



ANNUAL REPORT

FISCAL YEAR 2000

MARYLAND WORKERS' COMPENSATION COMMISSION

PARRIS N. GLENDENING, GOVERNOR

KATHLEEN KENNEDY-TOWNSEND, LT. GOVERNOR

THOMAS PATRICK O'REILLY, CHAIRMAN

JOAN Y. CASE, EXECUTIVE DIRECTOR



Maryland Workers' Compensation Commission

Fiscal Year 2000 Annual Report

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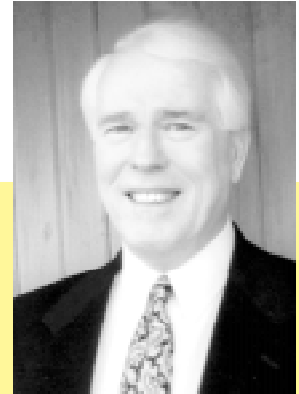
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SECTION I

Message from the Chairman



The new millennium brings with it a challenge and commitment for Maryland's leaders to provide better service to the citizens of the State. I am pleased to inform all Marylanders that we are ready to meet that obligation and to ensure a continued high level of effectiveness during these dynamic times.

In accordance with Governor Glendening's goals for Maryland, "The Digital State," the Workers' Compensation Commission is seizing the many opportunities offered by technology to move to the forefront in efficiency and responsiveness to address the concerns of the citizens that we serve. This progress is evident as Maryland continues its role as leader in workers' compensation, resulting in premium levels that are among the lowest in the nation. Our firm commitment to electronically enable business processes can only serve to aid in maintaining this level of service and excellence.

In addition to acquiring new physical space that is extensively wired for the electronic future, the establishment of permanent regional hearing sites is in the development stage. The strategic positioning across the State of these sites will facilitate a vast improvement in the ability to schedule hearings in a timely and equitable manner. Our General Assembly continues to show foresight in addressing workers' compensation issues that affect Marylanders now and those that will arise in the future. After reading this Annual Report, I am sure you will share our excitement regarding the accomplishments and goals of the Maryland Workers' Compensation Commission.

Sincerely,

A handwritten signature in cursive script that reads "Thomas Patrick O'Reilly". The signature is written in dark ink and is positioned above the printed name and title.

Thomas Patrick O'Reilly
Chairman

*Message from
the Executive Director
of Administration*



I am pleased to present the Maryland Workers' Compensation Commission's Annual Report for fiscal year 2000. Our mission statement continues to reflect this administration's vision for excellence in customer service to the compensation community.

Through advancements in efficient technology and effective training of the Commission's staff, we will reach each of the goals that we have established.

This report addresses our preparations to relocate to new office space in December and the focus of the Commission toward the development of regional hearing sites that will allow more efficient adjudication of cases. Other multi-year projects included the transfer of many of our forms and information to electronic media via the Internet. During fiscal year 2000, the Commission also completed the certification of hundreds of vocational rehabilitation professionals.

In summary, fiscal year 2000 was a busy and challenging year for the Commission. This message would not be complete without a word of thanks to the staff for their dedication and hard work. I would be remiss to over-look the cooperation and consultation given to the Commission by staff representing many public agencies and private companies. My sincere appreciation to everyone for their continued support.

Sincerely,

A handwritten signature in black ink, which appears to read "Joan Y. Case". The signature is written in a cursive, flowing style.

Joan Y. Case

Executive Director of Administration



SECTION II

History and Purpose of the Maryland Compensation Law

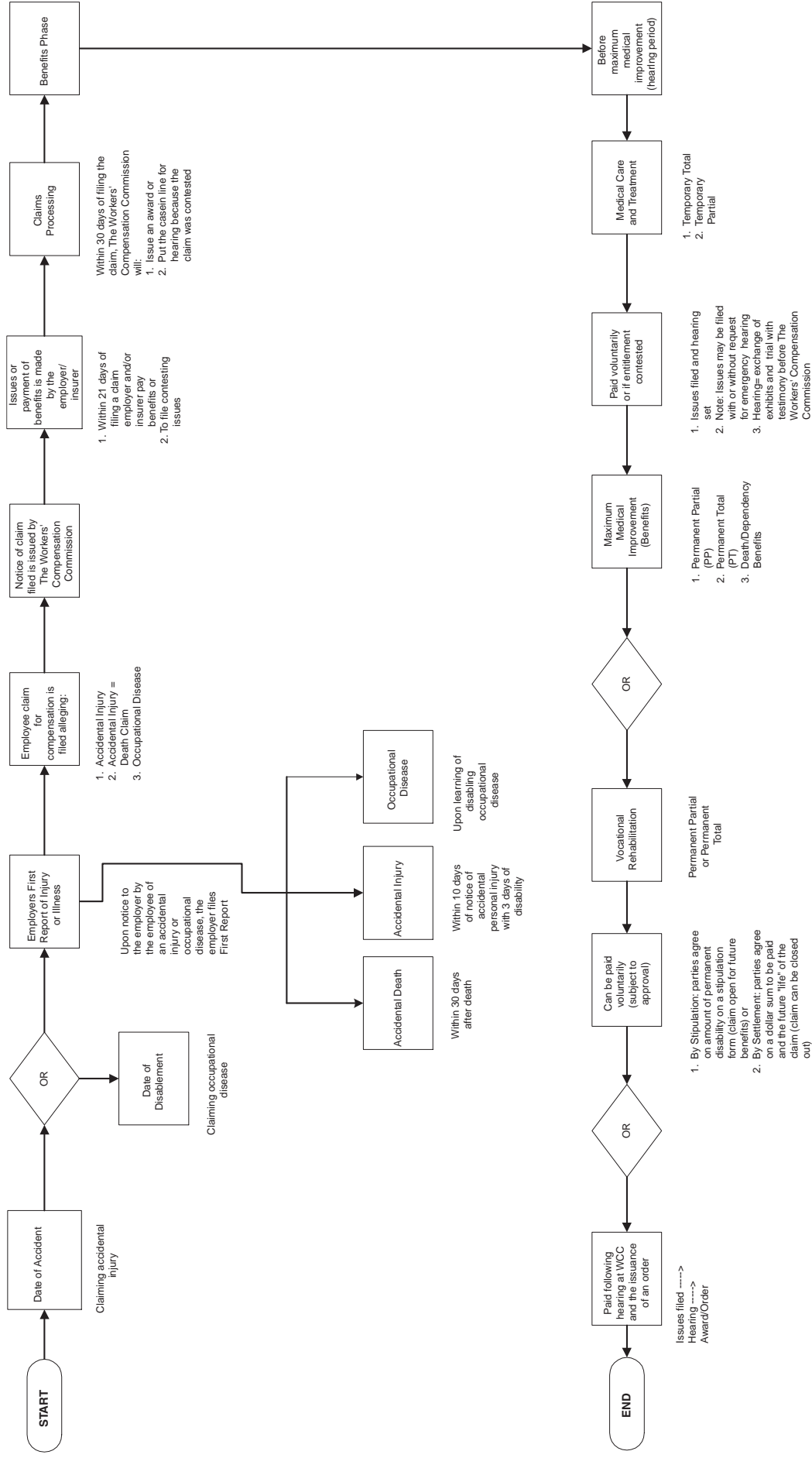
Accidental injuries in the course of employment created a hardship for the injured employee prior to the creation of compensation laws. The injured employee's only recourse for monetary compensation was through the courts. This was generally a lengthy and often unsuccessful process. The employer was also subject to high monetary payments when the court ruled in favor of the injured 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 Board. The current Workers' Compensation Commission evolved from 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 of payment to the Maryland injured employee. The Commission serves the state as a quasi-judicial tribunal and has the authority to determine questions of fact.

Maryland Workers' Compensation Commission Mission Statement

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

Flow of a Maryland Workers' Compensation Claim



Overview of Basic Benefits

Maryland Workers' Compensation Law (LE9-101) directs that benefits are payable for the disability or death of employees resulting from an accidental personal injury sustained by the employee in the course of their employment. (includes occupational disease).

Some of the compensation benefits are:

Medical Benefits

Medical Benefits include 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:

1. **Temporary Total** is paid when the injured employee is recuperating from injury and has not reached maximum medical improvement.
2. **Temporary Partial** is paid when the injured employee has returned to employment (usually on light duty) and has not reached maximum medical improvement from the injury.
3. **Permanent Partial** is paid when the employee's injury results in a permanent impairment.
4. **Permanent Total** is 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 assist with the loss of financial support. Dependents also can receive an amount to help with funeral expenses.

Vocational Rehabilitation

If the injured worker is unable to return to employment due to the injury, they may be entitled to vocational rehabilitation services. The goal is, when possible, to return the injured employee to the level of employment held at the time of the injury.

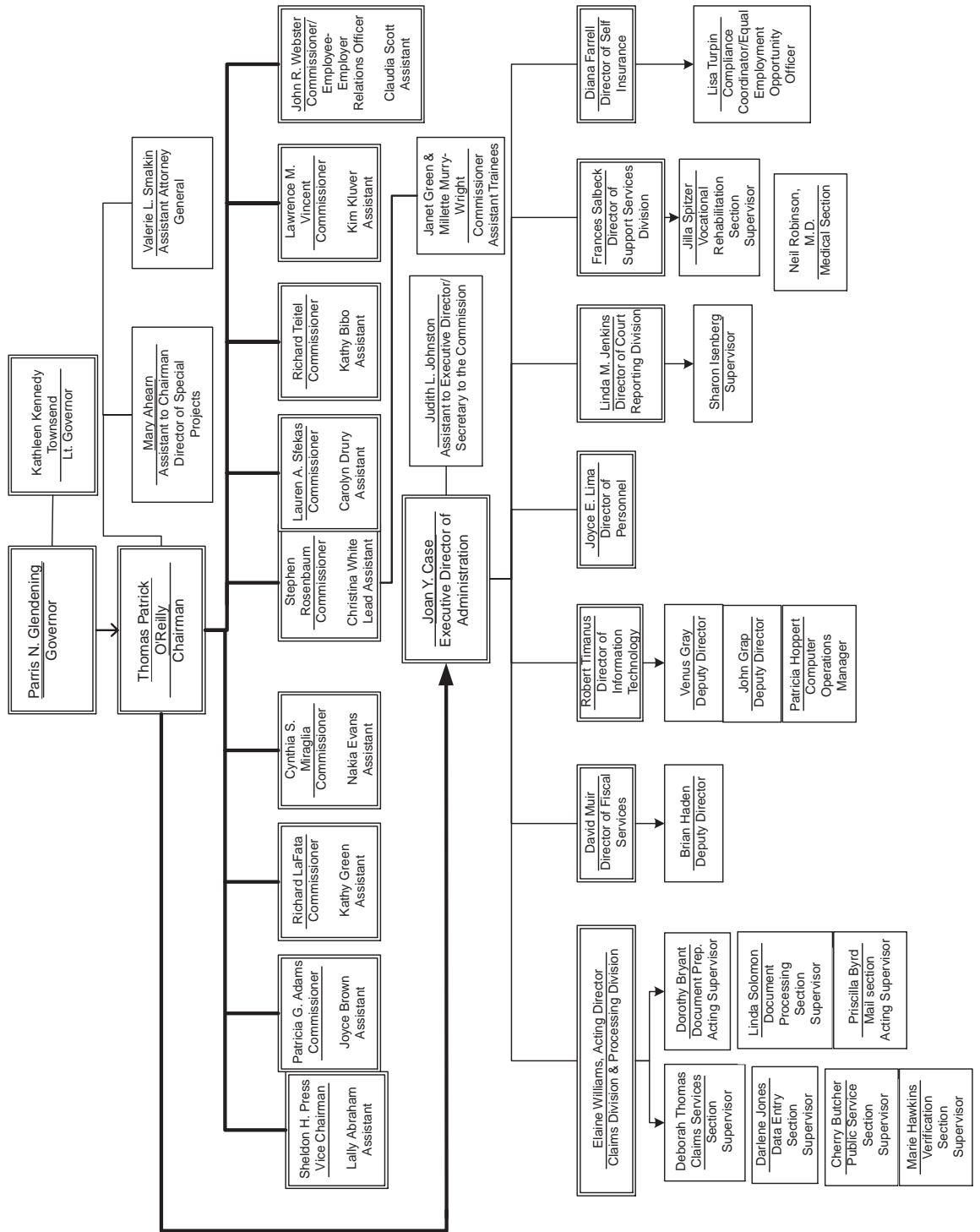
Occupational Disease

Occupational disease benefits are paid for certain disabilities in which an illness is caused by the nature of the circumstances in the employee's workplace, not related to accidental injuries.



SECTION III

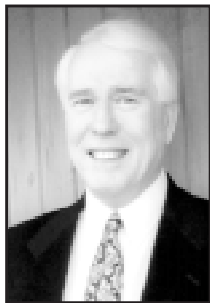
Maryland Worker Compensation – Organizational Chart For Fiscal 2000



Commissioners and Administration Division

The Commission administers the Workers' Compensation Law. The commission hears contested cases throughout the State, receives reports of accidents, and adjudicates claims for compensation arising under the law (Code Labor and Employment Article, secs. 9-301 through 9-316).

The Commission's ten members are appointed to twelve-year terms by the Governor with Senate advice and consent. The Governor names the chair.



Thomas Patrick O'Reilly
Chairman

Governor William Donald Schaeffer 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.

The Commissioners



Sheldon H. Press,
Vice Chairman

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.



Cynthia S. Miraglia
Commissioner

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, 1986 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 products liability. Commissioner Miraglia currently serves as the President of the Women's Bar Association of Maryland, Inc.

Commissioners and Administration Division



Richard A. Teitel
Commissioner

Richard A. 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 Arts Degree in Chemistry. He was an associate in the law firm of Rosen, Esterson & Friedman from 1972 until 1978. Commissioner Teitel was appointed Assistant Attorney General for the State Accident Fund in 1978 by the Honorable Francis B. Burch. In 1984, he was appointed supervising attorney by the Honorable Stephen H. Sachs. Commissioner Teitel is active with Maryland Institute for Continuing Professional Education of Lawyers (MICPEL) as well as the Maryland State Bar Association Committee of Insurance, Negligence and Workers' Compensation.



Patricia G. Adams
Commissioner

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.



Lawrence M. Vincent
Commissioner

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.



Lauren A. Sfekas
Commissioner

Lauren A. 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 matters.

Commissioners and Administration Division



Stephen Rosenbaum
Commissioner

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, United States District Court for the District of Maryland and the Supreme Court of the United States.



John R. Webster, Jr.
Commissioner

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.



Richard T. LaFata
Commissioner

Richard T. 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 Law School in 1980. He was admitted to the Maryland 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 Law School for many years. He is currently teaching the course in Workers' Compensation Law.



Joan Y. Case
Executive Director of Administration

In July 1999, Chairman Thomas Patrick O'Reilly appointed Ms. Case as the Executive Director of

Administration for the Commission. In this position, she is responsible for the administrative operation of the Commission. Ms. Case has an extensive background as an administrator. 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 Master of Education and Bachelor of Science Degrees from Coppin State University and has taken additional graduate courses toward her Ph.D. at the Johns Hopkins University.

Divisions

Adjudication Division

This Division consists of the 10 Commissioners (including the Chairman and Vice Chairman), nine Assistants to the Commissioners and two Commissioner Assistant Trainees. The Commissioners adjudicate all contested claims, hearing approximately 15-20 claims daily at various sites throughout the State of Maryland. A Duty Commissioner is available at all times to assist staff and address legal issues. Each Commissioner is assigned an Assistant who provides complete administrative support and acts as the Commissioner's direct liaison with attorneys, members of the legislature and their staff and the general public. The Commissioner Assistant trainees serve as backup to the Commissioner Assistants while learning the complex duties of this position.

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 forms and documents. They also participate in various conferences and seminars. It is through these forums that the Commissioners promote the use of information technologies within the workers' compensation community.

Claims Division

Elaine Williams, Acting Director

The Claims Processing Division is composed of seven sections. Each section efficiently processes thousands of documents needed to provide effective service. Each section listed below has a supervisor responsible for the section's daily operation.

Mailroom/Subpoena	Verification	Scanning/Indexing
Document Preparation	Data Entry	Claims Services
Public Information		

The Division's goal is to provide prompt and accurate service to claimants, attorneys, insurers, employers and all others that may be involved with the Commission. The Division has the responsibility of identifying and processing documents in need of immediate action within a 24-hour period.

In Fiscal Year 2000, the Commissioners and Claims Division collaborated to initiate processes that improved services to the Workers' Compensation Community.

Fiscal Services Division

David Muir, Director

Fiscal Services is responsible for the development and implementation of the Commission's annual budget of approximately \$10 million. The Division manages all financial functions, including: accounts receivable, accounts payable, financial reporting, procurement, fixed assets control, timekeeping and payroll. In addition, the Division oversees such facility-related matters as the telecommunications system, 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 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 then assesses each the appropriate pro-rata share of the total tax. Proceeds from the tax are sent to the Maryland State Treasury, making the Commission and the Occupational Safety Program under the Department of Labor, Licensing and Regulation completely self-supporting.

Court Reporting Division

Linda Jenkins, Director

The Court Reporting Division is responsible for making a verbatim record of all Workers' Compensation Commission hearings held in Baltimore City and the counties of Maryland. The main function of the Division is to produce accurate transcripts of the proceedings for appellate purposes, third-party litigation, re-openings and general requests by other parties of interest. 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 legal 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 2000, the Division received 2,402 appeal notices, for which the Division provided transcripts to the circuit courts and all parties of record. In addition, the Division prepared 847 transcripts for non-appeal related requests.

Information Technology Division

Robert G. Timanus, Director

All functions dealing with data processing activities, systems and programming, networking, technical support, operations, systems security, workflow management and maintaining the Commission's Web pages are duties of the Information Technology Division (I.T.). To meet the Commission's need, the Division operates 24 hours a day, five days a week. The Commission uses three (3) automated systems:

- FileNet: where claim 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 and provides support to the Subsequent Injury Fund (SIF) and the Uninsured Employer's Fund (UEF).
- Workflow: routes each document to the appropriate Commission staff member for review and action.

The Division also maintains a public data network for the Workers' Compensation community to query the Commission's database for information as needed. The network has in bound and out bound facsimile capacities. The MD WCC web pages (www.charm.net/~wcc) were dramatically expanded in FY2000, adding more than 30 linked pages of current information, notices, forms and services to the Commission's customers.

I.T. continues to meet the Commission's challenges by expanding its prospective in computer technology and ensures compliancy with the State's security policies making sure that all technological materials and services are within State law.

Personnel Division

Joyce Lima, Director

The Personnel Division is the first point of contact at the Commission of all employee 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 staff performs a full range of personnel activities assuring adherence to all relevant rules, regulations, processes and procedures.

The Personnel Division assures that there is a common understanding of the Commission's personnel priorities and requirements and that proper procedural aspects of related matters are followed. The Division also directly processes documentation of personnel actions in accordance with the Annotated Code of Public General Laws of Maryland (State Personnel and Pensions Article and the Code of Maryland Regulations, Title 17). All personnel actions are subject to approval/audit by the State of Maryland's Department of Budget and Management.

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

Effective November 1, 1999, the Training Unit and the Personnel Division combined to function as a single entity. To achieve the benefits afforded by a diverse and well-trained workforce, they actively seek to identify and communicate to staff proactive strategies for development of career and interpersonal skills, including periodic needs assessment activities, establishing individual development plans, identifying available resources and monitoring staff development activities to assure sound management practices and procedures.

Self-Insurance Division

Diana E. Farrell, Director

The Self-Insurance Division's primary functions are to process applications for the privilege of self-insurance and make recommendations to the Commission. As of June 30, 2000, there were 116 employers approved with this status. The Division is the custodian of securities deposited with the Commission under the individual self-insurance program.

The Division also processes applications for approval as a service company authorized to administer the Workers' Compensation claims of self-insured employers and make recommendations to the Commission. As of June 30, 2000, there were 27 service companies authorized to operate in Maryland. In cases where self-insured employers choose to process claims "in house", the Division decides whether the processing function meets Commission requirements.

Another important responsibility is to monitor individual self-insured employers, government self-insurance groups and approved service companies for compliance with the State laws, rules, regulations and Commission's policy and procedure. Service companies are required to renew annually.

The Division also monitors insurance companies that write Workers' Compensation insurance in the State of Maryland for compliance with the "local office" requirement under Section 9-410 of the Workers' Compensation Law (Labor & Employment Article) Chapter 468 effective June 1, 2000.

Support Services Division

Frances Salbeck, Director

The Support Services Division consists of the Rehabilitation Section, Appeals Section and the Medical Section.

The Rehabilitation Section was established by statute (LE 9-670-675) in 1967. This section's primary responsibility remains the overseeing of vocational rehabilitation services for the Maryland injured worker. It is responsible for certifying/registering and supervising the statute (LE-6A-01) requirements of all Rehabilitation Services providers supplying rehabilitation services for the Maryland injured worker. Providers are required to register (every two years) or be certified (every three years) with the Commission. The Rehabilitation Section ensures that each provider meets the educational and experience requirements of the statute to serve the injured worker. Providers include counselors, nurses, physical therapists, occupational therapists, and evaluators.

This section also oversees the activities of vocational rehabilitation providers and monitors the status of the vocational rehabilitation services

to the injured worker by review of required reports, evaluations and service plans. The rehabilitation staff is responsible for providing annual mandatory training workshops throughout the state.

The Appeals Section was established by statute (LE 9-735-750). The section is responsible for supplying the Circuit Courts with copies of case files and testimonies for Commission cases on appeal. The staff also processes Circuit Court orders and maintains computer records of court action.

The Medical Section was established by statute (LE 9-663). This section is responsible for processing health care provider claims for payment and issuing orders for payment. The staff works closely with the Commission's Medical Examiner in referring Commission Orders for independent medical evaluations. This section is responsible for maintaining the Commission's Medical Fee Guide. The Medical Examiner serves on the Medical Fee Guide committee.

SECTION IV

The Workers' Compensation Benefit and Insurance Oversight Joint Committee of the Maryland General Assembly

The Oversight Committee was established by the Acts of 1987. The committee's charge is described in charters 590 and 591 of the Act. Its primary responsibilities are to evaluate and review Workers' Compensation and insurance issues and procedures.

The Oversight Committee membership includes representatives from the medical, legal and labor sectors, as well as the general public. An appointed State Senator and House of Delegates member serve as chair and vice chair. They report annually to the Governor and to the Legislative Policy Committee.

The membership for fiscal year 2000 was:

Delegate Van T. Mitchell, *Presiding Chair*

Senator Arthur Dorman, *Co-Chair*

Delegate Tony E. Fulton

Senator Jean W. Roesser

Jerome S. Lozupone, *Washington Building and Construction Trades Council and AFL-CIO Maryland Labor Organizations*

Charles H. Rush, *representing Maryland Building and Construction Labor organizations*

Harvey E. Epstein, Esq., *representing the public*

Marcia P. Burgdorf DeWitt, *Chief Executive Officer, The Guilford Group Ltd., representing the public*

Ken R. Christiansen, *Director of Government, Consumer, and Industry Affairs, NCCI member of a workers' compensation insurance rating organization*

Kenneth R. Lippman, M.D., *member of the Medical and Chirurgical Faculty of Maryland*

Rudolph L. Rose, Esq., *defense lawyer, Semmes, Bowen & Semmes; and P. Matthew Darby, plaintiff lawyer, Alberini & Darby, L.L.P., members of the bar*

Richard LaFata, *Workers' Compensation Commissioner (ex-officio)*

Vacancies: a representative of the Maryland business community, and a member of the insurance industry.

Committee Staff: Tami Burt and Kristin Jones, *Department of Legislative Services*



SECTION V

Accomplishments and Legislation

New Offices

On January 24, 2000, the Commission signed a 10-year lease on 51,584 square feet of space located at 10 E. Baltimore Street. The Commission anticipates moving into the new facilities by December 2000.

The Commission's move from 6 N. Liberty Street was prompted by several factors. The State Board of Education had many legislative mandates and initiatives requiring additional staff, as well as the space currently leased by the Commission.

The Commission also needed a building that provided the capability to install a high-speed network that would support current and future web-enabled government services as part of the State of Maryland's electronic Government initiative.

Information Technology

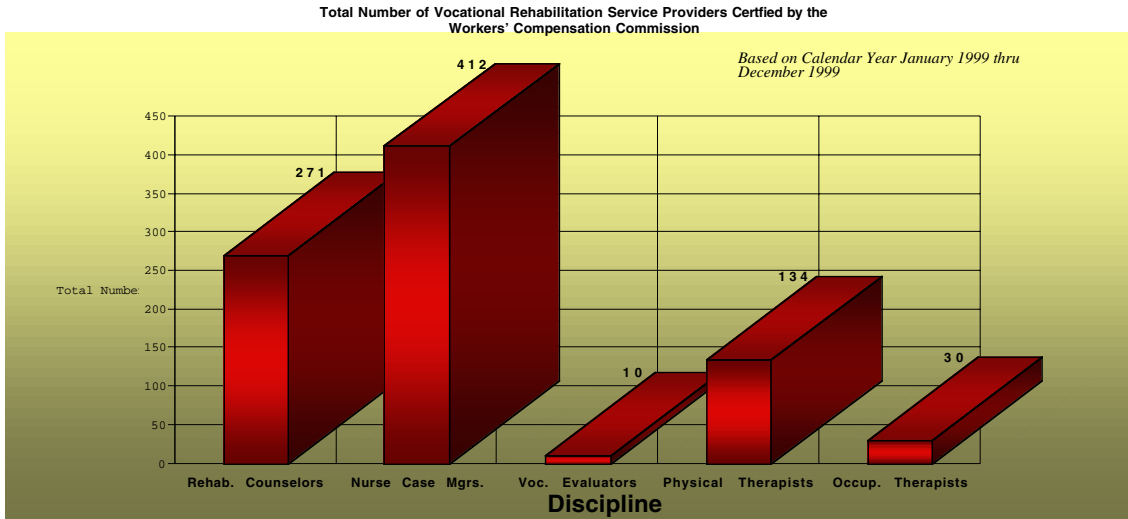
The Information Technology Division is in the process of developing the infrastructure and acquiring the staff necessary to comply with the *eGovernment* (electronic Government) initiative, mandating the Commission to web-enable its business processes in a scheduled process. As mandated, this schedule is: 50% completion by 2002, 65% completion by 2003 and 80% completion by 2004.

The Commission has established and maintains a Web site containing hearing docket schedules, downloadable Commission forms, maps to hearing site locations throughout the State, compensation rates for the past 10 years, the Commission *CompLink* Newsletter and other important information.

Verizon and the Commission conducted a two-day Joint Application Development session for Commissioners and their assistants to document WCC's current business processes. A conceptual prototype was developed that allowed the WCC staff and community to visualize the Web-enabled direction and potential services to be offered over the Internet. The Division achieved Y2K compliance for all computer systems before the State's mandated deadlines.

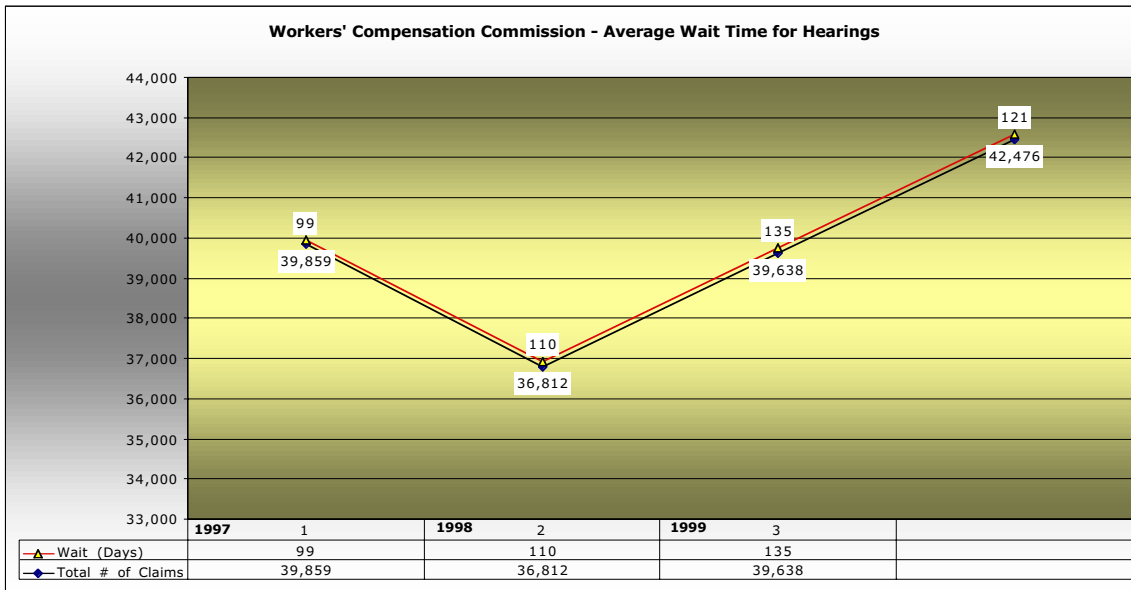
Responding to a gubernatorial mandate, the Division enhanced the telecommuting network that makes it possible for approved staff members to work from home or designated teleworking centers at least one day a week.

The Division added an interoffice E-mail system to the Commission's internal data network capabilities in response to the Governor's initiative to increase electronic communication.



Vocational Rehabilitation Service Providers Certification

In fiscal year 2000, the Commission implemented Maryland LE 9-6A-08 by certifying/registering over 900 rehabilitation service providers. These include nurses, counselors, PT's, OT's and other evaluators providing services for the Maryland injured worker. Mandatory WCC training workshops were conducted in various locations throughout the State by Commission staff to accommodate service providers. This certification will provide the Maryland injured worker with experienced professional providers and quality care.



The Commission implemented a new priority hearing scheduling system on November 1, 1999. This gives top scheduling priority to those claims where the injured worker is not receiving benefits.

- Continuance procedures were revised to allow Commissioners to hear the maximum number of cases with the minimum amount of delay.
- Emergency hearings are now scheduled in the county where a claim would normally be heard, rather than requiring the injured worker to travel to Baltimore City.
- Guidelines were implemented to ensure that decisions are rendered by the Commissioners within 30 days from the date of the scheduled hearing.
- The Commission continues to increase the efficiency of agency operations by developing new and more effective forms.
- The Insurance Division achieved a significant increase in compliance by self-insured employers.
- The Personnel Division attained 98% compliance with the State's Performance Evaluation Program.
- Personnel's Training Unit created a library of staff training materials in book, audio and video formats. The unit completed a staff training needs assessment, which included brainstorming sessions where employees contributed their thoughts and ideas.

New Legislation

During the 1999-2000 legislative session, the Commissioners attended committee hearings and made themselves available to answer questions on pending legislation. They were present at hearings of the Senate Finance Committee, House Economic Matters Committee and Workers' Compensation Benefit and Insurance Oversight Committee. The session produced a number of bills affecting workers' compensation, including:

SB 116 Workers' Compensation Commission – Offsets and credits for the overpayment of certain benefits

This Bill authorizes the Workers' Compensation Commission to order an offset or credit from an award of permanent partial disability for any vocational rehabilitation or temporary total disability benefits previously provided to a covered employee in their claim.

SB 117 Workers' Compensation – Benefits for Permanent Partial Disability – Repeal of Sunset provision for benefit payments for certain scheduled members

Under current workers' compensation law, scheduled payments for permanent partial disability caused by the loss or loss of use of the thumb, fingers and great toe are based on the middle tier rate of compensation rather than the lower tier. This bill repeals the termination date under current legislation – January 1, 2001 – for this exemption from the lower tier of permanent partial disability benefits for permanent partial disability awards to the thumb, fingers and great toe. The exemption now becomes a permanent part of the benefit structure and ensures that awards to those parts of the body will now always be paid at the middle tier of permanent partial disability benefits.

**SB 500 Workers' Compensation –
Subsequent Injury Fund – Permanent total
disability claims – Cost of Living Adjustments**

This bill requires the Subsequent Injury Fund to pay, retroactively and prospectively, the cost of living adjustments to a permanent total disability award for a special class of cases not previously entitled by statute to the cost of living adjustment. To qualify, a covered employee's accidental personal injury must have occurred on or after December 22, 1978, but before January 1, 1988, the personal injury was one in which the claimant was the victim of a violent crime and the claimant was adjudicated to be permanently totally disabled. If qualified, the covered employee is entitled to file an application for modification and receive a lump sum payment of all cost of living adjustments not received between the period January 1, 1988 and June 30, 2000, as well as all future adjustments.

Anticipated Regional Hearing Locations



**SB 857 Workers' Compensation
Commission – Location Hearings**

This bill authorizes the Workers' Compensation Commission to hold hearings on claims at regional hearing locations.

**SB 881 Injured Workers' Insurance
Fund – Regulation**

This bill makes numerous changes to the way that the Injured Workers' Insurance Fund and its Board operates and is regulated. The bill also requires the Injured Workers' Insurance Fund to become a member of the Property and Casualty Insurance Guaranty Corporation after the Insurance Commissioner certifies the Fund's solvency. The Maryland Insurance Administration is charged with regulating the Injured Workers' Insurance Fund under several provisions of the Insurance article of the Annotated Code of Maryland. Additionally, the membership of the Injured Workers' Insurance Fund's governing board is increased by two and the terms of members is limited to two years.

**HB 612 Workers' Compensation –
Temporary Total Disability Benefits –
Jurisdiction of the Commission**

This bill expands the jurisdiction of the Commission over a claim pending on appeal. The Commission now retains jurisdiction pending resolution of an appeal to consider requests for temporary total disability benefits if the order that is on appeal granted temporary total disability benefits and the insurer terminated those benefits pending adjudication or resolution of the appeal. Any supplemental order passed by the Commission in exercising their continuing jurisdiction allowing additional temporary total disability that is reversed or modified in the adjudication of the appeal will entitle the insurer or self-insurer to any credit due for an overpayment of temporary total disability benefits.

**HB 827 Workers' Compensation –
Calculation of Hearing Loss**

This bill makes numerous changes to the compensability standard for occupational hearing loss including what ranges of hearing loss are includable in the formula, the threshold for compensability, adjustments for age and how the testing is conducted.

HB 1007 Prince George's County

Correctional Officers – Workers' Compensation

This bill extends the presumption of compensability as an occupational disease under LE 9-503 for heart disease and hypertension claims to correctional officers employed by Prince George's County. To be eligible for the presumption, the correctional officer is required to submit to a medical examination prior to employment to determine the extent of any pre-existing heart disease or hypertension. For correctional officers employed on or before September 30, 2000 by Prince George's County, they must provide a medical report disclosing and describing any existing heart disease or hypertension from which the officer may be suffering. As to a new hire, the presumption applies only to the extent that any heart disease or hypertension is more severe than the individual's heart disease or hypertension condition was prior to employment. For correctional officers of Prince George's County employed on or before September 30, 2000 the presumption applies only to the extent that the individual suffers from heart disease or hypertension more severe than the individual's heart disease or hypertension condition existing at the time they provide the required medical report.

HB 1257 Workers' Compensation

Insurer – Office and Personnel Regulations

This bill repeals Insurance Article 19-401 and recodifies those provisions with changes in the Labor and Employment Article section containing the Workers' Compensation Law of Maryland. The bill requires every insurer providing workers' compensation insurance in the State to have in Maryland an office run by a competent individual to handle all of the workers' compensation work conducted in the State for the insurer. The same obligation has always existed in the workers' compensation law for governmental self-insurance groups and self-insured employers. A key change brought by the bill is to shift sole enforcement responsibility to the Workers' Compensation Commission from the Maryland Insurance Administration and to provide the Commission the discretion to assess a fine up to \$1000.00 for non-compliance. The new law also requires that every insurer, government self-insurance group and self-insured provide a toll free number to receive inquiries during working hours.

Commission Staff Work With Professional Associations

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 13 organizations and associations within the workers' compensation community. The Commission is a charter member and continues to be an active participant. The theme of the September 1999 15th Annual MWCEA Conference was "Complex Cases". Over 800 participants attended the three-day conference. Chairman O'Reilly and the Commissioners were major contributors. They served as presenters and moderated most of the 16 workshops and sessions. Commission staff also participated in the three-day conference to educate the attendees about the Commission WebPages and answer questions.

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 served as a charter member and continues to be an active participant. The Task Force membership consists of 15 organizations and associations within the workers compensation community. 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 Task Force held its 15th Annual One-Day Conference in June 1999. There were over 250 participants in attendance. A Commissioner served on three panels with attorneys and other professionals. Other staff presented at two workshops.

Southern Association of Workers' Compensation Administrators (SAWCA)

The Commission has been a member of the Southern Association of Workers' Compensation Administrators since 1964. SAWCA is an association composed of 17 State Workers' Com-

pensation Commissions and Boards. As an active member, the Commission has assumed leadership positions within the Association. Commissioners are serving on the Executive Board. Directors of the Commission's divisions are also active members, serving on the Information Technology Committee, the Administration Committee, and the Self-Insurer Committee. The Director of the Support Services Division serves as the Chair of the Medical/Rehabilitation Committee.

Public Participation

The Commissioners and staff were very active and involved in providing information statewide to the Workers' Compensation Community in Fiscal Year 2000.

Commissioners participated in statewide workshops, seminars and conferences. Among these were the Maryland State Bar Association, Baltimore Trial Lawyers Association, America Insurance Executives, Howard County Women's Bar Association, Maryland Law Association, and the Montgomery County Bar Association.

The Commissioners and staff participated in conferences with the Maryland Institute for Continuing Professional Education of Lawyers (MICPEL), the Maryland Workers' Compensation Educational Association (MWCEA), the Chesapeake Association of Rehabilitation Professionals in the Private Sector (CARPPS), the Maryland Rehabilitation Association (MRA), and The Joint Task Force on the Injured Worker.

Commissioners and staff also presented at informal meetings with insurance companies, rehabilitation companies, nursing organizations and at various high schools throughout the State.

On September 16, 1999 and October 14, 1999, Insurance Day Seminars were held at the Commission. The Commission's division directors and senior staff provided information on the Commission's procedures and requirements. Representatives from insurance companies, employers, attorneys and health care providers were in attendance. The seminars attracted over 150 representatives.

New Address: As of December 2000

Maryland Workers' Compensation Commission

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