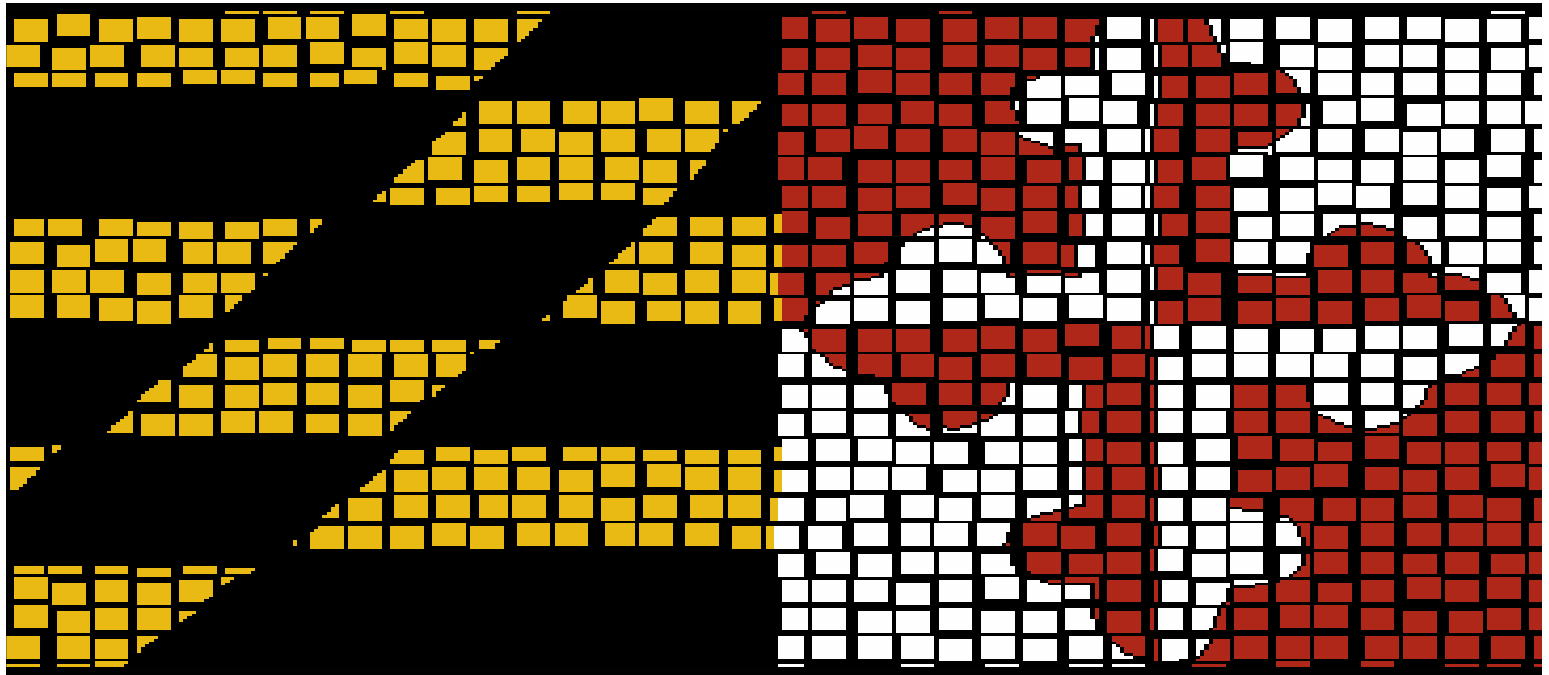


Maryland
Workers' Compensation Commission
2001 Annual Report

The Eighty-Sixth Edition
July 1, 2000 - June 30, 2001



Parris N. Glendening
Governor

Thomas Patrick O'Reilly
Chairman

Kathleen Kennedy Townsend
Lt. Governor

Joan Y. Case
Executive Director of Administration



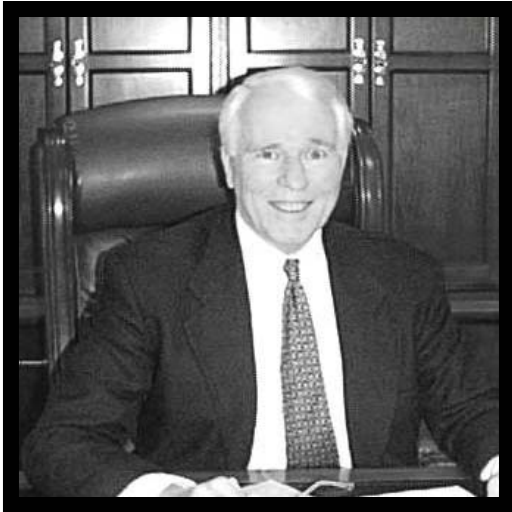
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Message from the Chairman



Thomas Patrick O'Reilly

Governor William Donald Schaefer appointed Mr. O'Reilly to the Commission in 1994 and Governor Parris N. Glendening named him Chairman in 1999. Chairman O'Reilly took advantage of the Vietnam GI Bill to earn a Bachelor's Degree in Electrical Engineering from the University of Maryland and later received a J.D. from the University's School of Law. He began his career with General Electric, first as an engineer and then as a patent attorney. After clerking for Prince George's Circuit Court Judge Robert Banks Mathias, he opened a general law practice in the Riverdale/Greenbelt area of the county in the early 1970s. He was elected to the Maryland Senate in 1974 and served five consecutive terms. Chairman O'Reilly held a number of Senate offices, including Vice Chairman of the Judicial Proceedings Committee, Deputy Majority Leader and Chairman of the Senate Finance Committee.

2001 was a great year for the Workers' Compensation Commission. Our staff processed nearly 29,000 workplace injury claims. I am pleased to say that we processed those claims with more speed and efficiency than ever before. Our success comes from the "continuous improvement" attitude adopted by all staff over the last year. We have been expanding our office space, enhancing and upgrading our technological capabilities, and developing new strategies to better serve the citizens of the State of Maryland.

Under the direction of Governor Parris N. Glendening and Lt. Governor Kathleen Kennedy Townsend, along with the foresight and guidance of the General Assembly, we have built a system that fulfills our mission of providing an efficient and effective process for the settlement of claims filed by the injured employee. Our effectiveness is confirmed by compensation premium levels that continue to be among the lowest in the nation.

We are pleased to present in this Annual Report the various infrastructure improvements and how they have helped fulfill our goal of providing the best possible service and support. Above all else, our greatest obligation is to the employees and employers of our State. As stated by our forefathers in the Maryland State Constitution's Declaration of Rights, "*...every man for any injury done to him in his person or property, ought to have remedy by the course of the Law of the Land and ought to have justice and right, freely without sale, fully without any denial and speedily without delay, according to the Law of the Land.*"

Sincerely,

Thomas Patrick O'Reilly



Commissioners



Sheldon H. Press has been a member of the Maryland Workers' Compensation Commission since his appointment by Governor William Donald Schaefer in May 1994. He is a graduate of Baltimore City College, and obtained a Bachelor of Arts Degree in Government, History and Economics from the University of Maryland and his Law Degree from the University of Baltimore School of Law. He served in the United States Air Force Reserve and obtained the rank of First Lieutenant. Commissioner Press was engaged in the private practice of law until 1974, concentrating in workers' compensation, negligence, criminal law and domestic relations. In 1974, he joined the Baltimore City Law Department serving as the Chief Solicitor of the Workers' Compensation-Pension Section. During this time, he was active in the Maryland Self-Insurers' Association, serving as president of that organization. From 1989 until 1994, he was a member of the Board of Contract Appeals for the State of Maryland.



Patricia G. Adams has been a member of the Maryland Workers' Compensation Commission since her 1999 appointment by Governor Parris N. Glendening. She is a 1980 graduate of the University of Baltimore School of Law with a J.D. and graduated magna cum laude in 1976 from the University of Maryland where she received a Bachelor of Science Degree. Commissioner Adams was the managing partner of Serio, Tansey and Adams from 1982 until August 1999 concentrating in the area of workers' compensation. She is also a former Commissioner with the Attorney Grievance Commission of Maryland. Currently, Commissioner Adams is an active member of the Maryland State Bar Association and serves on the membership committee.



Richard LaFata has been a member of the Maryland Workers' Compensation Commission since his appointment by Governor William Donald Schaefer in March 1994. He is a magna cum laude graduate of the University of Maryland, Baltimore County. He received his J.D. from the University of Baltimore School of Law in 1980. He was admitted to the Bar in 1980. Since then, he has focused his practice in the area of Workers' Compensation Law. Commissioner LaFata has been a member of the adjunct faculty at the University of Baltimore School of Law for many years. He is currently teaching a course in Workers' Compensation Law. Additionally, Commissioner LaFata is a frequent lecturer to professional associations and visiting international groups.



Commissioners

Cynthia S. Miraglia has been a member of the Maryland Workers' Compensation Commission since her January 11, 1999 appointment by Governor Parris N. Glendening. In 1983, she graduated cum laude from the University of Baltimore School of Law with a J.D. 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 May 1980. From November 1983 until December 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 the immediate Past President of the Women's Bar Association of Maryland, Inc. and serves on the Board of the Maryland Chapter of the National Association of Women Law Judges.



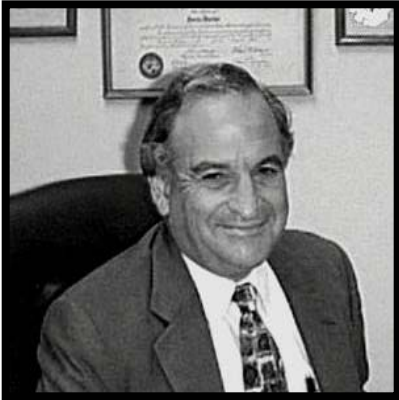
Stephen Rosenbaum has been a member of the Maryland Workers' Compensation Commission since his 1983 appointment by Governor Harry R. Hughes. He graduated from Syracuse University in 1972 with a Bachelor of Arts Degree and from the University of Baltimore School of Law in 1975 with a J.D. He served as Law Clerk to the Honorable Richard P. Gilbert, Chief Judge, Court of Special Appeals of Maryland from 1976 until 1977. Commissioner Rosenbaum served as Assistant Attorney General of Maryland from 1977 until 1983. He is a member of the Bars of the Court of Appeals of Maryland, U. S. District Court for the District of Maryland and the Supreme Court of the United States.



Lauren Sfekas has been a member of the Maryland Workers' Compensation Commission since her appointment by Governor Parris N. Glendening on January 1, 1996. 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 Sfekas spent 14 years in private practice concentrating in the area of workers' compensation. She has published and lectured on workers' compensation topics.



Commissioners



Richard Teitel has been a member of the Maryland Workers' Compensation Commission since his 1988 appointment by Governor William Donald Schaefer. He is a 1971 graduate of the University of Maryland Law School and a 1968 graduate of Northeastern University in Boston, Massachusetts with a Bachelor of Science Degree in Chemistry. He was an associate in the law firm of Rosen, Esterson & Friedman from 1972 until 1978. The Honorable Francis B. Burch appointed Commissioner Teitel Assistant Attorney General for the State Accident Fund in 1978. In 1984, he was appointed supervising attorney by the Honorable Stephen H. Sachs. Commissioner Teitel is active with the Maryland Institute for Continuing Professional Education of Lawyers (MICPEL) as well as the Maryland State Bar Association, Negligence, Insurance and Workers' Compensation Section Committee.

Lawrence M. Vincent has been a member of the Maryland Workers' Compensation Commission since his 1996 appointment by Governor Parris N. Glendening. He is a 1965 graduate of Loyola College with a Bachelor of Science Degree and a 1976 graduate of the University of Baltimore School of Law with a J.D. He was employed with the Metal Products Division of Koppers Co., Inc. from 1965 until 1979 serving in various capacities including Manager of Employment and Employee Training and Development. From 1979 until 1996, he was engaged in the private practice of law. Commissioner Vincent is a Past President of the Maryland Workers' Compensation Educational Association and a member of the Maryland State Bar Association.



John R. Webster, Jr. has been a member of the Maryland Workers' Compensation Commission since his December, 1997 appointment by Governor Parris N. Glendening. He is a graduate of the University of Maryland and received his Law Degree at George Washington University where he graduated with honors. He spent 24 years engaged in private practice with the firm of Miller and Webster, P.A. concentrating in civil and criminal law, personal injuries, medical malpractice, product liability and workers' compensation. Commissioner Webster is a member of the Prince George's County Bar Association, Maryland State Bar Association, American Bar Association and American Trial Lawyers Association.



Message from the Executive Director



Joan Y. Case



In July 1999, Chairman Thomas Patrick O'Reilly appointed Ms. Case as the Executive Director for Administration of the Commission. In this position, she is responsible for the administrative operation of the Commission. Prior to the Commission, she was the Director of the Day Care Financing Programs for the State of Maryland in the Maryland Department of Business and Economic Development. She was also an administrator in the Baltimore City Public School System and a consultant to the Vanderbilt University School of Public Policy. She holds a Masters Degree of Education and a Bachelors Degree of Science from Coppin State College and has taken additional graduate courses toward her Ph.D. at the Johns Hopkins University.

The Workers' Compensation Commission moved forward in many key areas over the past fiscal year and I am pleased to offer a synopsis of them in our annual report. Maintaining pace as the needs of the compensation community grow and evolve, requires us to be flexible and forward-looking while at the same time maintaining a strict focus on the concerns of those we serve. This challenge creates exciting times.

A key for us has been to improve our working processes by embracing the newest methods of the computer world. The Commission has updated its data network to high speed Ethernet, creating a faster, Internet-ready foundation for our business process. We now connect to the National Council of Compensation Insurers in Boca Raton, Florida via the Internet to validate employer insurance information. The Information Technology Division enhanced the telecommuting network and made it possible for approved staff members to work from home. We also began to redevelop our automated docket setting system to better serve the Commission's customers.

Alongside these technical advances, we continue to examine the efficiency in processing claims by improving the content and usefulness of the forms that move through our electronic systems. Without a solid base of pertinent information, computing speed and efficiency mean little.

All of our staff can be very proud of creating many enhancements and further improving service to the citizens of Maryland. The cumulative efforts of the Commission staff and workers' compensation community make me confident that even greater accomplishments can be achieved. Sincerely,

Joan Y. Case
Executive Director of Administration



...grateful to Almighty God...





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 worker and their employers by providing an efficient and effective forum for the resolution of individual claims.

History

Workers' compensation laws were first developed in the U.S. in the early 1900s as a result of the booming industrial age and a growing number of work-related injuries. Before the laws were developed, accidental, on-the-job injuries created a hardship for employees because they had no course of action for necessary assistance.

To remedy this situation, U. S. lawmakers reviewed the compensation laws being developed in Europe. The British Compensation Act was used as a model for many of the early legislative efforts. Maryland was one of the first states to adopt a comprehensive law and its growth and application leads directly to today's workers' compensation system.

- 1902-** Maryland General Assembly adopted laws establishing the Employer and Employee Cooperative Insurance Fund.
- 1914-** Maryland joined other states in adopting a workmen's compensation law establishing the State Industrial Accident Commission.
- 1957-** The Commission was renamed the Workmen's Compensation Commission.
- 1986-** Workers' Compensation Commission was adopted by enactment of the new Labor and Employment Article of the Annotated Code of Maryland.
- 1991 -** The Commission became the Maryland Workers' Compensation Commission.





The Basics

What is workers' compensation insurance?

Workers' compensation insurance is required by all employers having one or more employees, full or part-time. Employers are required to post official notice of the compensation program in a prominent location at the work place. The notice informs the employee of the name of the insurance company providing workers' compensation coverage for the employer and outlines the responsibilities of both employers and employees. It also identifies all pertinent information required for filling out a claim form.

Who pays?

The cost of workers' compensation insurance itself is borne entirely by the employer. If a claim is justified, the weekly benefits and all medical bills will be paid directly by the employer or their insurer.

How do I find out more?

For general information, the Workers' Compensation Commission can be reached at 410-864-5100, or Maryland Relay 1-800-735-2258 for the hearing impaired. The toll free number is 1-800-492-0479. The web page is located at www.charm.net/~wcc and the e-mail address is wcc@charm.net or info@wcc.state.md.us.

The Benefits

The Workers' Compensation Laws direct that benefits are payable for the disability or death of employees caused by accidental personal injury sustained in the course of their employment (including occupational disease). The benefits include:

Medical Benefits - Payment for hospitalization, surgery, medicine, physical therapy and other expenses relating to the injury. Medical benefits may continue as long as the injured employee's condition requires treatment.

Disability Benefits - There are four categories of disability benefits:

Temporary Total - is paid when the injured employee is recuperating and has not reached maximum medical improvement.

Temporary Partial - is paid when the injured employee has returned to employment (usually on light duty) and has not reached maximum medical improvement.

Permanent Partial - is paid when the employee's injury results in a permanent impairment.

Permanent Total - is paid when the injured employee is unable to perform any kind of employment in the labor market.

Death Benefits - Paid to dependents to aid with the loss of financial support. Dependents may also receive an amount to help with funeral expenses.

Vocational Rehabilitation - When the worker is unable to return to employment due to an injury, that employee may be entitled to vocational rehabilitation services. The ultimate goal is to return the employee to the level of employment that was held at the time of the injury.

Occupational Disease Benefits - Paid for certain disabilities in which an illness occurs in the workplace and is not related to accidental injuries.





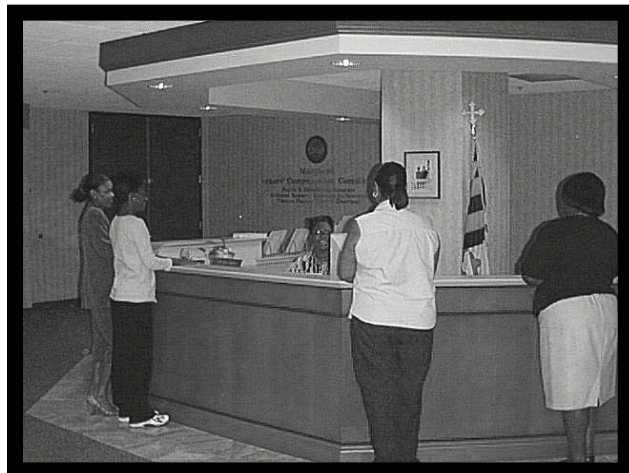
Accomplishments



Expanding

The Commission moved into 51,584 square feet of new office space at 10 East Baltimore Street, Baltimore, MD in December 2000.

- 3rd Floor – Information Technology
- 4th Floor – Hearing Rooms, Public Service and Court Reporters
- 5th Floor – Hearing Division
- 6th Floor – Processing, Insurance and Claims Divisions
- 7th Floor – Support Services, Fiscal and Personnel Divisions, the Assistant Attorney General’s Office and Executive Offices



Each floor of the Commission has a reception and waiting area.



Each workstation within the Commission is equipped with the latest technology. The IT Division keeps all the systems operational.



Upgrading

- The Commission has converted from a token ring environment to an **Ethernet environment**, enhancing our move towards online accessibility. The network is supported by a **fiber-optic backbone**, providing each workstation and office with state of the art technology and processes necessary to do business online with the workers’ compensation community.
- We are able to **connect to the National Council of Compensation Insurers** in Boca Raton, Florida through the Internet.
- An upcoming **Web Enablement Project** will provide access to appropriate material, while maintaining the privacy of sensitive information.
- The Commission is currently redeveloping its **Automated Docket Setting System** to make it a more efficient process.
- A **Card Access System** is being installed to control unauthorized access to areas within the Commission.



...the best means of establishing...



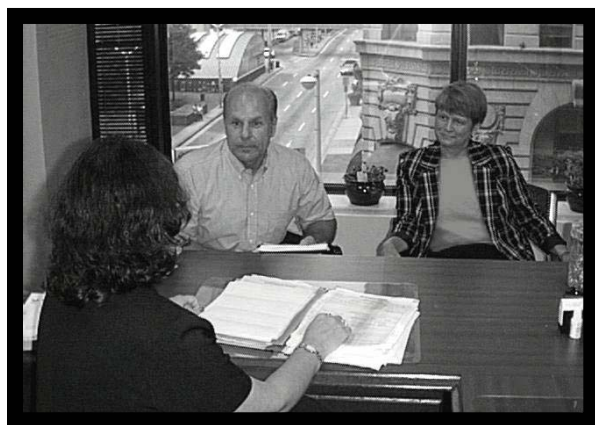


Accomplishments



Enhancing

- The 2000 Legislative session granted the Commission authority to establish **regional hearing sites**. The consolidation of locations will be accomplished in phases pending establishment of the regional sites. The Commission is currently using temporary facilities to accommodate the areas where the need is most urgent.
- The **Maryland Medical Fee Guide** is in the process of being updated.



In addition to the court reporter offices, the 4th floor houses hearing rooms and the Public Service Section.

Developing

A vocational rehabilitation committee composed of Insurer and Self Insurance Representatives, members of the Defense and Plaintiff's Bars and vocational rehabilitation providers was appointed by the Commission to develop a process for **selecting a vocational rehabilitation service provider** for the Maryland injured worker. The committee is to ensure that the selection process is accomplished in a fair and reasonable manner that ensures both independence in selection as well as quality of services. The minutes of the committee's meetings will be on the Commission's web page and the public will have the opportunity to provide input to the committee. The committee's recommendation, when completed, will be presented to the Commission for review and approval.

Improving

- The Commission continues to increase the efficiency of agency operations by creating downloadable forms from its web page. Web access provides hearing schedules, maps to the various hearing sites and regulation changes. The workers' compensation community can be kept abreast of important information and changes through accessing the Commission's web page.
- The Commission revised its **continuance procedures** thus allowing hearing the maximum number of cases with a minimum amount of delay.
- **Emergency hearings** are scheduled in the appropriate regional jurisdiction rather than requiring the injured worker to travel to Baltimore City.
- Guidelines have been implemented to ensure that **decisions are rendered** by a Commissioner within 20 days from the date of the scheduled hearing.



Regional hearing sites will be established to better serve the State's needs.





Maryland Workers' Compensation Educational Association

The Maryland Workers' Compensation Educational Association (MWCEA) was established in 1984 to provide an opportunity for individuals and organizations to participate in educational activities designed to improve the Maryland workers' compensation system. The Board consists of thirteen organizations and associations within the workers' compensation community. The Commission is a charter member of the Association and continues to serve as an active participant. The theme of the 16th Annual MWCEA Conference was "New Issues for the New Century." Over 800 participants attended the three-day conference in Ocean City, Maryland. Chairman O'Reilly and the Commissioners were major contributors. They served as presenters and moderated many of the workshops and general sessions. Commission staff also participated in the conference answering questions regarding Commission rules and procedures and advising attendees of the information available on the Commission web page.

Task Force On Rehabilitation for the Injured Worker

The Task Force On Rehabilitation for the Injured Worker was created in 1983 to provide an educational forum and promote better communication between parties regarding rehabilitation services for the Maryland injured worker. The Commission is a charter member of the Task Force and continues to be an active participant. The membership consists of 15 organizations and associations within the workers' compensation community. Each member organization is responsible for assigning a representative to serve on the Task Force. The Task Force has developed a "Good Practice Manual" and other educational materials to promote good rehabilitation service guidelines for professionals and interested parties. The theme of the 17th Annual Conference was "Workers' Compensation Ethics and Liability." Chairman O'Reilly was the keynote speaker and Commissioner LaFata spoke on professional ethics. The Commission's rehabilitation staff also participated in the one-day conference that attracted over 250 professionals.

Southern Association of Workers' Compensation Administrators

The Commission has been a member of the Southern Association of Workers' Compensation Administrators (SAWCA) since 1964. SAWCA is an association composed of 19 state workers' compensation commissions and boards. The Commission has held leadership positions in this Association with representatives serving on the Executive Board and as President. Directors at the Commission also serve as active members on the Information Technology, Administration and Procedures, and Self Insurance Committees. The Director of Support Service serves as chair of the Medical/Rehabilitation Committee.





Public Participation



The Commissioners and staff were actively involved in providing information statewide to the workers' compensation community in the Fiscal year 2001.

The Commissioners participated in statewide workshops, seminars and conferences, sponsored by the following organizations:

- Maryland State Bar Association
- Baltimore Trial Lawyers Association
- American Insurance Executives
- Howard County Women's Bar Association
- Maryland Law Association
- The Montgomery County Bar Association

The Commissioners and staff participated in conferences with the following organizations:

- Maryland Institute for Continuing Professional Education of Lawyers (MICPEL)
- Maryland Workers' Compensation Educational Association (MWCEA)
- Chesapeake Association of Rehabilitation Professionals in the Private Sector (CARPPS)
- Maryland Rehabilitation Association (MRA)
- The Task Force on Rehabilitation for the Injured Worker
- The Southern Association of Workers' Compensation Administrators (SAWCA)
- Maryland Association of Counties (MACO)

Commissioners and staff also participated in informational meetings with insurance companies, rehabilitation companies, nursing organizations and other professional groups and associations.





Workers' Compensation Insurers - Office and Personnel Requirements:

Senate Bill 592 / House Bill 1223 alter the office and personnel requirements for employers who self-insure for the purposes of workers' compensation insurance and for workers' compensation insurers who provide workers' compensation policies in the state. The legislation requires each self-insuring employer and each insurer to have in the state competent individuals who:

1. Handle and adjust disputed workers' compensation claims for the employer or insurer; and
2. Possess the knowledge and experience to handle and adjust disputed claims.

This is a change from the requirement that each self-insured employer and each workers' compensation insurer have an office, in the state, run by a competent individual who handles all workers' compensation work for the employer or insurer.

The bills also require the Workers' Compensation Commission to report, on or before November 30, 2002, to the Senate Finance Committee and the House Economic Matters Committee, the number and types of complaints regarding compliance with the office and personnel requirements that the Commission receives between October 1, 2001 and November 1, 2002, and the status of those complaints, as well as the number and types of violations that the Commission identifies during that timeframe and the status of those violations. The Commission is also required to report any recommendations for changes to the law.

Regulations of Self-Insurance Groups:

Senate Bill 763 / House Bill 998 define insolvent self-insurance groups to mean a self-insurance group in which each individual member of the group is unable to meet the member's debts as they mature in the ordinary course of business as determined by the Maryland Insurance Commissioner.

The bills provide that each member of a self-insurance group is jointly and severally liable for the workers' compensation obligations of the group and its members incurred during its membership period. Obligations of a member related to its joint and several liabilities exist regardless of whether the member terminates group membership or becomes insolvent or bankrupt.

The bills also require the Workers' Compensation Benefit and Insurance Oversight Committee to study the payment of claims by insolvent self-insurance groups and to report on or before December 1, 2001, to the House Economic Matters Committee and the Senate Finance Committee. In addition, on or before December 1, 2001, the Maryland Insurance Administration is required to report to the same standing committees the characteristics of each workers' compensation self-insurance group, the status of the resolution and operation of workers' compensation self-insurance groups, and any recommendations for changes to the law regarding the regulation of workers' compensation self-insurance groups.

Benefits:

Permanent Partial Disability:

The Commission may order an offset or credits against an award for permanent partial disability benefits to a covered employee for temporary total disability benefits previously paid or vocational rehabilitation benefits previously provided. The Commission may also order reimbursement to an employer from an individual who knowingly obtained benefits to which the individual was not entitled.

In *Philip Electronics North America et al. V. Wright*, 348 MD. 209 (1997), the Court of Appeals held that a credit based upon the number of weeks an employer has paid benefits is proper. The court determined that an employer was entitled to a credit for the number of weeks of benefits actually paid, rejecting a "total monetary sum" theory in a permanent partial disability award.

Senate Bill 877 / House Bill 1278 requires that if an award of permanent partial disability compensation is reversed or modified by a court on appeal, the payment of any new compensation awarded must be subject to a credit for the amount of compensation previously paid.





New Legislation, cont.



Enhanced Workers' Compensation Benefits for Public Safety Employees:

House Bill 1153 adds Prince George's County deputy sheriffs to the list of public safety employees who are entitled to enhanced workers' compensation benefits for permanent partial disability awards of less than 75 weeks. A public safety employee entitled to the enhanced benefits may receive two-thirds of his or her average weekly wage, not exceeding one-third of the State Average Weekly Wage. The bill applies to claims arising from events occurring on or after October 1, 2001.

Occupational Diseases - Compensation for Certain Contagious Diseases:

Senate Bill 677 / House Bill 1006 This legislation failed. However, if it had passed it would have provided that a paid firefighter, paid fire fighting instructor, or sworn member of the Office of the State Fire Marshall employed by an airport authority, a county, a fire control district, a municipality or the State, or a volunteer firefighter, volunteer firefighter instructor, volunteer rescue squad member, or volunteer advanced life support unit member is presumed to have the potential of developing a compensable occupational disease if the individual is exposed to:

Human immunodeficiency virus (HIV);

Meningococcal meningitis;

Tuberculosis;

Mononucleosis;

Liver cancer;

Any form of viral hepatitis, which includes hepatitis A, B, C, D, E, F and G;

Diphtheria;

Hemorrhagic fevers; or

Hydrophobia (rabies).

Current law provides compensation to an employee if an occupational disease causes death or disability and is due to the nature of an employment in which hazards of the occupational disease exist.



... thereof, declare...





Benefit & Insurance Oversight Committee



Charter 590 and 591 of the Acts of 1987 established the Maryland General Assembly Workers' Compensation Benefit and Insurance Oversight Committee. 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; and
- report to the Governor and the Legislative Policy Committee on December 31 of each year.

The Oversight Committee also monitors, reviews and comments on salient workers' compensation issues for the Maryland Legislature. The Oversight Committee membership includes representatives from the legislative, medical, legal and labor sectors, as well as the general public. An appointed State Senator and House of Delegates member serve as Chair and Co-Chairman.

2001 Membership Roster

Senator Arthur Dorman
 Delegate Van T. Mitchell
 Delegate Tony E. Fulton
 Senator Jean W. Roesser

Presiding Chairman
 Co-Chairman

Mary Anne Reuschling
 Jerry S. Lozupone
 Charles H. Rush

Representative of MD Business Community
 Representative of MD Labor Organizations
 Representative of MD Building and Construction Labor Organization

Harvey A. Epstein, Esq.
 Marcia P. Burgdorf DeWitt
 H. Glenn Twigg, Jr., CPCU, CIC
 Ken Christiansen
 Kenneth R. Lippman, M.D.
 Rudolph L. Rose, Defense Lawyer
 P. Matthew Darby, Plaintiff Lawyer
 Richard LaFata, Commissioner
 Tami Burt
 Kristin Jones
 Shannon McMahan

Representative of Public
 Representative of Public
 Representative of Insurance Industry
 Representative of Workers' Compensation Rating Organization
 Member of Medical and Chirurgical Faculty of MD
 Member of the Bar
 Member of the Bar
 Workers' Compensation Commission - Ex-Officio
 Committee Staff
 Committee Staff
 Committee Staff





Divisions



Processing Division



All incoming paper documents are processed in an efficient, accurate and expedient manner in accordance with the Workers' Compensation Commission's mission statement.

**Department Infrastructure:
Director - Neshera A. Jarrett**

Document Preparation

- (1) Office Supervisor III
- (1) Office Supervisor I
- (5) Office Clerk II

Scanning & Indexing

- (1) Data Device Supervisor II
- (6) Data Processing Tech II
- (1) Office Clerk

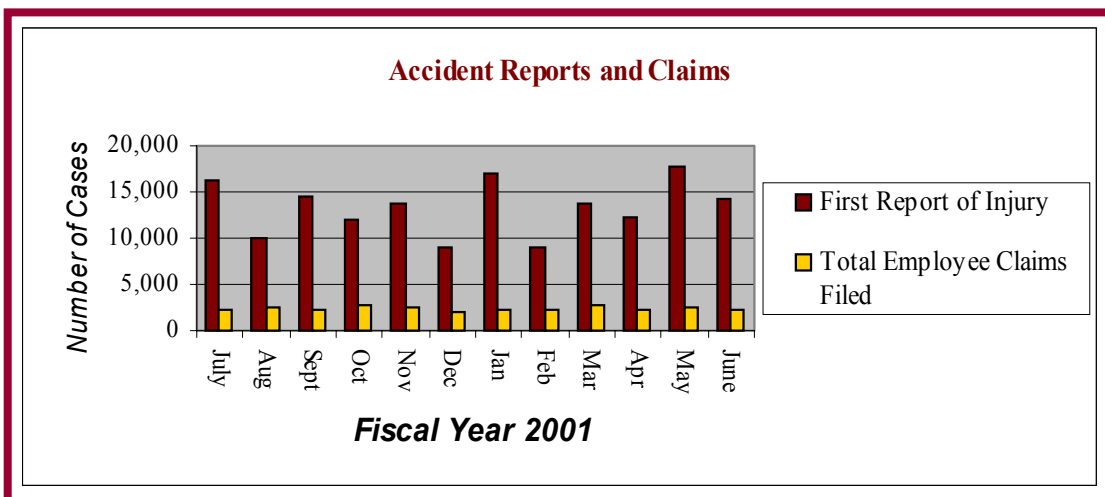
Mail Room

- (1) Service Supervisor
- (4) Office Clerk II
- (1) Office Clerk I

The Processing Division is comprised of three sections: Mail Section, Document Preparation Section and Scanning & Indexing Section. These three sections are responsible for the paper-to-imaging processes for all incoming documents:

- The Mail Section receives and routes approximately 100,000 pieces of mail each month.
- The Document Preparation Section prepares all documents received for scanning into the Commission's electronic imaging system.
- The Scanning & Indexing Section scans, indexes and commits all paper documents to the imaging system.

This Division is the main entrance to the Workers' Compensation Commission's information superhighway.



The total number of "First Report of Injury" in 2001 was 159,395. This is 15,806 fewer than in 2000. A total of 28,421 "Employee Claims" were filed in 2001. Nine of those claims were fatal claims. That is 18 fewer fatal claims than 2000.



... for any injury...





Divisions



Claims Division



The Claims Division is responsible for coding, verification of insurance, data entry and case review.

Department Infrastructure:
Director – Monica Matthews
Claims Services Section
(1) Supervisor/Assistant to Director
(1) Case Reviewer Supervisor
(2) Case Reviewer II
Verification Section
(1) Supervisor
(1) Case Reviewer II
(2) Case Reviewer I
Data Entry Section
(1) Supervisor
(3) Data Processing Tech II General
Public Service Section
(1) Supervisor
(7) Office Services Clerk

The Claims Division’s goal is to continue to provide prompt and accurate services to the public and to process documents that require immediate attention within 24 hours. The Claims Division is responsible for reviewing and efficiently processing hundreds of documents on a daily basis.

In February of 2001, the Claims Division was split into two divisions, Claims and Processing. The Claims Division is comprised of four sections: Public Service, Verification, Data Entry and Claims Services. Each section has a supervisor who is responsible for the section’s daily operation.

Claims filed by Residence of Claimant

Counties	Totals	Counties	Totals
Anne Arundel County	2,548	Howard County	630
Allegany County	431	Kent County	90
Baltimore County	5,019	Montgomery County	2,323
Baltimore City	5,351	Prince Georges County	3,262
Caroline County	168	Queen Anne’s County	185
Cecil County	322	St. Mary's County	325
Charles County	494	Somerset County	130
Carroll County	762	Talbot County	110
Calvert County	354	Washington County	819
Dorchester County	176	Wicomico County	462
Frederick County	867	Worcester County	250
Garrett County	130	Out Of State Claims	1,985
Harford County	1,228	Total	28,421



...done to him...





Divisions



Hearing Division



Each Commissioner is assigned an Assistant who provides complete administrative support and acts as the Commissioner's liaison with attorneys, and the general public.

- Department Infrastructure:**
Chairman Thomas Patrick O'Reilly
Vice Chairman Sheldon H. Press
- (8) Commissioners
 - (3) Recall Commissioners

 - (1) Lead Commissioner Assistant
 - (8) Commissioner Assistants
 - (1) Commissioner Assistant Trainee
 - (1) Commissioner Assistant Trainee/Receptionist

In addition to their main function of deciding compensation cases, the Commissioners, as a body, set the policy for the Commission and are also involved in other agency operations, such as the review, revision and creation of regulations, forms and documents. They also participate in various conferences and seminars. It is through these forums that the Commissioners have promoted the use of information technologies within the workers' compensation community.

The Commissioners' Assistants prepare and process all awards/orders of cases and legal documents decided by their Commissioner. Prior to a hearing, they review for accuracy and handle any modifications needed for the readiness of their Commissioner's daily docket and process all postponement requests. Along with learning the duties of the position, the Commissioner Assistant trainees maintain daily continuity in the office of any Assistant who may be absent from work as well as cover the Recall Commissioner's office and process their work as needed.

Performance Measures/Performance Indicators

Inputs	FY 2000	FY 2001
Employee Claims filed	28,795	28,421
Employer First Reports filed	175,204	159,395
Outputs		
Hearings set during period	42,744	41,145
Stipulated Awards	2,860	2,690
Rehabilitation Stipulated Orders	211	413
Outcome of cases		
Compromised Agreements Approved	8,477	8,733
Cases Appealed to Circuit Courts	2,406	2,244
Rehabilitation Stipulated Orders	211**	413
Injured Workers Returned to Employment following rehabilitation and/or case management	348**	1,633

** Statistics only captured for partial year 1/1/00 – 06/30/00



... in his person and property, ...





Divisions



Court Reporting Division



A total of 13 court reporters are responsible for producing accurate transcripts of the proceedings for appellate purposes, third-party litigation, re-openings, fraud investigations and general requests by other parties of interest.

Department Infrastructure:

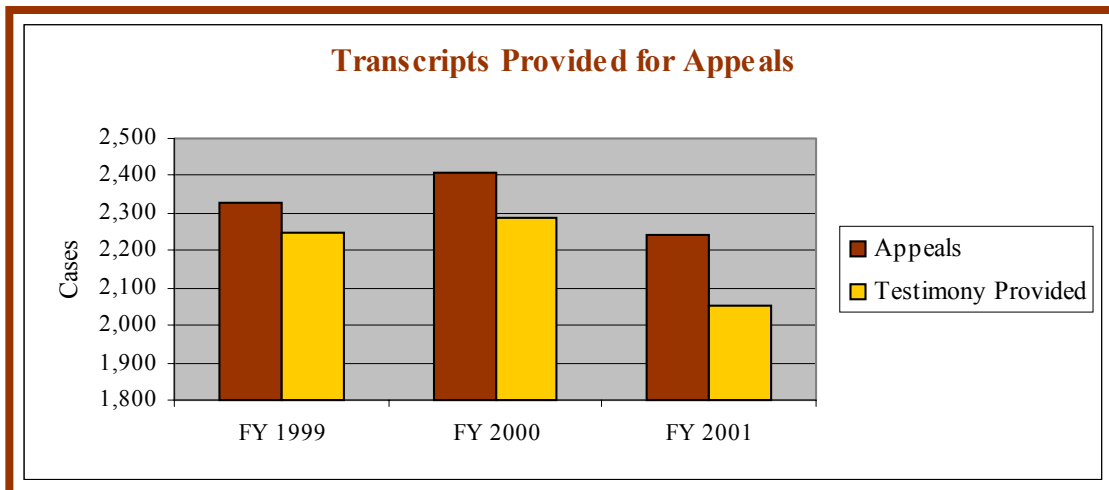
Director – Linda Jenkins

(1) Supervisor/Court Reporter

(13) Court Reporters

The Court Reporting Division is responsible for making a verbatim record of all Workers' Compensation Commission hearings held in Baltimore City and at the various regional sites in Maryland. The Division oversees the safekeeping and preparation of records, in conformance with the laws of Maryland, for a period of 15 years from the date of the hearing.

The reporter identifies all parties of record who appear before the Commission, marks all exhibits entered at Commission hearings, prepares accurate transcripts in accordance with all statutory time requirements and forwards copies to the Circuit Court and to all parties involved in an appeal. Commission hearings are quasi-judicial proceedings, which involve extensive legal and medical terminology.



In fiscal year 2001, the Division received 2,243 appeal notices, for which the division provided transcripts to the Circuit Courts and all parties of record. In addition, the Division prepared 861 transcripts for non-appeal related requests. The past three years of reporting are illustrated in this chart.



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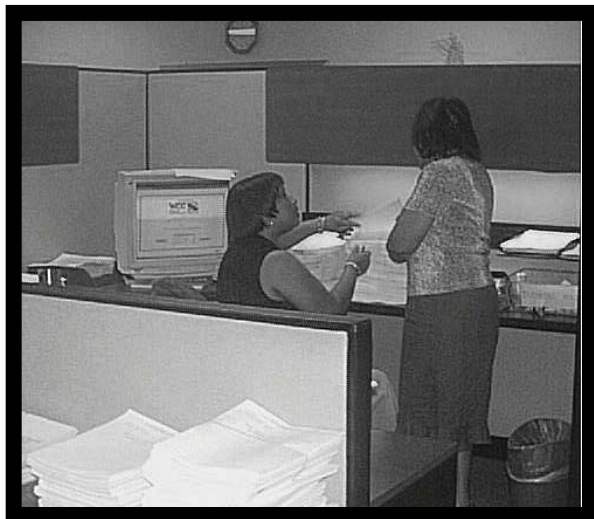




Divisions



Support Services Division



This Division manages all medical issues submitted to the Commission; mails copies of case files and transcripts to the Circuit Court; certifies and registers rehabilitation services providers/ organizations; and monitors all rehabilitation activities pursuant to the Maryland Workers' Compensation Law.

Department Infrastructure:

Director – Frances Salbeck

(1) Administrative Specialist

Rehabilitation Section

(1) Supervisor

(2) Rehabilitation Specialist

(2) Secretary

Medical Section

(1) Medical Examiner

(1) Medical Claim Reviewer

(1) Medical Secretary

Appeals Section

(1) Administrative Specialist

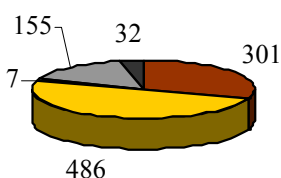
(1) Clerical Assistant

The Support Services Division consists of the Rehabilitation Section, Appeals Section and the Medical Section. Their responsibilities are:

- **The Rehabilitation Section** - is responsible for registering vocational rehabilitation service providers of vocational rehabilitation services every two years and certifying vocational rehabilitation service providers for three years. The section oversees the activities of the rehabilitation service providers and monitors the status of rehabilitation of claimants by reviewing reports, evaluations and rehabilitation plans. Staff participates in creating and modifying legislation regarding the rehabilitation process.
- **The Appeals Section** - is responsible for mailing to the Circuit Court copies of case files and transcripts of hearings, processing Circuit Court orders and maintaining computer records of court actions.
- **The Medical Section** - is responsible for processing health providers' claims for payment and issuing orders for payment. Staff review and refer medical evaluations per the Commissioner's order and maintains the Workers' Compensation Commission's Guide to Medical & Surgical Fees. The medical examiner serves on the Medical Fee Guide committee. The Medical Fee Guide committee members are three doctors, a representative for industrial clinics, a physical therapist, a self-insurer, three attorneys and an insurer representative. This Committee is responsible for preparing, updating and reviewing the Maryland Medical Fee Guide.

Number of Vocational Rehabilitation Service Providers Certified by the Workers' Compensation Commission

Total # of Providers
981



- Counselors
- Nurse Case Managers
- Evaluators
- Physical Therapists
- Occupational Therapists

In FY 2001, over 980 vocational rehabilitation service providers became certified by the Workers' Compensation Commission.



... by the course of the Law of the Land...

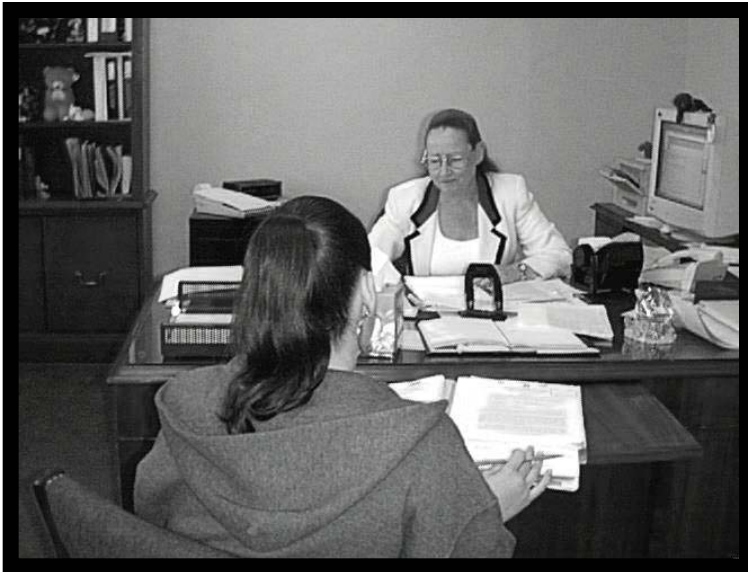




Divisions



Insurance Division



This Division's main function is to monitor self-insured employers.

Department Infrastructure:

Director – Diana E. Farrell

- (1) Fiscal Accounts Supervisor II
- (1) Office Secretary III
- (1) Compliance Coordinator/EEO Officer

The Insurance Division's main function is to monitor individual self-insured employers, government self-insurance groups and approved service companies for compliance with State laws, rules, regulations and the Commission's polices and procedures. Applications for the privilege of self-insurance are processed to guarantee that the employer is financially able to pay compensation. Thereafter, a recommendation is made to the Commission to approve or disapprove the application. Self-insurance is continuous until revoked or withdrawn. Each self-insured employer is required to secure payment of compensation by depositing security with the Commission. As of June 30, 2001, there were 109 employers approved with this status.

Applications for approval to represent self-insured employers are also processed and a recommendation to approve or disapprove is made to the Commission. The approval must be renewed annually. As of June 30, 2001, there were 27 service companies approved to represent self-insured employers. If a self-insured employer chooses to process workers' compensation claims "in house," the Division decides whether their processing function meets Commission requirements. Applications for certificates of compliance and insurance review filings are processed for approval or disapproval.



... and ought to have justice and right, ...





Divisions



Information Technology Division



The IT Division maintains a public data network for the workers' compensation community. The network has inbound and outbound facsimile capacities. The Commission's Web site (wcc.charm.net/~wcc) has more than 30 linked pages of current information.

**Department Infrastructure:
Director – Robert G. Timanus**

(1) Secretary

System & Programming

(1) Assistant Director

(1) Web Master

(1) Program Supervisor

(1) Lead Programmer

(1) Programmer/Analyst

(1) Administrative Specialist

(1) Case Reviewer

**Communications, Tech Support,
Statistics, Office Automation &
Filenet Section**

(1) Assistant Director

(1) Supervisor

(1) Administrative Specialist

(1) Secretary

(1) Clerical Assistant

(2) Communication Tech

(4) Programmers

Computer Operations

(1) DP Tech Support

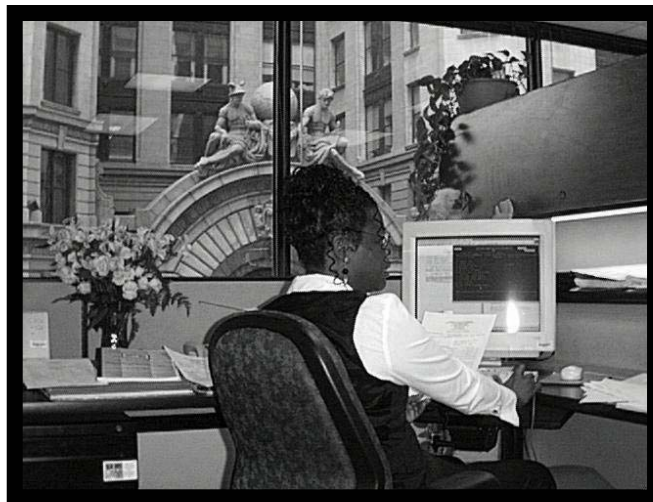
Specialist Supervisor

(8) Computer Operators

The Information Technology Division deals with all data processing activities, systems and programs, networking, technical support, operations, system security, workflow management and maintains the Commission's web pages. The Commission uses three automated systems:

- File Net -- electronic depository where all claims and case documents are scanned, indexed and assigned;
- AS400 -- stores information related to hearings. This information consists of claimant, attorney, employer and employment information, fiscal and personnel information, and provides support to the Subsequent Injury Fund (SIF) and the Uninsured Employers' Fund (UEF);
- Workflow -- routes each document to the appropriate Commission staff member for review and action.

IT continues to meet the Commission's challenges by expanding its perspective in computer technology and ensuring compliance with the State's security policies by making sure that all technology materials and services meet State law.



... freely without sale...





Divisions



Personnel Division

The Personnel Division is made up of three full time staff members that perform a full range of personnel activities assuring adherence to all relevant rules, regulations, processes and procedures.

The Personnel Division is the first point of contact at the Commission for personnel-related matters and is directly responsible for providing assistance to all staff within the Commission. This Division is responsible for recruitment and retention, hiring, benefits, position classification and compensation, performance evaluation, training and staff development.

The Personnel Division assures that there is a common understanding of the Commission’s personnel priorities and requirements, that documentation of personnel actions are processed in accordance with the Annotated Code of the Public General Laws of Maryland (State Personnel and Pensions Article and the Code of Maryland Regulations, Title 17) and that proper procedures are followed. All personnel actions are subject to approval/audit by the State of Maryland’s Department of Budget and Management, Office of Personnel Service and Benefits.

Understanding that people are the Commission’s most important resource, the Personnel Division is an integral part of the effort to provide equal employment opportunities for all applicants with the skills required to support the Commission’s mission.

Department Infrastructure:
Acting Director – Jerome Davis
(1) Personnel Officer I
(1) Office Secretary II
Training
(1) Administrative Officer I

The Training Unit and the Personnel Division function as a single entity. It serves to enhance the professional growth and development of all employees. The Division identifies strategies for planning and development including establishing individual development plans, integrated career tracking and training opportunities as well as procedures to assure compliance with all relevant guidelines.



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Divisions



Fiscal Services Division



Department Infrastructure:

Director – David Muir

Deputy Director - Brian Haden

- (1) Agency Procurement Specialist Lead
- (1) Administrative Specialist
- (1) Administrative Aide
- (1) Fiscal Clerk
- (1) Accountant
- (1) Services Specialist
- (2) Security officer
- (1) Service Worker

The Fiscal Services Division is responsible for the development and implementation of the Commission's annual budget of approximately 11 million dollars.

The Fiscal Services Division manages all financial functions, including budgetary accounts receivable, accounts payable, financial reporting, procurement, fixed assets control, time keeping and payroll. The Division also administers the telecommunications system and oversees facility-related matters such as supply and form management, vehicle operations, building maintenance, and security.

Another important aspect of the Division's work involves the annual special tax on insurance carriers, and self-insured employers that funds the cost of administering the Commission and the Occupational Safety and Health Program under the Department of Labor, Licensing, and Regulation. This tax is based on the total insured payroll in Maryland. Insurance firms and self-insured employers report their payroll to the Fiscal Services Division, which checks them for accuracy and assesses the appropriate pro-rata share of the total tax. Proceeds from the tax are sent to the State Treasury making the Commission and the Occupational Safety and Health Program completely self-supporting.

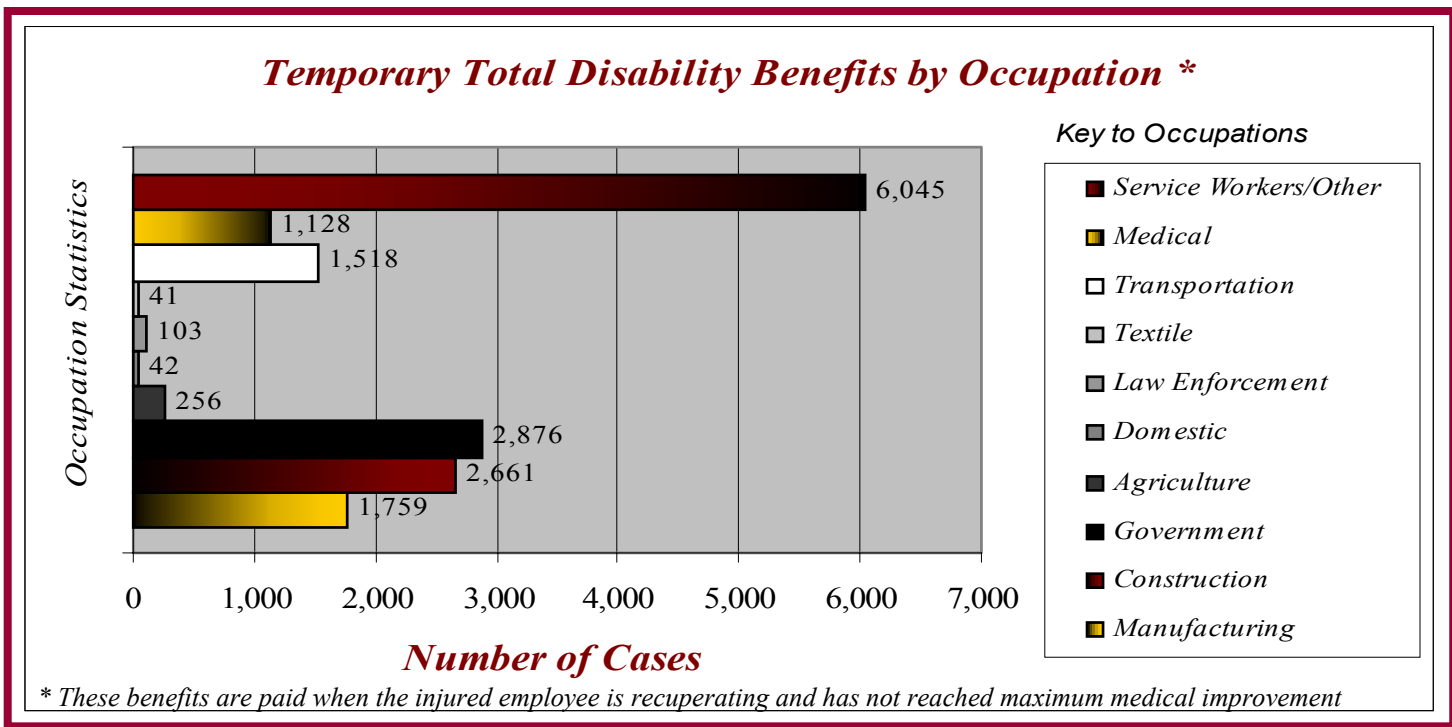
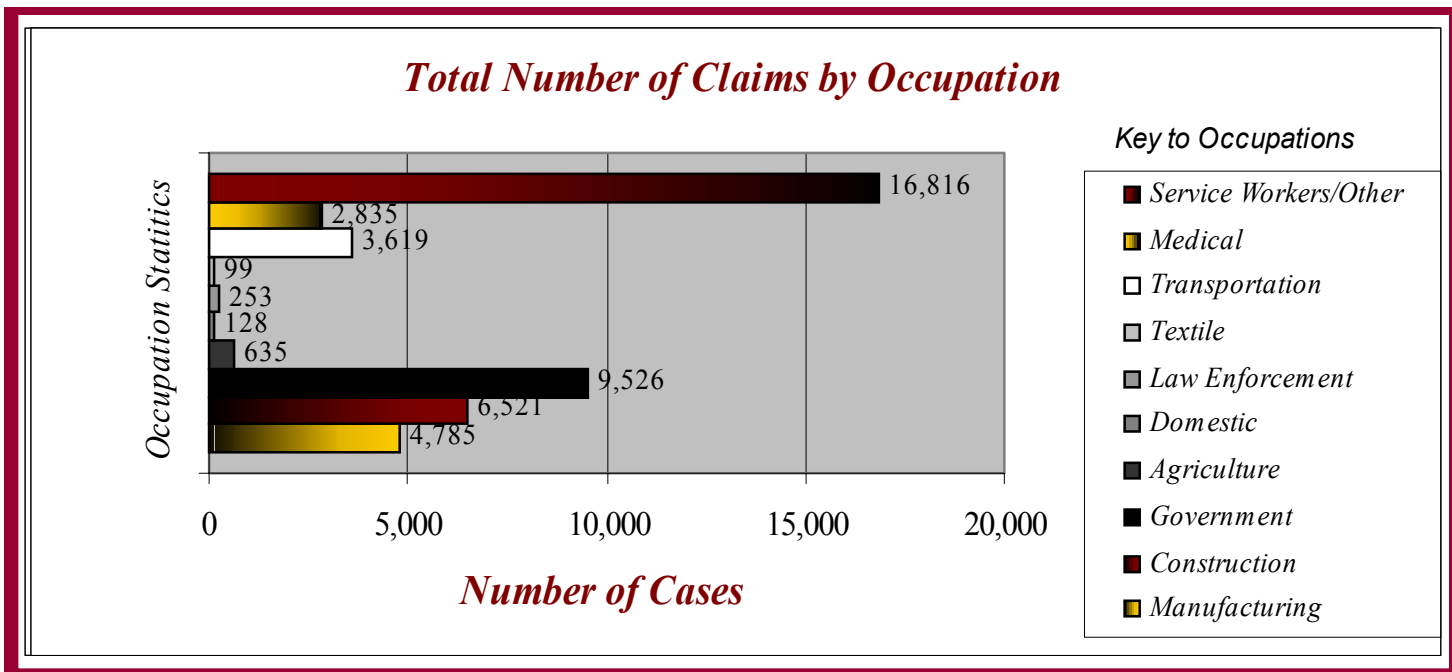


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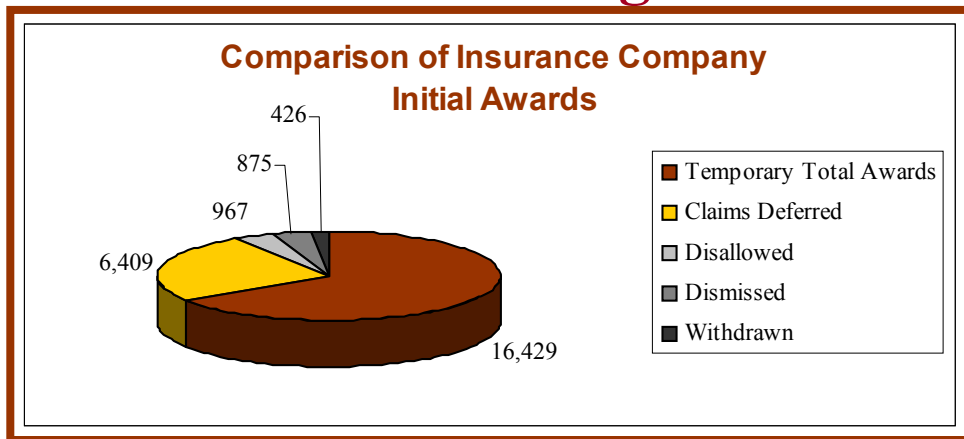


Industrial Classification Lost - Time Claims



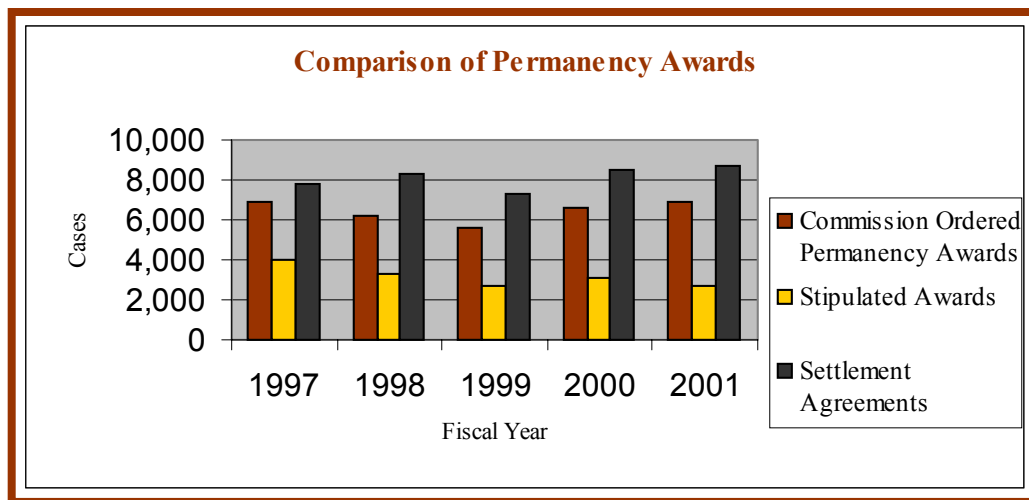
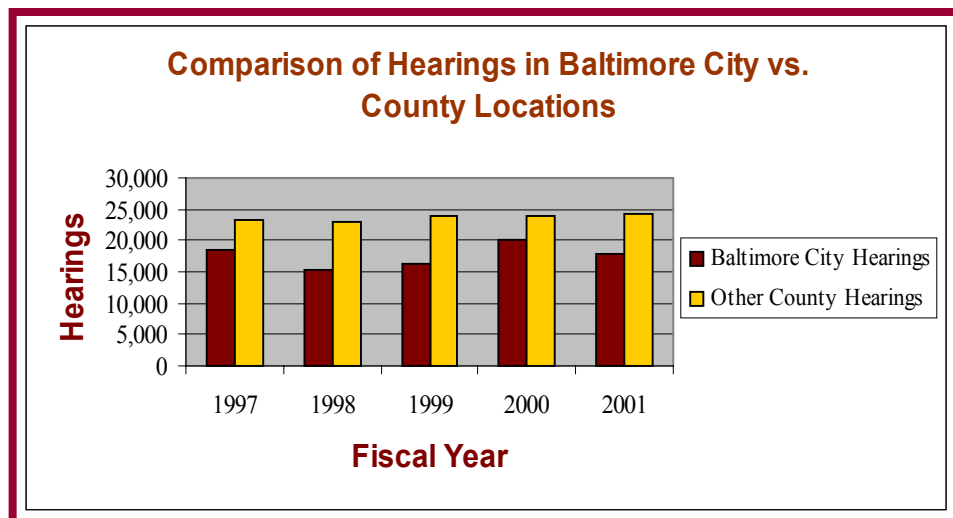


Hearing Division



This chart outlines the various types of initial awards.

The number of hearings in Baltimore City as compared to the county locations.



A comparison of permanency resolutions by stipulation, settlement or Commission Order





Constitution of Maryland



Ratified by the People on September 18, 1877

Declaration of Rights

We, the People of the State of Maryland, grateful to Almighty God for our civil and religious liberty, and taking into our serious consideration the best means of establishing a good Constitution in this State for the sure foundation and more permanent security thereof, declare:

Art. 19. That every man for any injury done to him in his person or property, ought to have remedy by the course of the Law of the Land and ought to have justice and right, freely without sale, fully without any denial and speedily without delay, according to the Law of the Land.

Equal Employment Opportunity

The Workers' Compensation Commission is committed to the fair and equitable treatment of all of its employees. The agency sets high performance standards for the position of the Equal Employment Opportunity Officer requiring the utmost integrity and honesty in the execution of all of the duties and responsibilities of the area.

Maryland Workers' Compensation Commission

10 East Baltimore Street

Baltimore, MD 21202-1641

410-864-5100

1-800-492-0479

Maryland Relay 1-800-735-2258 (for the hearing impaired)

Fax: 410-864-5101

E-mail: wcc@charm.net or info@wcc.state.md.us

<http://www.charm.net/~wcc>

