City	3,440	207	3,506	218	3,780	231
Prince George's County	3,106	313	3,027	311	3,072	342
Montgomery County	2,243	202	2,236	162	2,188	192
Anne Arundel County	2,008	148	1,900	145	2,001	133
Harford County	978	84	983	69	971	55
SIX MAJOR METRO AREAS - COUNT	15,927	1,264	15,697	1,227	15,997	1,252
Percent of Total Filed Claims	66.2%	64.5%	67.3%	64.7%	67.6%	65.7%
Frederick County	924	71	857	77	906	67
Howard County	679	69	640	42	608	43
Carroll County	575	38	464	36	483	33
Charles County	556	64	520	49	513	53
Washington County	538	43	603	52	614	38
Calvert County	394	23	304	24	312	38
Wicomico County	375	15	344	26	349	26
St. Mary's County	309	39	329	37	296	33
Allegany County	272	22	277	17	256	17
Queen Anne's County	204	17	185	8	148	11
Caroline County	194	20	336	29	338	28
Cecil County	191	23	291	15	306	30
Worcester County	163	9	168	10	161	10
Dorchester County	133	9	120	9	152	8
Talbot County	111	10	99	4	101	7
Garrett County	110	5	92	6	97	6
Somerset County	70	5	81	5	96	0
Kent County	50	3	55	4	73	3
EIGHTEEN NON-METRO AREAS - COUNT	5,848	485	5,765	450	5,809	451
Percent of Total Filed Claims/Appeals	24.3%	24.8%	24.7%	23.8%	24.5%	23.6%
OUT OF STATE CLAIMS - COUNT	2,266	210	1,874	218	1,877	204
Percent of Total Filed Claims	9.4%	10.7%	8.0%	11.5%	7.9%	10.7%
TOTAL	24,041	1,959	23,336	1,895	23,683	1,907
PERCENT OF CLAIMS APPEALED		8.1%		8.1%		8.1%

Source: Commission Data, July 2018

MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 12 • Scheduled Hearing Distribution



REGIONAL SITES							
	BELTSVILLE	BALTIMORE CITY	ABINGDON	LA PLATA	CAMBRIDGE	FREDERICK	CUMBERLAND
	BEL	BCT	ABD	LAP	CBG	FRK	ALC
2018	14,112	12,380	7,274	3,603	2,132	3,781	758
2017	13,659	12,590	5,831	3,340	1,714	3,567	713
2016	14,149	13,187	6,717	3,514	2,018	3,515	791

FIGURE 13 • Interpreter Office Program Statistics

ITEM	FISCAL YEAR		
	2018	2017	Change
Requests	2,954	3,315	-10.9%
Interpretations Provided	1,092	1,469	-25.7%
Requests Continued or Withdrawn	1,862	1,846	0.9%
Spanish Interpretations	803	1,259	-36.2%
All Other Interpretations	289	210	37.6%
Percent Spanish	73.5%	85.7%	-12.2%
Number Of Languages Provided	42	42	0.0%

Source: Commission Data, July 2018

FIGURE 14 • Vocational Rehabilitation Case Management

FISCAL YEAR 2018		
	Count	Percent
Return to Work		
Same Employer, Same Job	687	54.0%
Same Employer, Different Job	97	7.6%
New Employer, Same Occupation	34	2.7%
New Employer, Different Occupation	197	15.5%
Self-Employment	4	0.3%
Medical Issues, Not Employed	116	9.1%
Subtotal	1,135	89.2%
Employment Status Unknown		
Rehabilitation Services Declined	51	4.0%
Rehabilitation Program Dropout	71	5.6%
Claimant Moved Out of State	6	0.5%
Claimant Declined Job Offers	9	0.7%
Subtotal	137	10.8%
Total Vocational Rehabilitation Case Dispositions	1,272	100.0%

Source: Commission Data, July 2018

FIGURE 15 • Self-Insurance Program

ITEM	FISCAL YEAR		
	2018	2017	2016
Individual Self-Insurers and 1 Group	94	99	99
Covered Self-Insured Employees ⁽¹⁾	420.5 k	428.3 k	431.1 k
Covered Self-Insured Payroll ⁽¹⁾	\$24.7 B	\$23.7 B	\$22.8 B
Self-Insured Payroll as Percent of All Covered Payroll	15.6%	15.5%	15.4%
Security Held ⁽¹⁾	\$225.1 M	\$221.8 M	\$220.7 M
Commission Orders ⁽²⁾	16	13	21

k = Thousand, M = Million, B = Billion

⁽¹⁾ Source: A-01/IC-1 Report 2015 - 2017 Note: Security includes active self-insurers only.

⁽²⁾ Commission Data 2016 - 2018



MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 16 • Workers' Compensation Premium Rate Ranking

2018 Ranking	2016 Ranking	2014 Ranking	State	Median Index Rate	State % of Median
1	3	4	New York	3.08	181%
2	1	1	California	2.87	169%
3	2	3	New Jersey	2.84	167%
4	5	5	Alaska	2.51	148%
5	6	9	Delaware	2.50	147%
6	27	32	Georgia	2.27	134%
7	5	2	Connecticut	2.20	129%
8	9	20	Rhode Island	2.19	129%
9	14	8	Vermont	2.09	123%
10	10	10	Louisiana	2.05	121%
11	12	23	Wisconsin	2.02	119%
13	11	27	Hawaii	2.01	118%
13	11	11	Montana	2.01	118%
14	14	17	South Carolina	1.95	115%
16	15	17	Washington	1.87	110%
16	23	31	Wyoming	1.87	110%
17	26	17	Pennsylvania	1.85	109%
19	22	27	North Carolina	1.84	108%
19	14	13	Maine	1.84	108%
21	28	14	Idaho	1.81	106%
21	33	28	Florida	1.81	106%
22	8	7	Illinois	1.80	106%
23	32	25	South Dakota	1.73	102%
24	8	6	Oklahoma	1.71	101%
26	17	12	New Hampshire	1.70	100%
26	32	30	Nebraska	1.70	100%
27	20	21	Missouri	1.68	99%
28	22	20	Minnesota	1.67	98%
29	25	29	Alabama	1.65	97%
30	24	24	Iowa	1.64	96%
31	29	38	Mississippi	1.54	91%
32	30	22	Tennessee	1.52	89%
33	30	40	Kentucky	1.51	89%
34	20	20	New Mexico	1.50	88%
35	35	41	Colorado	1.43	84%
36	40	33	Ohio	1.40	82%
37	34	34	Michigan	1.38	81%
38	44	35	Massachusetts	1.50	82%
39	38	35	Maryland	1.33	78%
40	38	37	Arizona	1.30	76%
41	47	48	Virginia	1.28	75%
42	42	45	District of Columbia	1.25	74%
43	40	36	Texas	1.21	71%
44	43	46	Nevada	1.18	69%
46	41	39	Kansas	1.15	68%
46	45	43	Oregon	1.15	68%
47	46	45	Utah	1.06	62%
48	48	42	West Virginia	1.01	59%
49	49	49	Arkansas	0.90	53%
50	50	50	Indiana	0.87	51%
51	51	51	North Dakota	0.82	48%

Source: Research and Analysis Section, Oregon Department of Consumer and Business Services (Rev. 10/2018)

Notes: 1. Starting with the 2008 study, when two or more states' Index Rate are the same, they now are assigned the same ranking.

MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 17 • Licensed Insurers Writing Workers' Compensation Insurance

Fiscal Year	Licensed Insurers ⁽¹⁾	Licensed Insurers Billed	Percentage of Licensed WC Insurers
2018	678	330	48.7%
2017	643	328	51.0%
2016	673	378	56.2%

Source: Commission Data, July 2018

⁽¹⁾ Includes Self-Insurers

FIGURE 18 • Insurer Assessments, Safety/Fraud Costs and Commission Expenses

Fiscal Year	Assessment Base Insured Payroll	Total Insurer Assessments	Safety and Fraud Program Cost	WCC Cost	Assessment per \$1000 of Payroll
2018	\$144,091,230,632	\$25,330,777	\$10,866,738	\$14,475,134	0.175
2017	\$141,864,667,650	\$26,153,901	\$11,104,910	\$15,048,991	0.184
2016	\$130,198,276,239	\$25,522,429	\$12,278,948	\$14,124,799	0.196

Source: Commission Data, July 2018



REVENUES/EXPENDITURES

The Commission collects an assessment from licensed workers' compensation insurers and self-insurers for the operating budget of the Commission as well as the Occupational Safety and Health Program and the Workplace Fraud Act within the Department of Labor, Licensing and Regulation (DLLR). During this fiscal year, \$25,330,777 was assessed and collected with \$10,866,738 being transferred to DLLR for its safety program and workplace fraud initiative. The remaining funds were retained in the Workers' Compensation Fund and were disbursed as Commission operating expenditures as appropriated. The fiscal year 2018

Legislative Appropriation for the Commission's operating expenditures totaled \$16,265,134. Approximately 71 percent of this budget provided for the Commission's allotment of 115.0 full-time equivalent permanent position salaries and 11.25 full-time equivalent contractual position salaries, 10 percent for fixed costs to include lease agreements and lease escalations, 13 percent for contractual services to include computer software and hardware maintenance contracts, 3 percent for communications and postage, and 3 percent for travel expenses, supplies and equipment.

LEGAL UPDATE

Legislation

SB 48 (Chapter 588)
HB 205 (Chapter 589)

Workers' Compensation - Permanent Partial Disability – State Correctional Officers

Provides enhanced workers' compensation benefits for a State correctional officer for a compensable permanent partial disability of less than 75 weeks.
(Effective: 10/1/2018)

SB 403 (Chapter 208)
HB 814 (Chapter 207)

Workers' Compensation – Students in Unpaid Work-Based Learning Experiences

Authorizes all county boards of education, rather than only certain county boards of education, to waive the requirement that a participating employer reimburse the county for the cost of the premium for workers' compensation coverage provided to students placed in unpaid work-based learning experiences.
(Effective: 10/1/2018)

SB 851 (Chapter 222)
HB 1592 (Chapter 221)

Maryland Jockey Injury Compensation Fund, Inc. – Designation as Employer and Membership

Alters the circumstances under which a jockey is a covered employee under workers' compensation law in that a jockey is a covered employee while performing a service in connection with live thoroughbred racing.
(Effective: 10/1/2018)

SB 979 (Chapter 535)
HB 1500 (Chapter 534)

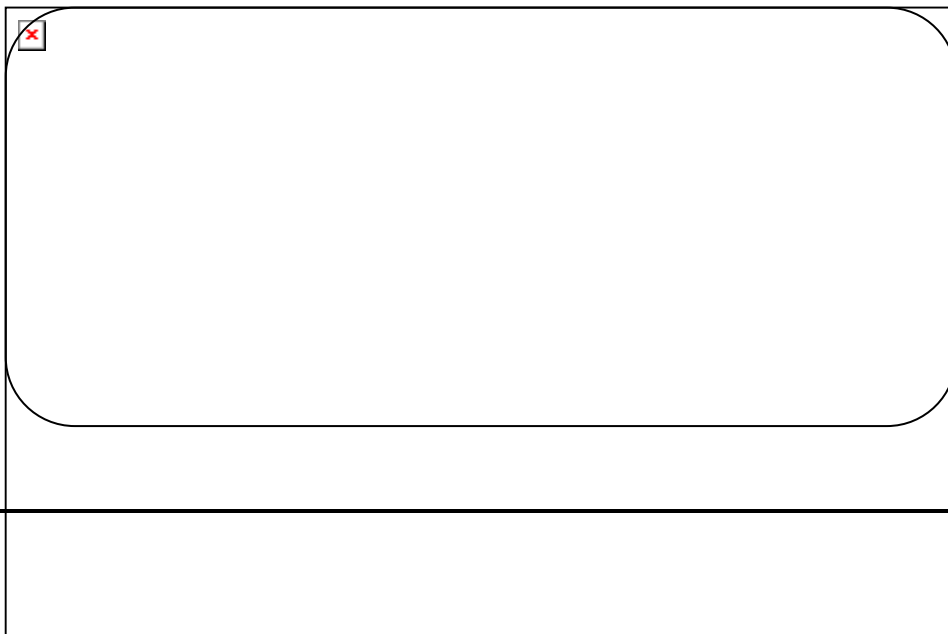
Workers' Compensation – Third-Party Actions – Subsequent Injury Fund

In determining reimbursement, if a self-insured employer, insurer, or the Uninsured Employers' Fund has not waived third-party reimbursement, the Subsequent Injury Fund shall be reimbursed after reimbursement has first been made to the self-insured employer, insurer, or Uninsured Employers' Fund.
(Effective: 10/1/2018)

HB 1499 (Chapter 533)

Workers' Compensation – Self-Insured Employers – Suspected Fraud Reporting

A governmental self-insurance group formed in accordance with § 9-404 of the Labor and Employment Article or an employer who self-insures or participates in a self-insurance group in accordance with § 9-405 of the Labor and Employment Article shall meet the reporting requirement of [this subsection (27-802 Insurance Article)] by reporting suspected insurance fraud in writing to the Fraud Division.
(Effective: 10/1/2018).



Appellate Opinions

Charles C. Reger v. Washington County Board of Education, et al.

Court of Appeals of Maryland, August 4, 2017
455 Md. 68
166 A.3d 142

LE § 9-610 OFFSET PROVISION

The Court of Appeals held that, as a matter of law, ordinary disability retirement benefits are “similar benefits” to workers’ compensation benefits, and the statutory offset in Md. Code, Labor & Employment (“LE”) Article § 9-610 (1991, 2008 Repl. Vol.) applies, when the record reflects that the cause of the incapacity for which ordinary disability retirement benefits were awarded was the same workplace accidental injury or occupational disease that was the basis for the workers’ compensation benefits.

R.K. Grounds Care, et al. v. Kevin D. Wilson

Court of Special Appeals of Maryland, December 4, 2017
235 Md.App.20
174 A.3d 906

SUBJECT MATTER JURISDICTION

Because the Commission lacks jurisdiction to enforce its own orders, the Court of Special Appeals held that the Commission lacked the subject matter jurisdiction to decide whether money that was in the hands of an insurer for settlement of a workers’ compensation claim was exempt from garnishment to pay a judgment in a child support action.

Richard Beavers Construction, Inc., et al. v. Dexter Wagstaff

Court of Special Appeals of Maryland, March 1, 2018
236 Md.App. 1
180 A.3d 211

AVERAGE WEEKLY WAGE

Neither statute nor regulation nor case law strictly requires the Workers’ Compensation Commission to calculate the average weekly wage of a covered employee using an average of the actual earnings before an accidental injury. For some newly-hired employees, the actual earnings before the injury may not accurately represent what the employee normally would earn from

the employer. The Workers’ Compensation Commission is not required to calculate average weekly wage using the actual earnings from the period before an accident where: (1) the employer hired the employee for the stated purpose of working “full time,” meaning 40 hours per week; (2) the employee suffered a disabling injury only a short period of time after being hired; (3) the employee worked substantially less than 40 hours per week during that period; and (4) other circumstances call into question whether the actual hours worked during that period accurately represented the employee’s normal working hours.

Claudette Norman-Bradford v. Baltimore County Public Schools, et al.

Court of Special Appeals of Maryland, April 30, 2018
237 Md.App. 235

LE § 9-610 & SPP § 20-118 OFFSET PROVISIONS

In light of the 2004 amendment of § 29-118 of the State Personnel & Pension Article (“SP”), a retiree employed by a county board of education who receives ordinary disability retirement benefits through that employer remains subject to the offset provision in § 9-610 of the Labor and Employment Article (“LE”), not the offset provision in SP § 29-118. Ordinary disability retirement benefits are “similar” to workers’ compensation benefits, and the statutory offset in LE § 9-610 applies, when the record reflects that the same physical incapacity for which ordinary disability retirement benefits were awarded forms the basis for the workers compensation benefits.

Rina Calvo v. Montgomery County, Maryland

Court of Appeals of Maryland, May 21, 2018
459 Md. 315 (2018)

WORKERS’ COMPENSATION — TRAVELING EMPLOYEE — GOING AND COMING RULE — SPECIAL MISSION EXCEPTION

An employee who was required to report from her home to a different work site was not a traveling employee under *Mulready v. Univ. Research Corp.*, 360 Md. 51 (2000), because traveling employee status generally applies to employees who are injured on premises where the employee is staying to carry out the

employer's business. Determining whether an employee's journey is sufficiently special to satisfy the special mission or errand exception to the going and coming rule requires consideration of: (1) the relative regularity or unusualness of the particular journey in the context of the employee's normal duties; (2) the relative onerousness of the journey in comparison to the service to be performed at the end of the journey and other circumstances of the journey including the length and time of the journey, and whether the employee usually worked at that time; and (3) the suddenness with which the employee was called to work, or whether the call was made with an element of urgency. Here, the employee's claim was not barred by the going and coming rule when the employee was required to attend an annual mandatory training on a day she did not typically work, the training was held at a different location than her usual work site, and the training was not regular in the context of her ordinary duties. From these facts, a trier of fact could reasonably infer that the applied.

Danny Blankenship v. State of Maryland/MTA, et al.
Court of Special Appeals of Maryland, May 31, 2018
237 Md.App. 247 (2018)

LE § 9-610 & SPP § 20-118 OFFSET PROVISIONS APPLIED TO MTA

Two statutory offsets apply to workers' compensation benefits in order to prevent double recovery for the same injury: the statutory offset set forth in LE § 9-610 and the statutory offset set forth in Md. Code (1993, 2015 Repl. Vol.), § 29-118 of the State Personnel & Pensions Article ("SPP"). The LE § 9-610 offset applies to benefits except for those benefits "subject to an offset under [SPP] § 29-118." The LE § 9-610 offset operates by reducing workers' compensation benefits, while the SPP § 29-118 offset leaves workers' compensation benefits unaffected. The SPP offset applies when a pension is "administered" by the Board of Trustees for the State Retirement and Pension System; otherwise, the LE offset applies. The State Personnel and Pensions System is responsible for the investment of the MTA pension's assets, but the MTA is otherwise responsible for the day-to-day administration of the pension. Administration of the assets does not constitute "administration" of the MTA pension. The MTA, and the MTA alone, is responsible for the day to-day administration of the MTA pension plan, including the

payment of pension benefits and determination of participant eligibility. Because the MTA pension is separate and distinct from the Maryland State Retirement and Pension System, the benefits at issue in this case were not subject to an offset under SPP § 29-118 but were subject to the LE § 9-610 offset.

Justin Stine v. Montgomery County, Maryland
Court of Special Appeals of Maryland, June 1, 2018
237 Md.App. 374 (2018)

AVERAGE WEEKLY WAGE – EVIDENCE – EXPERT TESTIMONY

The circuit court did not err in excluding testimony from workers' compensation claimant's vocational expert. Expert testimony about wage increases the claimant *might* expect at some point in the future, after earning a bachelor's degree in nursing and passing the requisite licensing examinations, was not relevant to the computation of the claimant's average weekly wage under LE § 9-602(g), which applied to claimant because of his status as volunteer emergency medical technician for a fire department. The circuit court was not required to apply section 9-602(a)(3), which allows for consideration of wages a claimant may expect to earn in the future given his age and experience.

RIGHT TO TRIAL DE NOVO – RIGHT TO JURY TRIAL

The circuit court erred in entering an order affirming the decision of the Workers' Compensation Commission that set the claimant's average weekly wage. The circuit court instead should have proceeded with a jury trial, which the claimant had requested pursuant to LE § 9-745(d). Judicial review in workers' compensation cases can follow one of two "modalities": an unadorned administrative appeal or an essential trial *de novo*. Where the claimant opted for an essential trial *de novo* and had requested a jury, the exclusion of his expert's testimony did not terminate his right to have a jury decide the factual question of his average weekly wage under LE § 9-602(g).

COMMITTEES

Maryland General Assembly Workers' Compensation Benefit and Insurance Oversight Committee

Chapters 590 and 591 of the Acts of 1987 established the Maryland General Assembly Workers' Compensation Benefit and Insurance Oversight Committee. Chapter 5 of the Acts of 2011 expanded the membership to include a representative from a self-insured local government entity. The Oversight Committee was developed to:

- Examine and evaluate the condition of the workers' compensation benefit and insurance structure in Maryland and the impact these laws have on that structure.
- Review, with respect to adequacy and appropriateness, the changes made to the permanent partial benefits laws and make recommendations for necessary changes.
- Report to the Governor and the Legislative Policy Committee on December 31 of each year.
- Monitor, review and comment on salient workers' compensation issues for the Maryland Legislature.

The Oversight Committee membership includes representatives from the legislative, medical, legal, labor sectors, and self-insured local government, as well as the general public. The Committee is co-chaired by an appointed State Senator and a House of Delegates member. A meeting of the Committee took place on February 26, 2018.

2018 Committee Roster
 Katherine A. Klausmeier, Senate Chair
 Kriselda Valderrama, House Chair
 Senator Brian J. Feldman
 Delegate Cheryl D. Glenn

Representative of Maryland Business Community:
 Mary Anne Reuschling

Representative of the Maryland Labor Organization:
 Hank Sorenson

Representative of Maryland Building and Construction Labor Organization:
 Thomas W. Hayes

Two Members of the Public:
 Debora Fajer-Smith
 Michael G. Comeau

Member of the Insurance Industry:
 Thomas J. Phelan

Member of a Workers' Compensation Rating Organization:
 David Benedict

Member of Medical and Chirurgical Faculty of Maryland:
 Gary W. Pushkin M.D.

Members of the Bar:
 Rudolph L. Rose, Defense Lawyer
 P. Matthew Darby, Plaintiff Lawyer

Maryland Certified Rehabilitation Service Provider:
 Jody Malcolm

Self-Insured Local Government Entity
 Ronald J. Travers

Workers' Compensation Commission—Ex Officio:
 Maureen Quinn

Committee Staff:
 Tami Burt, Laura Atas and Richard Duncan
 Department of Legislative Services

Governor's Advisory Committee on Budget of State Workers' Compensation Commission

Pursuant to the requirements of Labor and Employment Article §§ 9-317 and 9-318, a Budget Advisory Committee was established to review the annual proposed operating budget of the Workers' Compensation Commission and make recommendations to the Commission. The Budget Advisory Committee will perform this review and make its recommendations by November 1 of each year. The Committee submits its annual report and recommendations to the Governor and Legislature by December 1 of each year.. A meeting of the Committee was held on October 11, 2017.

2018 Committee Roster

Michael G. Comeau, Chairman	Adrienne M. Ray
Nathan J. Cavey, Jr.	Patrick A. Roberson, Esq.
Sandra Dorsey	Lisa Yvette Settles, Esq.
Kevin P. Foy, Esq.	Matthew D. Trollinger, Esq.
Melinda Hayes	
Heather H. Kraus, Esq.	

COMMITTEES

Advisory Committee on the Registration of Rehabilitation Practitioners

The Advisory Committee on the Registration of Rehabilitation Practitioners was formed by the Workers' Compensation Commission in 1997. The Committee's role is to review, evaluate and provide recommendations to the Commission regarding a vocational rehabilitation practitioner's application where questions or clarifications are needed. Members are appointed to a three-year term by the Workers' Compensation Commission. The Committee consists of seven members who are certified rehabilitation practitioners (Labor and Employment Article, Section 9-6A-05).

2018 Committee Roster

- Janet Spry, Ph.D., CRC, LPC, MCRSP
Committee Chair
- Susan Budden, MS, CRC, MCRSP
- Mary Sevinsky, MS, CRC, CCM, MCRSP
- Kathy M. Stone, MS, CDMS, CCM, MCRSP
- Carole Stole-Upman, MA, RN, CCM, CRC, CDMS, CNLCP, WCCM, MCRSP
- Cathryn Winslow, RN, WCCM, MCRSP
- Julie Howar, O.T.

Medical Fee Guide Revision Committee

The Medical Fee Guide Revision Committee (MFGRC) was established in response to Labor and Employment Article § 9-663(b)(3). It reviews medical and surgical fees for completeness and reasonableness as well as provides a forum for discussing the fee guide. Recommendations are then made to the full Commission. The MFGRC, whose membership consists of an equal number of payers and receivers of workers' compensation medical benefits, engages in an ongoing analysis of reimbursement rates and recommends modifications to the Commission. In 2008, the Medical Fee Guide was fully incorporated into COMAR and was updated to include an annual adjustment factor that will help reimbursement rates stay current. The Committee met on October 12, 2017.

2018 Committee Roster

- Commissioner Jeffrey C. Herwig, Committee Chair
- Jerome P. Reichmister, M.D., Physician Adviser, WCC
- Janet Vanderpuije, Committee Secretary, WCC

Payers

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- Nimisha Kalia, M.D.
- Antonio R. Lopez, Esq.
- Rudolph Rose, Esq.
- Craig J. Ross, M.D.

Receivers

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