



Maryland Workers' Compensation Commission

Annual Report Fiscal Year 2003

The Eighty-Eighth Edition
July 1, 2002 - June 30, 2003

Robert L. Ehrlich, Jr., Governor

Michael S. Steele, Lt. Governor

Thomas Patrick O'Reilly, Chairman

Mary K. Ahearn, Executive Director

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The Chairman of the Commission



Thomas Patrick O'Reilly

Governor William Donald Schaefer appointed Mr. O'Reilly to the Workers' Compensation 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.

Letter from the Chairman

Since 1999, following my appointment as Chairman of the Workers' Compensation Commission, our singular focus has been to restructure Commission processes so as to ensure the resolution of claims filed by injured workers as expeditiously as possible in a fair and efficient manner. I am pleased to say at this time that we are well on the way to achieving that goal.

While significant advances were made in the past few years, 2003 must be described as nothing short of spectacular. Not only has the Commission continued to narrow the time that issues are filed and a claim is actually heard, but the technological advancements made available to the practitioner of workers' compensation has been incredible. Even more exciting, it continues to grow!

During the past year, the Commission has completed the second phase of our web initiation (both on time and within budget, we are proud to report), thereby allowing registered practitioners to access Commission claim files from their offices. This coming year will witness a further expansion of this technology, ultimately providing a complete electronic interchange of information on the Internet for the entire workers' compensation community. Most importantly, we are proud to say we have received nothing but rave reviews for our efforts.

It is with great pleasure, therefore, that we present this Annual Report outlining a few of our administrative and infrastructural accomplishments, along with some of the more significant statistical data for this past year.

Sincerely,

A handwritten signature in black ink that reads "Thomas Patrick O'Reilly". The signature is written in a cursive style.

Thomas Patrick O'Reilly



The Commissioners

Sheldon H. Press has been a member of the Workers' Compensation Commission since his appointment by Governor William Donald Schaefer in 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 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 1999 concentrating in the area of workers' compensation. She is also a former Commissioner with the Attorney Grievance Commission of Maryland. Currently, Commissioner Adams serves on the membership committee of the Maryland State Bar Association.



Richard LaFata has been a member of the Workers' Compensation Commission since his appointment by Governor William Donald Schaefer in 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.



The Commissioners Continued

Cynthia S. Miraglia has been a member of the Workers' Compensation Commission since her 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 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 serves on the Board of the Maryland Chapter of the National Association of Women Law Judges.



Maureen Quinn has been a member of the Workers' Compensation Commission since her 2002 appointment by Governor Parris N. Glendening. In 1987, she graduated from Temple University School of Law with a J.D. Commissioner Quinn received her Bachelor's Degree in 1982 from the American University, where she was a recipient of the Stafford Cassell Award for Governmental Leadership. Commissioner Quinn engaged in the private practice of law as a trial attorney from 1987 until 2002, opening her own law firm in 1995. Her primary focus was in the area of general civil litigation. Commissioner Quinn is an adjunct professor for UMUC, teaching Business Law.



Stephen Rosenbaum has been a member of the 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 Bar of the Court of Appeals of Maryland, U. S. District Court for the District of Maryland, United States Court of Appeals for the Fourth Circuit, and the Supreme Court of the United States.



The Commissioners Continued

Lauren A. Sfekas has been a member of the Workers' Compensation Commission since her appointment by Governor Parris N. Glendening in 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 fourteen years in private practice concentrating in the area of workers' compensation. She has published and lectured on workers' compensation matters.



Lawrence M. Vincent has been a member of the 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 Workers' Compensation Commission since his 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 twenty-four 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.



Letter from the Executive Director of Administration



Mary Ahearn has been a member of the Workers' Compensation Commission since 1999, and was appointed the Director of Administration in 2003. She graduated summa cum laude from the College of Notre Dame with a Bachelor of Arts degree in Business with a dual emphasis in Management and Human Resource Management. She sits on the Commission's web development team and on the administration and procedures committee of the Southern Association of Workers' Compensation Administrators' and Procedures Committee. She is also a member of Kappa Gamma Pi and Delta Mu Delta, national graduate honor societies. In addition to her four years of experience with the Commission, she also brings over ten years of management and administrative experience in both government and private industry.

Letter from the Executive Director

My first year as Executive Director of Administration at the Workers' Compensation Commission has been one of great opportunity and challenge. The opportunity is to help lead an organization vitally important to the employers and workers of Maryland. The challenge is to seek constant improvement in how we perform our mission.

With the help of the Commissioners and the dedicated staff, we have implemented new procedures and technologies at all levels. This search for better service will be a constant in the future. Our goal is to establish a technology practice that will allow us to complete our move from a paper-dependent system to a web-based process. Continuing technical advances will provide the foundation for a Commission that is prepared as never before to answer the needs of the growing and evolving workers' compensation community.

I am looking forward to even more opportunities and challenges in the years to come and am confident that if we remain focused on our mission and our vision, we will continue to be one of the most effective workers' compensation systems in the nation.

Sincerely,

A handwritten signature in cursive script that reads "Mary K. Ahearn".

Mary Ahearn



Assistant Attorney General

Kimberly Smith Ward has been counsel to the Workers' Compensation Commission since November 2001. She is a graduate of the University of Maryland with a Bachelor of Arts degree in History and from Wake Forest University School of Law. She served as Law Clerk to the Honorable Dale R. Cathell, Associate Judge, Court of Special Appeals of Maryland and the Honorable Robert M. Bell, Chief Judge, Court of Appeals of Maryland. Ms. Ward has been employed with the Office of the Attorney General since 1993 where she has worked in the Opinions and Advice, Criminal Appeals, and Civil Litigation Divisions. She also served as Counsel to the Sheriffs of Maryland, the Governor's Office on Services and Volunteerism, and the Open Meeting Compliance Board. Currently, Ms. Ward serves as a member of the Maryland Commission for Racial and Ethnic Fairness in the Courts.

The Assistant Attorney General provides the Workers' Compensation Commission (WCC) general legal advice regarding personnel, contractual, procurement, litigation, legislative, and regulatory issues.

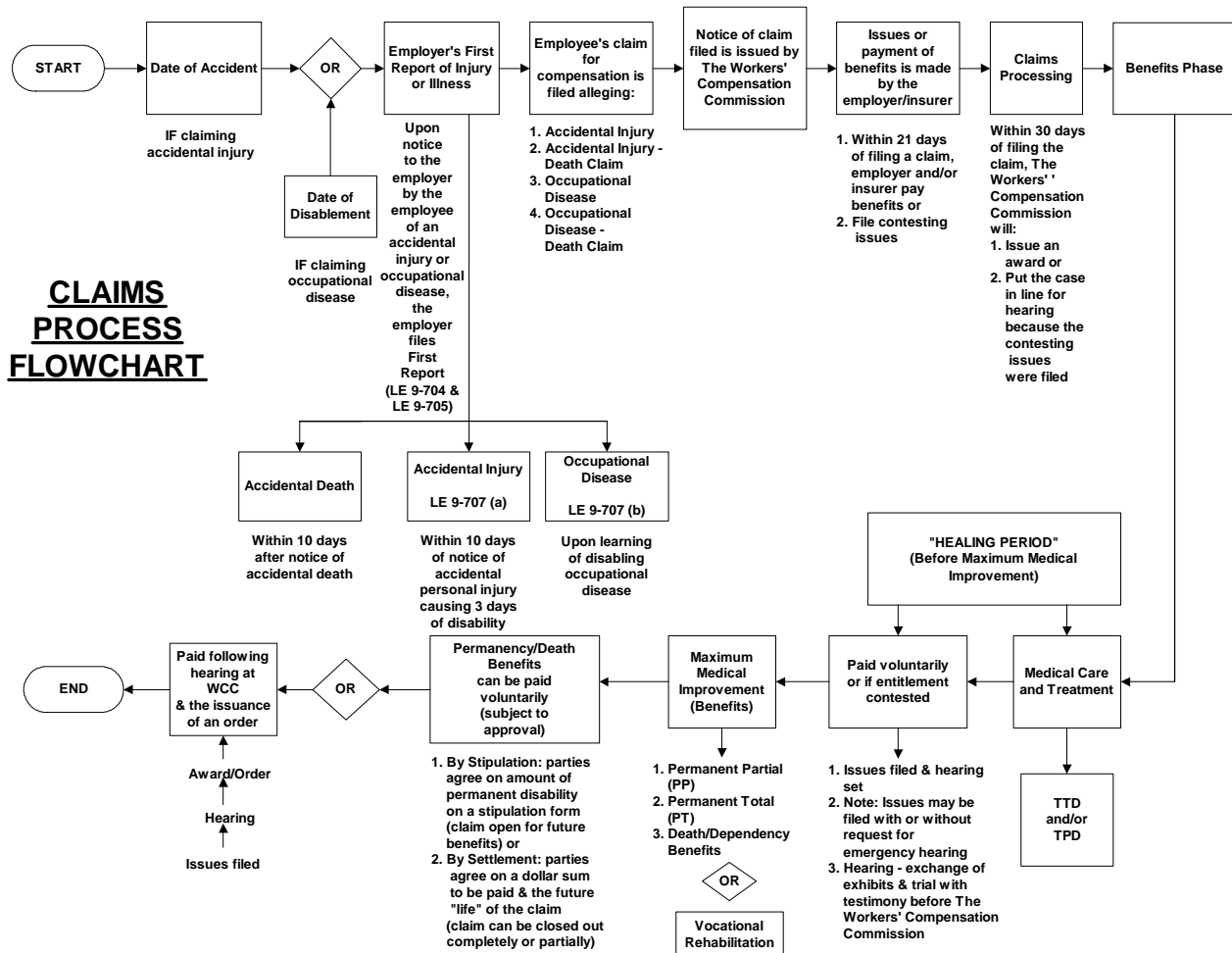


Over the past year, the Assistant Attorney General has :

- successfully defended the WCC before administrative and judicial tribunals,
- helped revise self-insurance and other WCC forms,
- helped develop referral procedures for workers' compensation cases, and
- guided the WCC through self-insurance, maintenance assessment, bankruptcy, and other legal issues.



Claims Process Flowchart



The filing of a claim is the first step in a process that generally results in the acceptance or denial by the carrier or self-insured employer that the worker's injury, illness, or fatality is work related.

If the claim is accepted, medical care is paid by the carrier or the self-insured employer.

The worker also receives compensation benefits to partially replace the wages that would have otherwise been lost due to the injury.

The carrier or self-insured employer may deny the claim on the grounds the injury is not work related, resulting in a hearing before the Commission.



Commission Overview

The Workers' Compensation Commission receives, processes, and adjudicates claims for injured employees, and refers those claimants to the appropriate vocational rehabilitation service providers. Pursuant to a shared agreement, the WCC provides data processing support to the Subsequent Injury Fund and the Uninsured Employers' Fund. All expenditures of the WCC and the Department of Labor, Licensing and Regulation's Occupational Health and Safety Program are recovered from insurance companies and the self-insured through an annual maintenance assessment.

History and Purpose of the Maryland Commission Law

Prior to the creation of compensation laws, accidental injuries during the course of employment created a hardship for the injured employee. The injured employee's only recourse for monetary compensation was a lengthy and often unsuccessful legal process. Employers were also subject to high monetary payments when the court ruled in favor of the employee.

This practice ended when tort rules were abolished and compensation laws were established.

The injured employee (except in certain situations) was to be paid a certain and definite amount each week including medical expenses.

In 1902, the Maryland General Assembly adopted laws establishing the Employer and Employee Cooperative Insurance Fund.

In 1914, Maryland joined other states in adopting the Workmen's Compensation Law establishing the Industrial Accident Commission.

The current Workers' Compensation Commission is the successor of the Industrial Accident Board.

The objective and purpose of the law is set forth in the Preamble. It provides for a speedy and inexpensive process for compensation payment to the Maryland injured employee. The WCC serves the state as a quasi-judicial tribunal and has authority to determine questions of fact.

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.

Vision

The Maryland 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.

Organization

To fulfill its mission, the WCC has 139 employees. An organizational chart for the WCC is included on page 16 of this report.

Schedule

The Commission holds both regular and emergency hearings in Baltimore City and surrounding counties to accommodate injured workers. Hearings are set at regional sites that are closest to the injured worker's residence.

Workers' Compensation Basics



Who is Required to Carry Workers' Compensation Insurance

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

Who Pays?

The cost of workers' compensation insurance 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.

The Benefits

The Workers' Compensation Law (LE 9-101) directs that benefits are payable for the disability or death of employees caused by accidental personal injury that arises out of and in the course of their employment. 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- paid when the injured employee is recuperating and has not reached maximum medical improvement.
- Temporary Partial- paid when the injured employee has returned to employment (usually on light duty) and has not reached maximum medical improvement.
- Permanent Partial- paid when the employee's injury results in a permanent impairment.
- Permanent Total- paid when the injured employee is unable to perform any kind of employment in the labor market.

Death Benefits

Death benefits are 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 the 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.



2003 Committees

The Workers' Compensation Commission establishes committees to study various issues and make recommendations. The three Commission appointed committees during the fiscal year 2003 were:

Medical Fee Guide Revision Committee

Chairman Thomas Patrick O'Reilly established the Medical Fee Guide Revision Committee to review the methodology applied to the regulation of physician fees. The Committee was instructed to recommend to the WCC a method to both develop and regularly update a multiplier to be used with the CPT codes. The Committee was also charged with recommending the best approach for annually publishing, distributing, and updating the fee guide. Committee members equally represent both the payers and receivers of health care services.

The Vocational Rehabilitation Committee

Chairman O'Reilly established the Vocational Rehabilitation Committee to develop a process for selecting a vocational rehabilitation service provider for the Maryland injured worker. The Committee was to ensure the selection process was 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 are on the WCC's web page. The public has the opportunity to provide input to the Committee. The Committee's recommendations are completed and have been presented to the WCC for review and consideration.

The Committee on Infectious Diseases

At the request of the House Economic Matters Committee Chairman Michael E. Busch, the WCC has a diverse committee of individuals from the workers' compensation and medical communities to examine issues involving workers' compensation law and certain contagious and infectious diseases. The Committee on Infectious Diseases, which is chaired by Judge John Carroll Byrnes, will examine and provide recommendations to the General Assembly on the feasibility of creating exceptions to current law for the filing of workers' compensation claims.



Professional Associations



The Workers' Compensation Commission works with various professional associations to increase communication, gather information, and ultimately improve the Maryland Workers' Compensation System.

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 WCC is a charter member of the MWCEA and continues to serve as an active participant. The theme of the 18th Annual MWCEA Conference was "Workers' Compensation in a Changing World". Over 800 participants attended the three-day conference in Ocean City, Maryland. Chairman O'Reilly and the Commissioners were major contributors, serving as presenters and moderating many of the workshops and general sessions. WCC staff also participated in the conference answering questions regarding WCC rules and procedures and advising attendees of the information available on the WCC 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 WCC is a charter member of the Task Force and continues to be an active participant. The membership consists of fifteen 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 Practices Manual" and other educational materials to promote good rehabilitation service guidelines for professionals and interested parties. The theme of the 19th Annual Conference was a mock hearing on the issue of medical treatment at vocation rehabilitation centers. Commissioner Sfekas represented the WCC on the panel. The WCC's rehabilitation staff participated in the one-day conference that attracted over 250 professionals.

Southern Association of Workers' Compensation Administrators

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

Professional Associations Continued

The Commissioners and staff are actively involved in providing information statewide to the workers' compensation community.

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

- Maryland Institute for Continuing Professional Education of Lawyers
- Maryland Workers' Compensation Educational Association
- Chesapeake Association of Rehabilitation Professionals in the Private Sector
- Maryland Rehabilitation Association
- The Joint Task Force on Rehabilitation for the Injured Worker
- The Southern Association of Workers' Compensation Administrators
- Maryland Association of Counties

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



Accomplishments



Regional Hearing Sites

The 2000 Legislative session granted the Workers' Compensation Commission authority to establish regional hearing sites. WCC is proud to announce the opening of its first permanent regional hearing site in Abingdon, Maryland, on April 1, 2003. The address of our new northeastern permanent site is 3465 Box Hill Center Drive, Suite E, Abingdon, MD, 21009. This site consists of 2 hearing rooms, and is also the location of our Hot Site.* The second permanent site in LaPlata is scheduled to open in October, 2003. The third and fourth permanent sites are in Beltsville and Cambridge and are scheduled to be open in early 2004.

*Disaster Recovery Hot Site

The Abingdon site houses a small computer system designed to enable the agency to continue carrying out its mission of resolving individual claims efficiently and effectively in the event of a disaster, without interruption.

Web-enabled File Management System (WFMS)

Demonstrated at the September 2002 Maryland Workers' Compensation Educational Association conference, the WFMS debuted in December 2002 to the workers' compensation legal community. This multi-phase initiative allows all stakeholders in the WCC to subscribe and access vital Commission resources and business processes securely and easily from their personal computers. Attorneys registered to practice before the Commission have subscribed and log-in daily to view claims' status and review claim documents. Inherent in the WFMS model is the ability to activate/add subscriber roles; e.g. claimant, employer, insurer to provide access to WFMS on-line services for all parties conducting business with the WCC.

Effective July 2003, employers are able to file their First Report of Injury on-line with the Commission, and print/save the completed form for their files and submission to other agencies and/or their insurer. Additional on-line forms utilizing digital signature technologies will be introduced in the coming calendar year.





New Legislation Maryland Legislature

Chairman O'Reilly and the Commissioners attended Senate and House of Delegates public meetings regarding workers' compensation matters. The following information highlights the legislation passed during FY 2003 pertaining to the WCC.

Occupational Disease

Currently, in addition to police officers, Montgomery County and Prince George's County deputy sheriffs who suffer from heart disease or hypertension resulting in partial or total disability are covered by a presumption of compensable occupational disease under the workers' compensation law. **Senate Bill 633/House Bill 736 (both passed)** extends this presumption to include Baltimore City deputy sheriffs. Newly hired deputies are eligible for the presumption to the extent that their heart disease or hypertension becomes more severe than it was prior to employment. Current deputies are covered to the extent that a condition worsens going forward from the time a required medical report is filed.

Workers' Compensation Benefits

Students in Unpaid Work-Based Learning Experiences

House Bill 1128 (passed) provides that a county board of education that places a student in a structured, unpaid work-based learning experience with an employer may choose to secure workers' compensation coverage for the student. The employer is also responsible to secure workers' compensation coverage for the student. If a board secures the coverage, the participating employer must reimburse the county board the lesser of the cost of the workers' compensation premium or \$250, and the student is considered to be an employee of the employer under workers' compensation law. The bill is applicable to students in unpaid work-based learning experiences beginning with the 2003-2004 school year.

Subsequent Injury Fund

The Subsequent Injury Fund pays workers' compensation benefits that involve the combined effect of a pre-existing disability and an accidental workplace injury. The Subsequent Injury Fund is funded by employers and their insurers. Chapter 442 of 1987 raised the rate, based on the amount of permanent disability or death awards, from 5 to 6.5 percent and included a sunset date. The sunset date has been extended five times since then. **Senate Bill 106 (passed)** is a departmental bill that makes permanent the 6.5 percent rate by repealing the termination provision.

Senate Bill 140/House Bill 122 (both passed) apply to workers' compensation appeals where the Subsequent Injury Fund is impleaded. The bill limits the requirement of suspension of further proceedings and remand to the WCC for cases in which the impleader is filed in a circuit court at least 60 days before a scheduled trial. For an impleader filed at any other time, a court may suspend further proceedings and remand the case to the WCC if good cause is shown.

Wholly Dependent and Partly Self-Supporting Spouses

Under current law, a wholly dependent surviving spouse receives death benefits while the spouse is dependent. If the spouse subsequently becomes partly self-supporting, the death benefits cease when the spouse has received \$45,000. **House Bill 690 (passed)** raises the maximum benefits from \$45,000 to \$60,000. At the time a spouse becomes partly self-supporting, the weekly benefit will be recalculated as if the spouse had been partly self-supporting at the time of the covered spouse's death. The total payments received under a combined period of total and partial dependency may not exceed \$60,000.

Maryland General Assembly Workers' Compensation Benefit and 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:

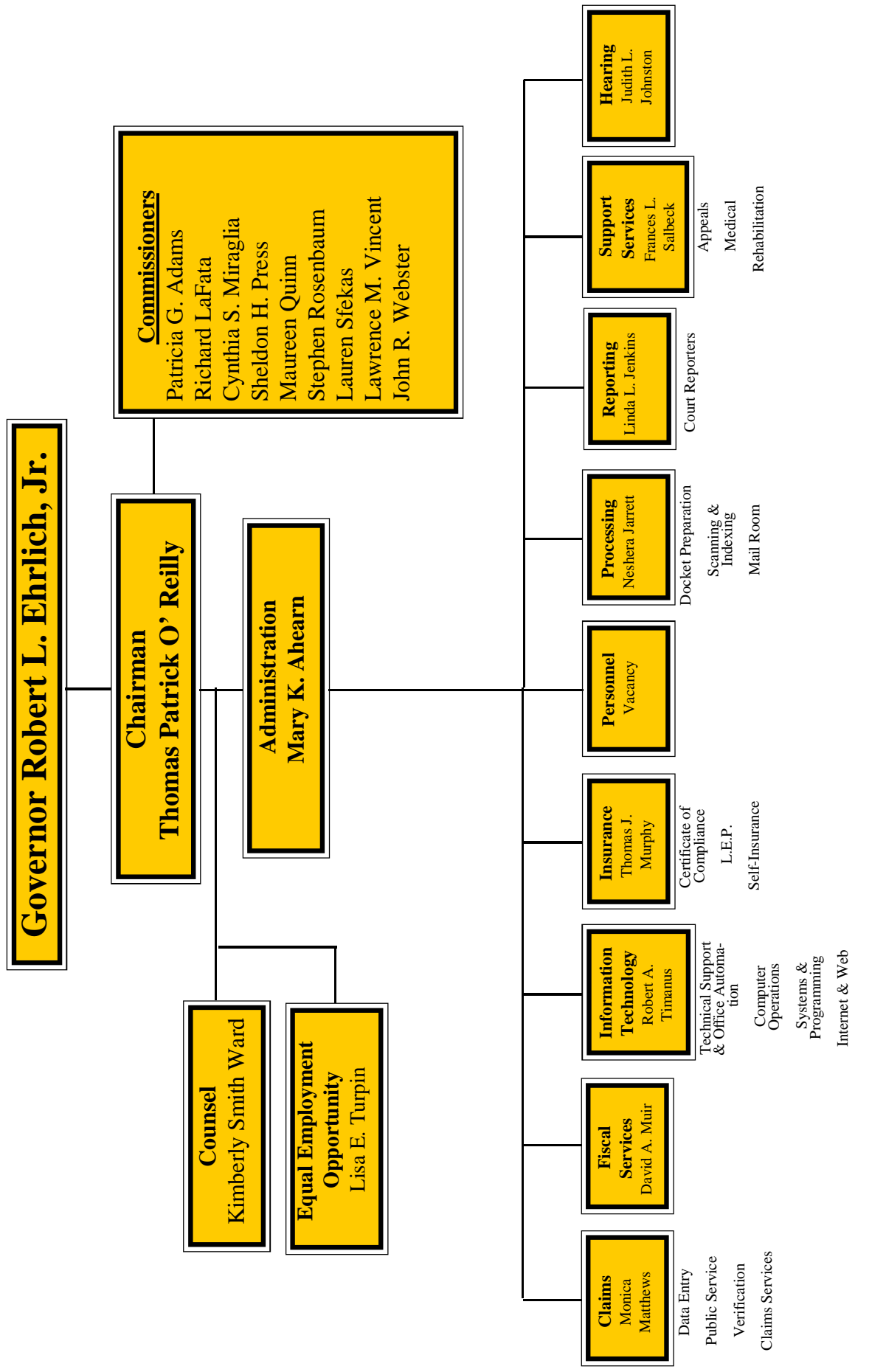
- Examine and evaluate the condition of the workers' compensation benefit and insurance structure in Maryland and the impact these laws have on that structure.
- Review, with respect to adequacy and appropriateness, the changes made to the permanent partial benefits laws and make recommendations for necessary changes.
- 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, and labor sectors, as well as the general public. An appointed State Senator and House of Delegates member serve as Chair and Co-Chairman.

2003 Membership Roster

Senator Nathaniel Exum	Presiding Chairman
Delegate John F. Wood, Jr.	Co-Chairman
Senator John J. Hafer	
Delegate Joseph J. Minnick	
Mary Anne Reuschling	Representative of MD Business Community
Jerry S. Lozupone	Representative of MD Labor Organizations
Charles H. Rush	Representative of MD Building and Construction Labor Organization
Harvey A. Epstein, Esq.	Representative of Public
Marcia P. Burgdorf DeWitt	Representative of Public
H. Glenn Twigg, Jr., CPCU, CIC	Representative of Insurance Industry
Lori Lovgren, Esq.	Representative of Workers' Compensation Rating Organization
Kenneth R. Lippman, M.D.	Member of Medical and Chirurgical Faculty of MD
Rudolph L. Rose, Defense Lawyer	Member of the Bar
P. Matthew Darby, Plaintiff Lawyer	Member of the Bar
Richard LaFata, Commissioner	Workers' Compensation Commission - Ex-Officio
Tami Burt	Committee Staff / Department of Legal Services
Mitch McCalmon	Committee Staff / Department of Legal Services

Maryland Workers' Compensation Commission Organizational Chart



Commission Staff Recognition



The Commission recognizes and applauds the dedicated and faithful services of its staff:

40 years Robert Timanus Information Technology

25 years Monica Matthews Claims Division

15 years Christina White Commissioner Assistant

10 years Nancy Allen Court Reporter
Bernadette Cox Document Processing
Angela Eberhart Public Services
Loretta Hicks Medical Services
Susanne Houghland Court Reporter
Leona Lancaster Public Services
Melody Offer Claims Services
Wendy Redden Public Services

The Commission remembers those who passed away this year:

Diana Farrell Self-Insured Division (retired)
Nelson Newman Mail Room
Earl Simmons Supply Section

The Commission extends best wishes to those who retired this year:

Earl Leach Supply Section

Commission Staff Recognition Continued

Term of office completed:

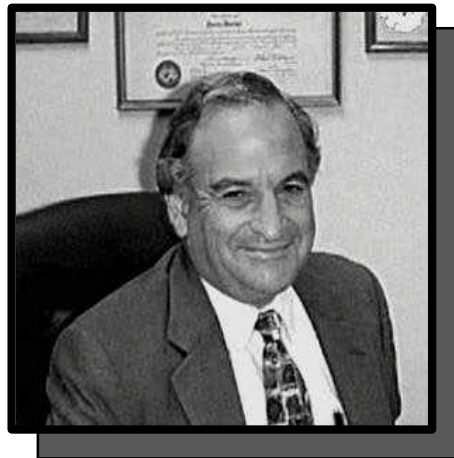
Richard Teitel*

Commissioner

***Richard Teitel** was appointed by former Governor Harry Hughes in 1988 to complete the term of the late Commissioner Edward Palamara and was reappointed in 1990 by former governor William Donald Schafer to a full term. During his tenure at the Commission, he served as a knowledgeable liaison in working to facilitate a high level of excellence of content on the Commission's web page.

Commissioner Teitel was respected in the worker's compensation community for his wide range of knowledge concerning the law. He believed in outreach to the community and to that end was a frequent speaker to professional organizations and others upon request. He is active with the Maryland Institute for Continuing Professional Education of Lawyers and the Workers' Compensation component of the Maryland State Bar Association.

With the completion of his term, WCC wishes to acknowledge and thank Richard Teitel for setting and maintaining excellence in service.





The Divisions

Processing Division

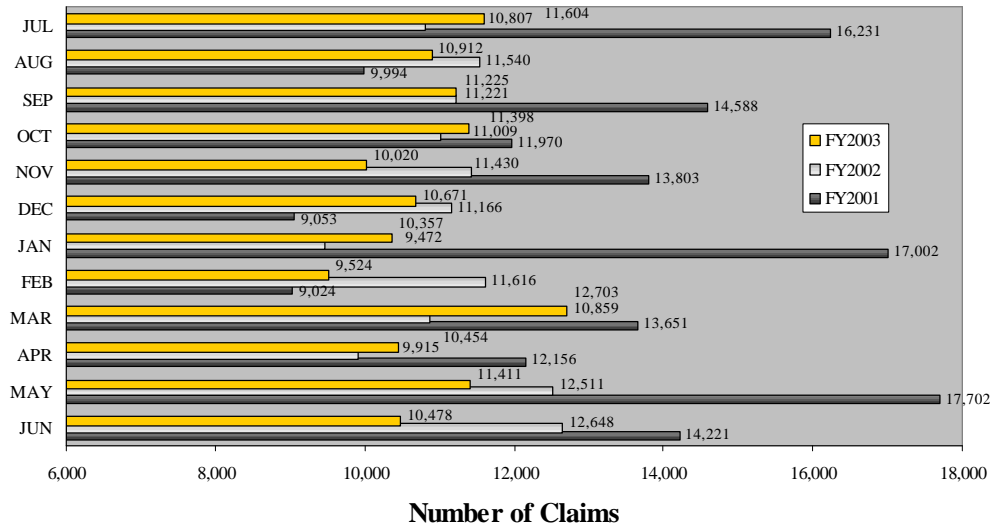
Director, Neshera Jarrett

The Processing Division is responsible for the efficient, accurate, and expeditious processing of all incoming paper documents as well as the appropriate processing of all outgoing mail.

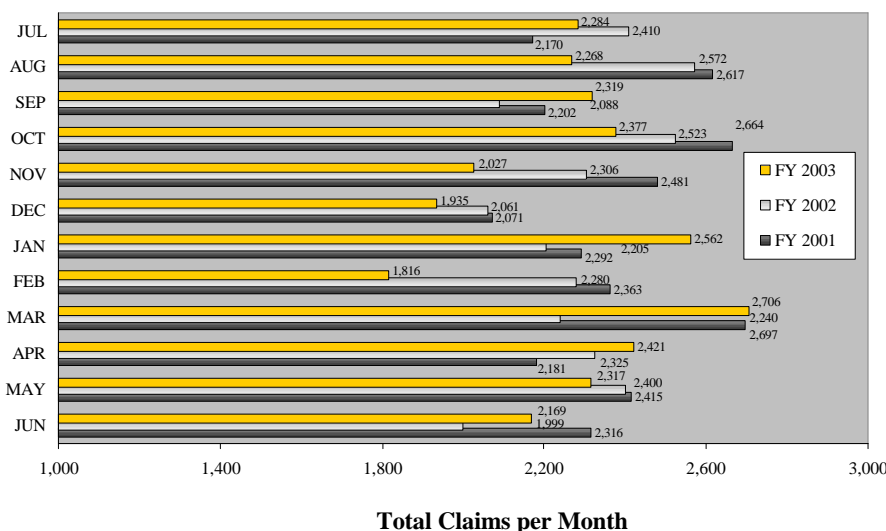
The Processing Division is comprised of three sections: The Mail Services Section, Document Preparation Section, and Scanning & Indexing Section. These three sections are responsible for the paper-to-imaging processes for all incoming documents:

- Mail Services receives, opens, sorts, date stamps, and routes incoming documents. They also ensure proper handling of all outgoing mail. This section processed 731,782 pieces of mail in the fiscal year 2003.
- Document Preparation reviews documents for scanning into the electronic imaging system. 1,313,972 pieces of mail were prepared for scanning.
- Scanning & Indexing scans, indexes, verifies, and commits all paper documents into the imaging system. An average of 460,000 documents and 26,038 claims were scanned.

First Report of Injury



Employee Claims



The total number of "First Reports of Injury" received in 2003 was 130,757. This is 3,437 fewer than in 2002.



Divisions

Claims Division

Director, Monica Matthews

The Claims Division is comprised of four sections: Public Service, Verification, Data Entry, and Claims Services. Claims is responsible for reviewing, analyzing, and efficiently processing hundreds of documents on a daily basis. They are also responsible for answering incoming telephone calls and responding to walk-in inquires.

- The Claims Division's goal is to provide prompt and accurate services to the public. It is the Divisions' intention to continue to look into new ways that would enhance the daily operation of the WCC.
- Public Service is responsible for answering incoming calls, processing subpoenas, handling transactions for documents and law books, and ensuring that all forms are current.
- Verification reviews incoming claims and codes with proper insurer, employer identification number, and attorney. They are also responsible for maintaining the attorney master file and employer designees.
- Data Entry reviews and processes various documents received through FileNet and enters the data in the AS400 database.
- Claims Services analyzes and prioritizes documents received via the FileNet System, enters the data in the AS400 database, and/or routes them to the appropriate division.

Counties	2001	2002	2003
Anne Arundel County	2,458	2,452	2,453
Allegany County	431	398	399
Baltimore County	5,019	4,576	4,580
Baltimore City	5,351	5,123	5,126
Caroline County	168	184	184
Cecil County	322	342	343
Charles County	494	466	467
Carroll County	762	766	766
Calvert County	354	359	359
Dorchester County	176	177	177
Frederick County	867	958	958
Garrett County	130	149	149
Harford County	1,228	1,218	1,218
Howard County	630	584	584
Kent County	90	89	89
Montgomery County	2,323	2,306	2,306
Prince Georges County	3,262	3,096	3,100
Queen Anne's County	185	207	207
St. Mary's County	325	330	330
Somerset County	130	120	102
Talbot County	110	87	87
Washington County	819	803	803
Wicomico County	462	432	432
Worcester County	250	196	196
Out of State Claims	<u>1,985</u>	<u>2,003</u>	<u>2,005</u>
Total	28,421	27,407	27,420

Divisions

Hearing Division

Chairman, Thomas Patrick O'Reilly

The Hearing Division consists of nine Commissioners, one administrator, nine assistants to the Commissioners, and one assistant trainee. The primary job of the Commissioners is to preside over hearings and decide issues in dispute. In addition to hearing and deciding cases, the Commissioners set WCC policy, adopt regulations and forms, and are intimately involved in the operation of the agency. The Commissioners also participate in a variety of educational conferences and seminars.

The Commissioner receives administrative support from their assistants, who serve as the liaison to the public and the workers' compensation community. They assume responsibility for the daily operation of the commissioners' offices. They also prepare and process all legal documents, including the orders which incorporate the Commissioners' decisions. Along with learning the duties of the position and performing other clerical tasks, the assistant trainee provides support to Recall Commissioners and assistants. The administrator is responsible for the management of the assistants' offices.

Performance Measures/Performance Indicators				
Inputs		FY 2001	FY 2002	FY 2003
-	Employee Claims filed	28,421	27,407	27,201
-	Employer First Reports filed	159,395	146,645	130,757
Outputs				
-	Hearings set during period	41,145	41,435	42,056
-	Stipulated awards	2,690	2,302	1,939
-	Rehabilitation stipulated orders	413	719	718
Outcome of cases				
-	Compromise agreements approved	8,733	8,822	8,596
-	Cases appealed to Circuit Courts	2,244	2,229	2,733
-	Injured workers returned to employment following rehabilitation and/or case management	1,633	1,976	2,114

Kind of Award			
FY 2003	Total	Total Awards (\$)	Average Award (\$)
Permanent Partial	9,719	\$186,221,554	\$19,160.56
Permanent Total	132	\$5,776,371	\$43,760.38
Fatal Cases	33	\$1,884,793	\$57,114.93
Claims Compromised	10,791	\$142,505,500	\$13,205.95
FY 2002			
Permanent Partial	9,851	\$178,163,847	\$18,085.86
Permanent Total	80	\$3,009,573	\$37,619.66
Fatal Cases	34	\$1,881,197	\$55,329.32
Claims Compromised	11,531	\$195,531,176	\$16,957.00
FY 2001			
Permanent Partial	10,242	\$158,227,435	\$15,179.14
Permanent Total	97	\$2,915,608	\$30,057.81
Fatal Cases	45	\$2,471,768	\$54,928.17
Claims Compromised	11,092	\$167,727,431	\$15,121.47

Divisions

Court Reporting Division

Director, Linda Jenkins

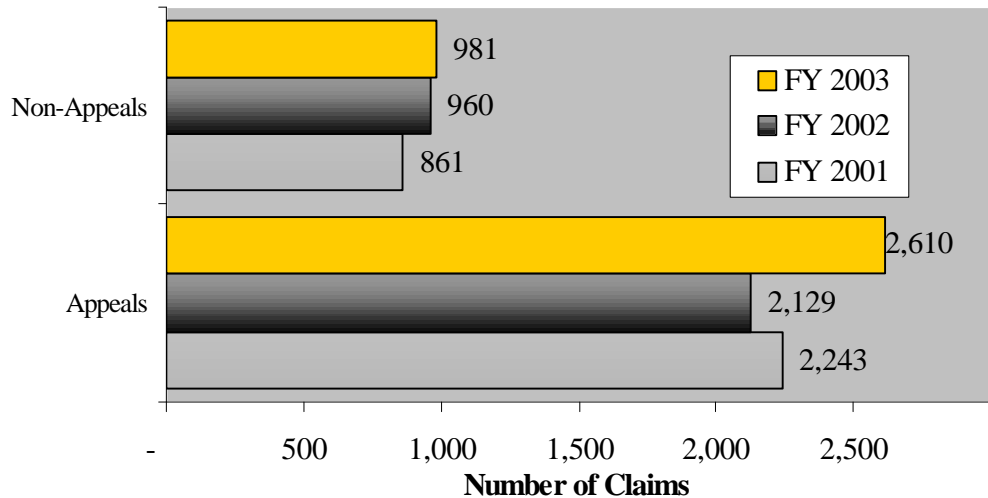
The Court Reporting Division is comprised of thirteen court reporters who are responsible for producing accurate transcripts of the proceedings for appellate purposes, third-party litigation, re-openings, fraud investigations, and general requests by other parties of interest.

The Court Reporting Division is responsible for making a verbatim record of all WCC 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 WCC, marks all exhibits entered at WCC 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. WCC hearings are quasi-judicial proceedings involving extensive legal and medical terminology.

Transcripts Prepared for Appeals

In fiscal year 2003, the Division received 2,610 appeal notices, for which it provided transcripts to the Circuit Courts and all parties of record. In addition, the Division prepared 981 transcripts for non-appeal related requests.



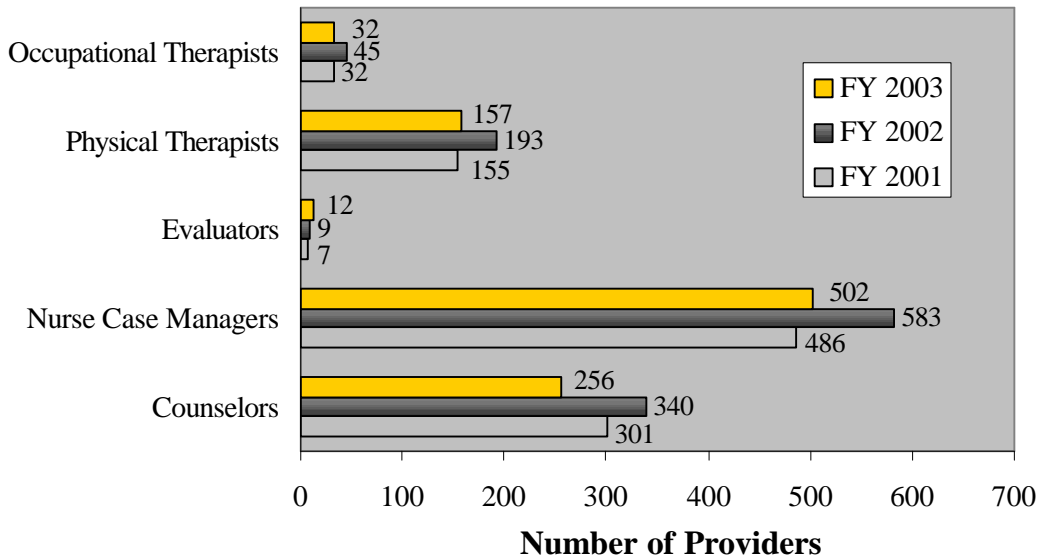
Support Services Division

Director, Frances Salbeck

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

- The Rehabilitation Section registers rehabilitation service providers. This section oversees the activities of the rehabilitation service providers and monitors the rehabilitation status of claimants by reviewing reports, evaluations, and rehabilitation plans. Providers are required to attend training sessions each year.

Number of Vocational Rehabilitation Service Providers Certified by the WCC



- The Appeals Section mails copies of case files and transcripts of hearings to the Circuit Court, processes Circuit Court orders, and maintains records of court actions.
- The Medical Section processes health providers' claims for payment, in accordance with the WCC Guide to Medical and Surgical Fees, and issues orders. The WCC's medical examiner reviews and refers medical evaluations per the WCC's order. The medical examiner serves on the Medical Fee Guide Revision Committee.



Divisions

Insurance Division

Director, Thomas Murphy

There are 126 Maryland employers who maintain a workers' compensation self-insurance program for their injured workers (under LE 9-4). The Insurance Division focuses on three major components of this program (1) financial stability of the self-insured (SIE) to secure timely payment of claims; (2) adequate security to protect the injured worker if the SIE become insolvent; and, (3) competency of service companies who administer the program for the SIE's. The WCC has begun the recruiting process for a new director.

Self-Insurance Program Statistics			
2002 - 2003			
Item	County & Local Gov't	Corporations & Non-Profits	Total
Number of Self Insured	29	102	131
Covered Payroll	\$7.3 Billion	\$7.5 Billion	\$17.8 Billion
Covered Employees	189,328	225,306	414,634
Average Annual Claims – Total \$39.8 Million	\$52.0 Million	\$36.0 Million	\$88.0 Million
Claims as Percent of Payroll	0.71%	0.48%	0.59%
Security Held – Active		\$175.0 Million	\$175.0 Million
Security Held – Terminated		\$41.6 Million	\$41.6 Million
Third Party Administrators			28



Information Technology Division

Director, Robert Timanus

All data network functions, data processing, systems and programming, networking, technical support, operations systems security, workflow management, and maintaining the WCC's website are duties of the Information Technology Division (IT). To meet the WCC's needs, the Division operates 24 hours a day, five days a week utilizing:

FileNET: where claims documents are scanned, indexed, and assigned claim numbers. All information and documents generated in the course of a case are stored in FileNET.

AS400: stores all information and forms related to hearings. The information stored consists of claimant, attorney, employer and employment information, fiscal and personnel information.

WFMS: The WCC continues to utilize and expand its Internet presence to provide our customers with all current news and information pertinent to our mission and business processes via the WCC web-site: www.wcc.state.md.us. The site replaces periodic newsletters or mailings with immediate postings of imperative and official notices and announcements.

The site serves to provide the workers' compensation community with all of the latest information on WCC procedural and policy changes, hearing information, forms and instructions on how to contact specific Commission staff or services, community-specific news and updates, as well as general information to injured workers, employers, insurers and medical service providers.

During the momentous snowstorms of 2003, the web provided immediate information on closings and cancellations affecting our customers as well as links and telephone numbers to obtain further details.

Personnel Division

Director, Vacant

The Personnel Division provides a full range of personnel activities, assuring adherence to all relevant rules, regulations, processes, and procedures.

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

The Training Unit of the Personnel Division serves to facilitate the enhancement of professional growth and development of all employees

The Commission has began the recruiting process for a new director.

Divisions

Fiscal Services Division

Director, David Muir

The Fiscal Services Division is responsible for the development and implementation of the WCC's annual budget of approximately 12 million dollars. The Division manages all financial functions including accounts receivable, accounts payable, financial reporting, procurement, fixed assets control, timekeeping, and payroll. In addition, the Division also manages the telecommunications system, security, facility maintenance, fleet operations, and the inventory of supplies and forms.

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 WCC and the Occupational Safety Program under the Department of Labor, Licensing, and Regulation. This tax is allocated based on the total insured payroll in Maryland. Insurance firms and self-insured employers report their payroll to this Division which checks them for accuracy and assesses the appropriate pro-rated share of the total tax. Proceeds from the tax are sent to the State Treasury making the WCC and the Occupational Safety Program under Department of Labor, Licensing, and Regulation entirely self-supporting.

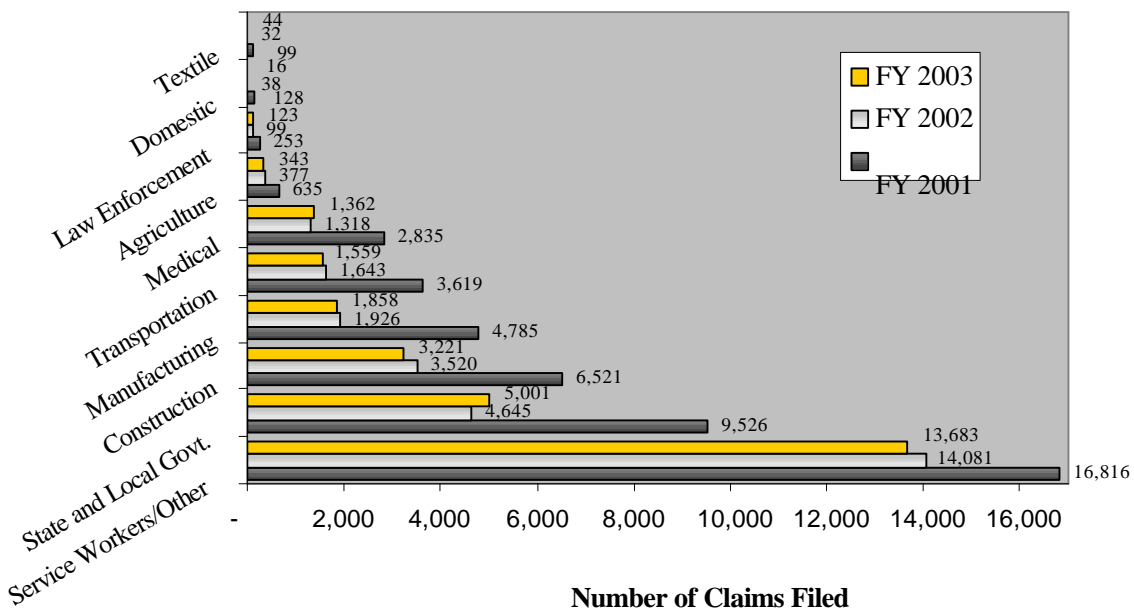


Statistics

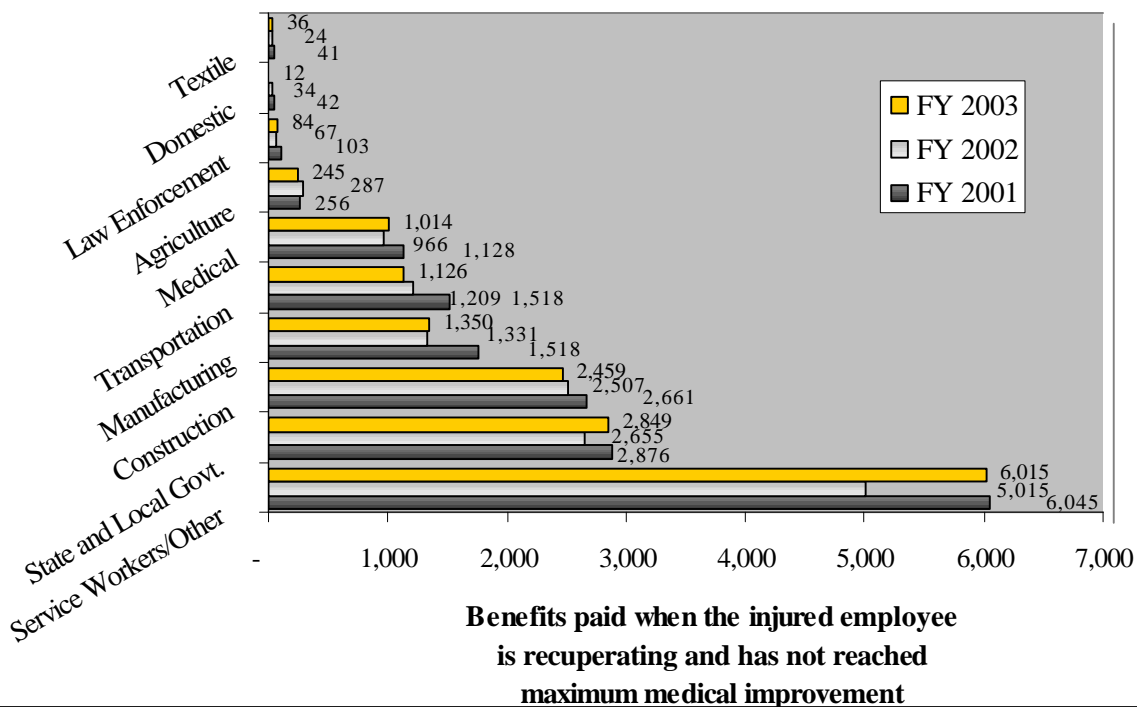
Industrial Classification

Lost - Time Claims

Total Number of Claims by Occupation



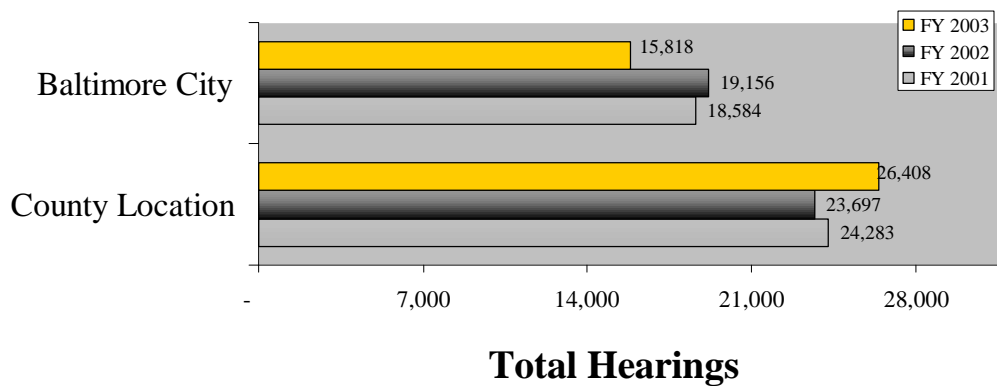
Temporary Total Disability Benefits By Occupation



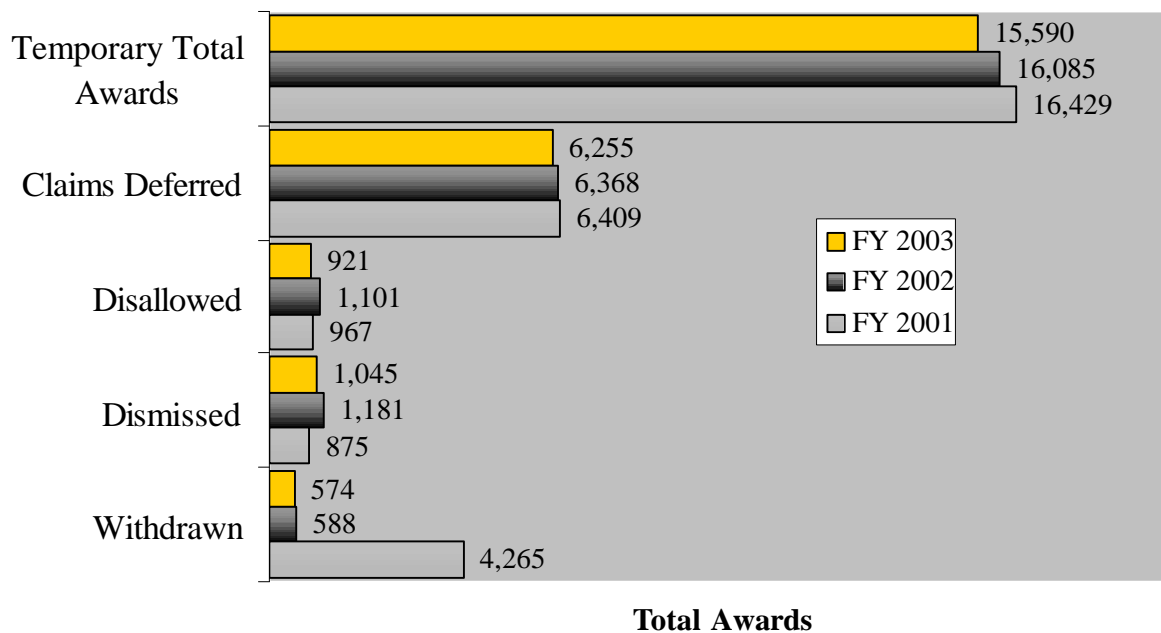
Statistics

Hearing Division

Hearings in Baltimore City vs County Locations

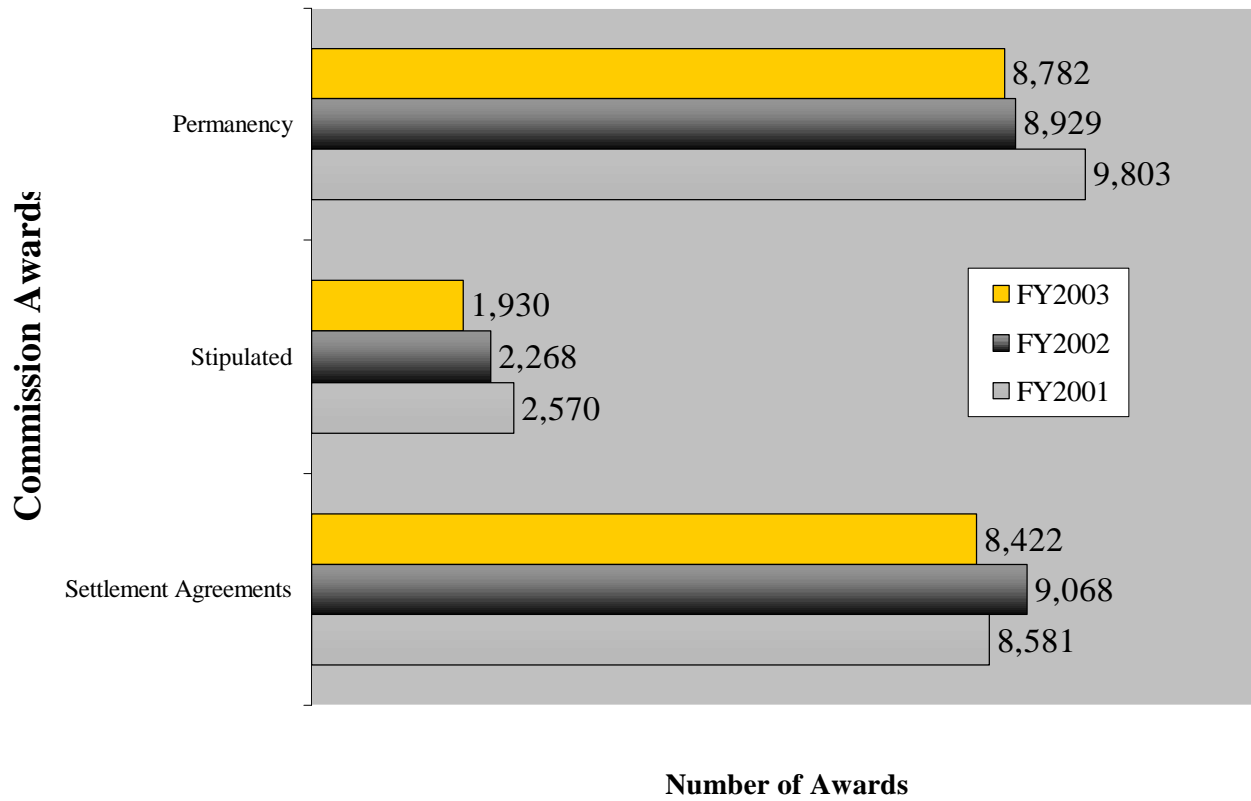


Comparison of Insurance Company Initial Awards



Statistics Hearing Division Continued

Comparison of Permanency Awards



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.



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