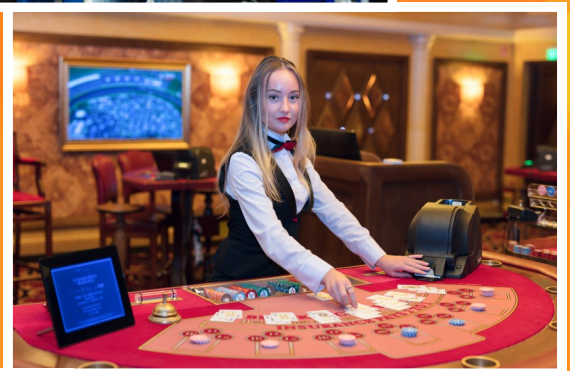


MARYLAND WORKERS' COMPENSATION COMMISSION



ANNUAL REPORT

fiscal year 2017

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

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



MARYLAND WORKERS' COMPENSATION COMMISSION

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MISSION

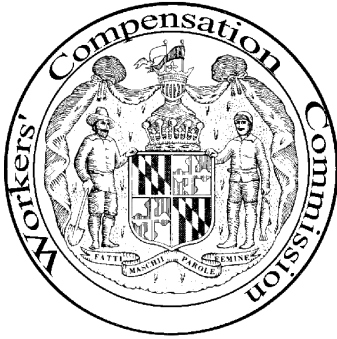
The Maryland Workers' Compensation Commission seeks to secure the equitable and timely administration of the provisions of the Maryland Workers' Compensation law on behalf of its customers, the injured workers and their employers, by providing an efficient forum for the resolution of individual claims.

VISION

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

Equal Opportunity Employer

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



LETTER FROM THE CHAIRMAN

In conjunction with my fellow Commissioners and our outstanding staff, I am pleased to present the 2017 Annual Report of the Maryland Workers' Compensation Commission. This excellent publication is compiled pursuant to the legislative mandate in LE 9-312 and covers the fiscal year running from July 1, 2016 through June 30, 2017. It is a privilege to serve the citizens of Maryland, as well as a duty we take seriously as reflected in the work outlined in this report.

The Commission is committed to excellence and our staff is steadfast in its efforts to perform our responsibilities. Without question, the professionalism and technical acumen of our team is what makes the WCC operate smoothly and effectively. It is the foundation of why Maryland's workers' compensation system is among the finest in the United States.

This overview is an amazing resource for every stakeholder in the workers' compensation community. It is included on our website to maximize its availability to the public. The data collected and presented is extensive and gives excellent insight to the facts and trends affecting Maryland workers and employers. Special thanks go out to Amy S. Lackington and her colleagues for their work on the report.

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

Sincerely yours,

A handwritten signature in black ink, which appears to read "R. Karl Aumann". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

R. Karl Aumann

THE COMMISSION AT A GLANCE

The Maryland Workers' Compensation Commission (the "Commission" or "WCC") is an Independent Agency within the Executive Branch of Maryland State Government. *See generally*, Md. Code Ann., Labor and Employment Article ("LE"), §§ 9-101 - 9-1201.

Appointed by the Governor with Senate advice and consent, the Commission's ten members serve twelve-year terms. LE § 9-302. The Governor names the chair. LE § 9-303.

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

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

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

Employers file a First Report of Injury form with the Commission after a qualifying employee injury occurs. If the injured worker files a claim for benefits within the statutory time limits, an Employee Claim/case file is created. Employee Claims for benefits may also be filed for occupational disease under specialized statutory

definitions. Although not directly subject to HIPAA as a covered entity or trading partner, WCC adheres to strict data privacy protections. Access to non-public data and document images is restricted.

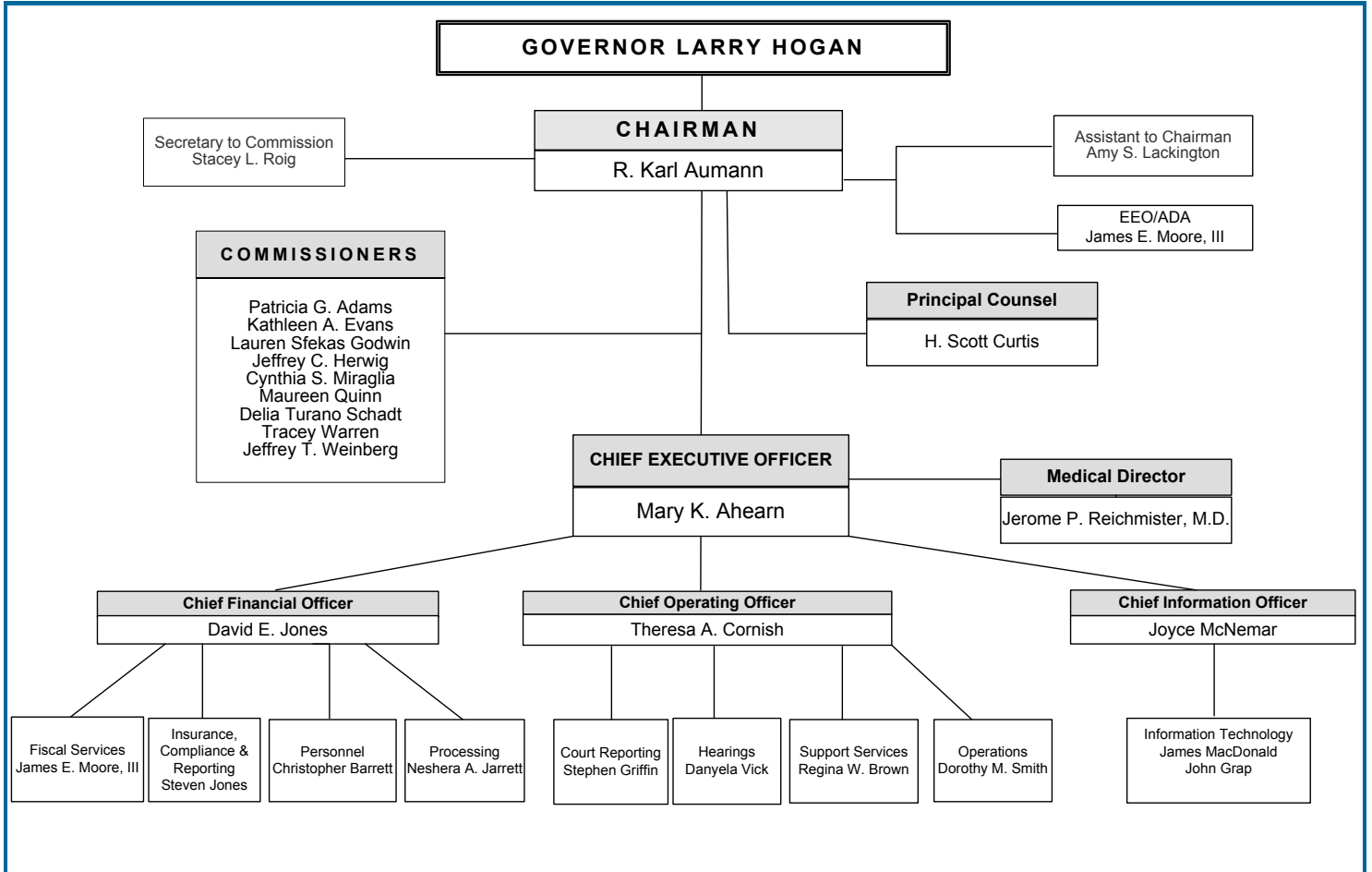
The Commission functions similarly to a judicial system in adjudicating the disputed claims of injured workers in Maryland. A case may be set for one or more hearings before a Commissioner. The Commissioner makes decisions based on issues raised and creates Commission orders. Appeals of Commission decisions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

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

The Commission also:

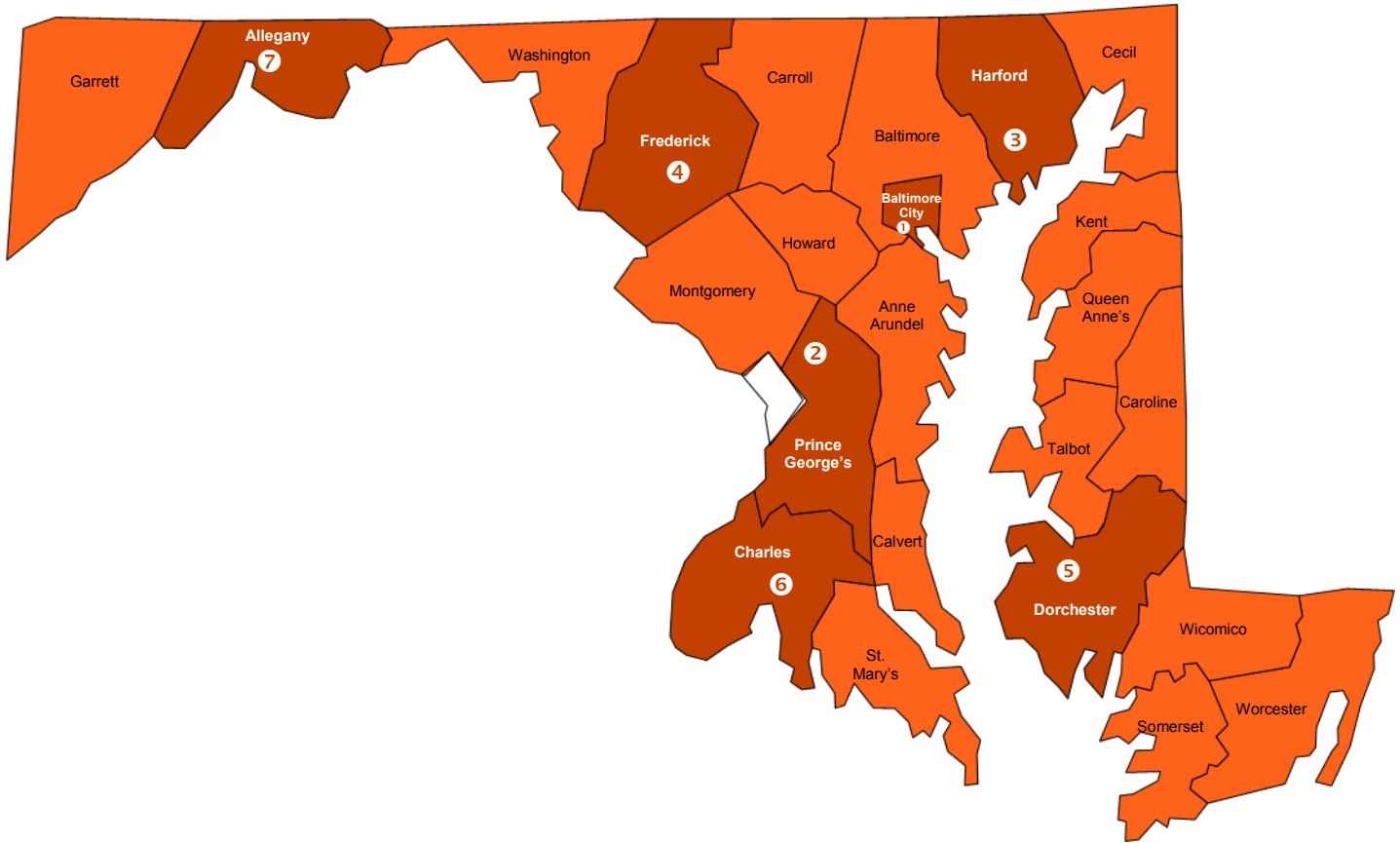
- Tracks and orders employer compliance with workers' compensation insurance requirements.
- Processes attorney registrations for admission to worker's compensation law practice in Maryland.
- Assesses insurers for amounts based on the size of employer payrolls in Maryland for which they have written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

ORGANIZATIONAL CHART
Workers' Compensation Commission



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

HEARING SITE LOCATIONS



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

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

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

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

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

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

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

BIOGRAPHIES

R. Karl Aumann, *Chairman*



R. Karl Aumann was appointed to the Maryland Workers' Compensation Commission in February 2005, and subsequently named Chairman in October of that year. Immediately prior to this appointment, he served as Maryland's Secretary of State. He earned a B.A. from Loyola University in Maryland in 1982 and his J.D. in 1985 from the University of Baltimore, School of Law. Chairman Aumann was an associate with the Towson firm of Power & Mosner and later with the Baltimore office of Miles & Stockbridge. In 1991, President George H.W. Bush appointed him Counsel and Senior Policy Advisor to the Appalachian Regional Commission. From 1994 until 2003, Chairman Aumann

served as Chief Administrator and District Director for Congressman Robert Ehrlich. He is a Board member and past-president of the Southern Association of Workers' Compensation Administrators and is chair of the International Committee of the International Association of Industrial Accident Boards and Commissions. Elected as a Fellow of the College of Workers' Compensation Lawyers in 2015, he has also served since 2010 on the board of the National Association of Workers' Compensation Judiciary, and since 2006 on the Maryland Workers' Compensation Educational Association board of directors.

Mary K. Ahearn, *Chief Executive Officer*



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

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

BIOGRAPHIES

Patricia G. Adams, *Commissioner*



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

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

Kathleen A. Evans, *Commissioner*



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

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

BIOGRAPHIES

Lauren Sfekas Godwin, *Commissioner*



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

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

Jeffrey C. Herwig, *Commissioner*



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

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

BIOGRAPHIES

Cynthia S. Miraglia, *Commissioner*



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

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

Maureen Quinn, *Commissioner*



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

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

BIOGRAPHIES

Delia Turano Schadt, *Commissioner*



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

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

Tracey Warren, *Commissioner*



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

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

BIOGRAPHIES

Jeffrey T. Weinberg, *Commissioner*



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

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

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

PERSONNEL IN THE NEWS

Retirements

After many years of dedicated service with the State of Maryland and the Workers' Compensation Commission, the following employees retired in Fiscal Year 2017. We wish them the best of luck in this new chapter of life!

Dates of Service

Larrice Logan (Support Services/ Public Service)	12/02/1998—8/01/2016
Sabrina Hameed (Processing Division)	07/18/1984—2/01/2017

WORKERS' COMPENSATION PROFESSIONAL ASSOCIATIONS

Each year the Commissioners participate in a number of events sponsored by local, national, and international workers' compensation professional associations. This year, the Commission presented and participated in the following events:

International Association of Industrial Accident Boards and Commissions (IAIABC)

The International Association of Industrial Accident Boards and Commissions (IAIABC), is an association of workers' compensation regulators and industry professionals who work to advance the efficiency and effectiveness of workers' compensation systems throughout the world and provides information and education on workers' compensation policy, regulation, and administration. The IAIABC works to improve and clarify laws, identify best practices, develop and implement standards, and provide education and information sharing. The IAIABC was founded in 1914 and is the largest trade association of workers' compensation jurisdictional agencies in North America. <http://www.iaabc.org>

- 102nd Annual Convention: September 26 - 29, 2016, Portland, ME
- The Forum: April 24 - 27, 2017, Kansas City, MO

Maryland Workers' Compensation Educational Association

The Maryland Workers' Compensation Educational Association (MWCEA) is dedicated to promoting education, communication and collegiality by bringing together the Maryland Workers' Compensation community to provide a forum for employees, employers, insurers, program administrators, medical and rehabilitation providers and attorneys. Their goal is to provide education and support for the strategic continuation and betterment of the workers' compensation system to the benefit of all participants. <http://mwcea.com>

- 32nd Annual Convention: September 18 - 21, 2016, Ocean City, MD

National Association of Workers' Compensation Judiciary, Inc.

The National Association of Workers' Compensation Judiciary, Inc. (NAWCJ) is a non-profit organization designed to provide educational forums for the workers' compensation judiciary concerning issues that are unique to this system of justice. Emphasis is placed on providing an educational source and national forum that will enhance the ability of workers' compensation judges on a national scale to deal with a commonality of issues, regardless of the substantive laws of the different states.

- 8th Annual National Workers' Compensation Judiciary College: August 21 - 24, 2016, Orlando, FL

National Council on Compensation Insurance

The National Council on Compensation Insurance (NCCI) is the nation's most experienced provider of workers' compensation information, tools, and services. NCCI gathers data, analyzes industry trends, and prepares objective insurance rate and loss cost recommendations. These activities, together with research, analytical services and tools, and overall commitment to excellence furthers NCCI's mission to help foster a healthy workers compensation system. <https://www.ncci.com>

- State Advisory Forum: September 8, 2016, Baltimore, MD
- Annual Issues Symposium: May 16 - 19 2017, Orlando, FL

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

Southern Association of Workers' Compensation Administrators

The Southern Association of Workers' Compensation Administrators (SAWCA) is an organization which makes available to its members information and instruction regarding the administration of workers' compensation laws by means of forums, lectures, meetings, and written material. SAWCA provides an avenue by which those interested in workers' compensation may interact with one another to share information and address issues common to each jurisdiction. <http://www.sawca.com>

- 68th Annual Convention: July 25 - 29, 2016, Destin, FL
- 2016 National Workers' Compensation Regulators College: August 22 - 23, 2016, Orlando, FL
- All Committee Conference: November 15 - 18, 2016, Kiawah Island, SC

Workers' Compensation Institute

The Workers' Compensation Institute (WCI) is a nonprofit educational organization that serves as a comprehensive resource to all workers' compensation stakeholders. WCI is an outgrowth of the long-established Florida Workers' Compensation Institute (FWCI). FWCI remains in existence under the WCI umbrella and continues its Florida focus, while the national organization provides a broader outreach across all states.

- 71st Annual Workers' Compensation Educational Conference: August 21 - 24, 2016, Orlando, FL

NEW FORMS, REVISION, AND REPRINTED

- C-1 Employee Claim Form (rev. 05/2017)
- C-2 Statement of Wage Information (Average Weekly Wage) 14 Weeks (rev. 10/2016)
- C-10 Insurer's Termination of Medical Benefits (rev. 06/2017)
- H-07R Settlement Worksheet (rev. 02/2017)
- H-28R Request for Continuance of Hearing (rev. 10/2016)
- H-31R Claimant Request for Change of Address (rev. 01/2016)

- H-33R Request to Implead a Party (rev. 10/2016)
- H-44 Claimant's Consent to Pay Attorney and Doctor Fees (rev. 04/2017)

HIGHLIGHTS AND PROCESS IMPROVEMENTS

All Electronic Employee Claim Form (C-1)

The Commission launched its All Electronic Employee Claim Form (C-1). The filing process can be fully completed online, making it easier for stakeholders to file a claim. Claimants are able to sign the form with a mouse or finger/stylus on a touch-enabled device. Attorneys must use their WFMS Online Services subscription to access the C-1 form and have the option to send the notification email to the client to sign electronically or may print the authorization and send it to the client for signature and upload to the electronic form. The attorney's appearance is automatically entered when the electronic form is submitted. Users are also able to start an electronic claim, save it, and then return to the form at a later time for completion and submission. The All Electronic Employee Claim Form (C-1) allows claims to be filed, verified and processed in an expedited manner, reducing the turnaround time for all parties to receive the claim notification and claim number, generally within 24 hours. This all-electronic process notifies the filing party at the onset of any incorrectly entered data.

Employer Compliance Program

The goal of the Employer Compliance Program is to enforce employer compliance with the requirement that an employer secure workers' compensation insurance for covered employees, thereby reducing the cost associated with workers' compensation for all stakeholders. In accordance with §9-402 of the Labor and Employment Article, the Commission scheduled Show Cause hearings for those employers whose workers' compensation policies had lapsed and/or cancelled without corresponding new coverage. As a result, 145 penalty orders with fines of approximately \$1.0 million were issued.

Online coverage verification

For the fiscal year ended June 30, 2017, more than 150,000 searches were performed using the online Coverage Verification database and the mobile app. Employer details were provided on approximately 68,000 searches.

AGENCY HIGHLIGHTS AND PROCESS IMPROVEMENTS

Self-insured employer audits

The Commission has audited the accuracy and validity of self-insured employer reporting (Annual Information Report) since 2009. The audits are conducted by independent accounting firms obtained through the State Audit Services Contract. The audits assist the Commission in determining compliance with State laws and regulations and the adequacy of security deposits. As of the end of FY17, the Commission has audited 98 self-insured employers, nearly 100% of all self-insured employers in the state of Maryland.

Regional site lease renewals

In September the Commission renewed the lease at the Frederick hearing location at 1890 N. Market Street. The lease renewal is for a ten year period with a five year renewal option after the ten year term. The new lease was renewed at a significantly reduced rate of approximately 15% less than the ending rate of the original lease negotiated in July 2006. The new lease will result in a reduction in lease expenses of approximately \$160,000 over the ten year term of the lease.

In addition, the Commission renewed the lease at the Abingdon hearing location at 3465 Box Hill Corporate Center Drive. The lease renewal is also for a ten year period with a five year renewal option after the ten year term. The new lease was renewed at a minimal increase of approximately three percent.

Intern program provides work experience and development

The Personnel Department assisted in the hiring of five volunteer interns through the Departments of Education and Rehabilitative Service's QUEST program. QUEST interns face challenges and barriers to employment for varying reasons and participate in the program to gain valuable work experience while also helping the Commission achieve its mission. The volunteer interns worked in various departments throughout the Commission and, to date, two have been hired to paid positions at the Commission.

Processing Division staff cross-training initiative completed

The Processing Division set a strategic goal to complete staff cross-training within the division. This continuation of cross-training for all division staff gives a broader range of work distribution and increased efficiencies.

Customer Service Training

The Commission underwent an internal agency-wide customer service training program. The objective was to reinforce the Commission's commitment in providing quality customer service to the workers' compensation community. This training supported the customer service initiative presented by Governor Larry Hogan to improve customer service across Maryland state agencies.

Settlement Agreements

The Commission instituted new filing procedures to expedite the processing of settlement agreements and to reduce the number of items returned for missing or incorrect information. Several changes were made to the Settlement Worksheet (H-07R Revised 02/2017) to assist filers with the completion of required data fields. This fiscal year, the Commission received over 8,600 Settlements, of which over 1,100, approximately 13%, were returned for various reasons. The Commission continues to look for ways to enhance and streamline this process for its stakeholders.

Interpreter Office Program

The Commission received 3,315 requests for interpretations and provided services for 42 languages. Spanish remains the most requested language. The Commission continues to research opportunities to adequately service this program as it continues to experience annual increases in interpretation requests.

Court Reporting Division produced 2,972 transcripts, an increase of 5% over the last year. This includes transcripts for appeals and transcripts for special requests that may be used for third-party litigation, reopening of workers' compensation cases, fraud, case preparation and case review. Innovations include continually evolving real time software, digital transcription and storage, and electronic transmission of transcripts.

Support Services Division oversees the registration of all vocational rehabilitation practitioners, including vocational counselors, nurse case managers, physical therapists, occupational therapists, and vocational evaluators working with injured workers in the State of Maryland. In fiscal year 2017, the division worked with the Maryland Board of Nursing (BON) in the auditing of over 1,700 case manager records to verify and ensure compliance of workers' compensation statutes as well as BON statutes as it relates to registration and education requirements. Only 100 of the registrants were found to be non-complaint and those cases were referred to the BON for further action.

Hearings Division

The Commission updated its Order production software (MergeDoc) resulting in increased efficiency

Public Service Department

The Commission upgraded its telephone system to provide greater reporting capabilities to track activity and ensure that all 73,000 Commission calls received in fiscal year 2017 were handled in an efficient and timely manner.

Enterprise Modernization

Following the first phase of the Enterprise Modernization Business Process & Technology Assessment completed in FY 2016, the Commission moved forward in FY 2017 with the Assessment's short and long term recommendations and strategies. The Assessment documented the Commission's present-state business/technology environment and strategies for the future.

The Commission has been a leader in the use of technology and information systems as part of the workers' compensation process since the early 1980's. To ensure our systems continue to operate efficiently and keep pace with technological advancements, we have begun our Enterprise Modernization (EM) Project. More than a simple technology refresh, the EM project is designed to review all existing processes and identify areas where we can streamline the process flow, providing better, faster, and more efficient adjudication of workers' compensation claims and related operations for which we are responsible.

During the past year the Commission added skilled resources to focus efforts on validating and updating current business processes, as well as working with

Commission operating divisions to design the new, "to-be" process models.

The Commission developed and released a request for proposals to acquire additional experienced technical staff to develop the process models into working software applications, create a new database design, and build interfaces with third-party organizations and other State agencies to allow the Commission to further automate data collection and validation. The main EM project will run through FY 2021, but the modernization efforts are part of an on-going, continuous improvement process.

Service and Efficiency Improvements for Today and Tomorrow

In order to prepare for major transformation efforts, there are other short term projects the Commission will undertake to provide reliable services while phasing out aging technology as we proceed with the EM project. One of the largest of these projects to date was the conversion of WCC's legacy document imaging and workflow system platform hardware, operating system software and database systems. Replacing these aging, slow performing, and costly-to-maintain components will provide faster, more reliable access to the over 2.2 million documents in our online repository. It also provides a path for migration to other document storage and retrieval systems in the future under the EM project with less expense and complexity. To further improve resiliency and availability, WCC has established a complete disaster recovery/business continuity version of this new platform system at our Abingdon data center

The Commission completed a major telephone system upgrade in FY 2017. This second generation of WCC's VOIP based unified communications system added new capabilities and ensures continued manufacturer support of our critical telephone systems and services.

The IT Division embarked on a project to build storage area networks (SAN) in both the Commission's Baltimore primary and Abingdon recovery datacenters. As aging physical servers with dedicated data storage are retired, they are being replaced with virtualized servers deployed using shared SAN data storage. Compared with physical servers and dedicated data storage, virtualization and SAN storage technologies offers the Commission better performance, more reliability and recovery options, and increased flexibility to adjust with evolving business information system needs.

In order to maintain business operations at the Commission's regional hearing sites in the event of an extended outage of primary third party network services, the Commission's IT staff designed a portable wireless network system to provide temporary replacement network connectivity at any regional hearing site in the event of an outage.

Report on Fraud Unit

Labor and Employment Article, § 9-310.2, Annotated Code of Maryland, requires the Commission to refer to the Insurance Fraud Division of the Maryland Insurance Administration any case in which it is established by a preponderance of the evidence, after a hearing, that a person knowingly affected or knowingly attempted to affect the payment of compensation benefits, fees or expenses under the Workers' Compensation Act by means of a fraudulent representation. During FY 2017, the Commission continued to review cases for possible referral to the Insurance Fraud Division and referred four (4) files for investigation.

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

2017 YEAR IN REVIEW

In Fiscal Year 2017, the Maryland Workers' Compensation Commission:

- Produced 2,972 hearing transcripts
- Answered over 73,000 incoming telephone calls
- Processed over 79,800 documents and transactions through its Claims Division
- Scheduled 42,534 hearings
- Issued 30,615 Commissioner Orders through its Hearing Division
- Instituted new filing procedures for Settlement Agreements which resulted in a 13% decrease in the number of Settlement Agreements returned for incorrect or missing information.
- Continued and reset 164 cases for hearing on an expedited basis due to inclement weather in March and April 2017
- Scanned over 2,105,000 pages through its Processing Division
- Processed over 741,000 pieces of mail



AGENCY PERFORMANCE

TABLES AND CHARTS

FIGURE 1 • Filed Claims

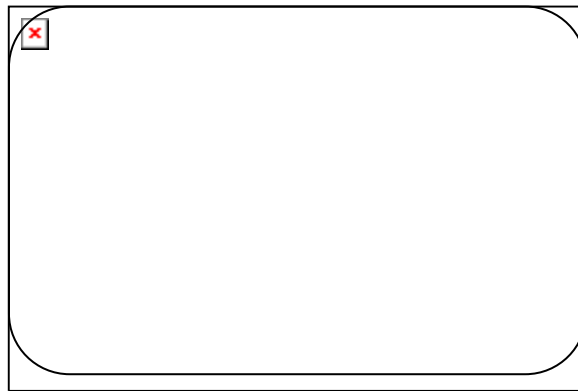
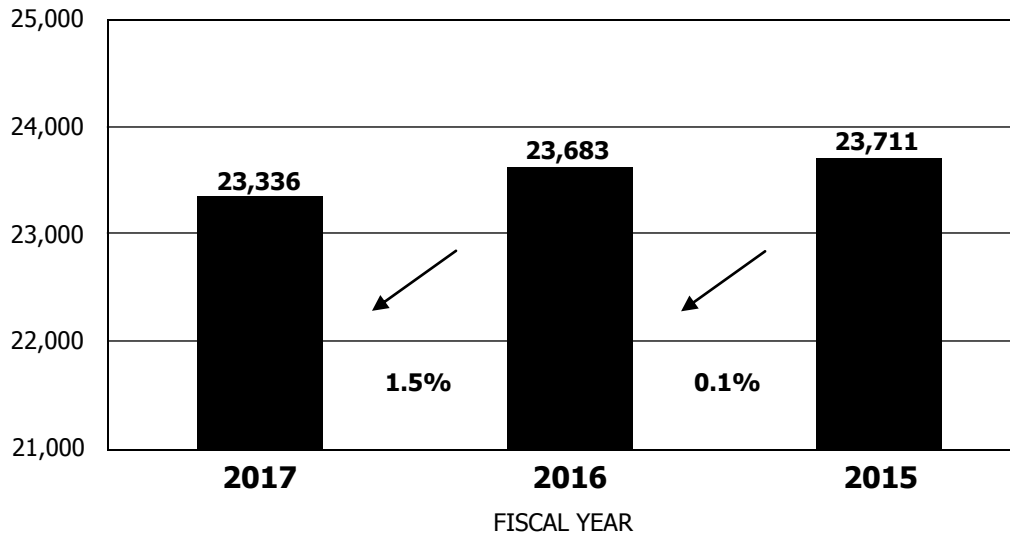


FIGURE 2 • Filed Claims by Industry

INDUSTRIES WITH MORE THAN 100 FILED CLAIMS	FISCAL YEAR					
	2017		2016		2015	
	Count	Percent	Count	Percent	Count	Percent
Policemen - Security	2,176	9.3%	2,007	8.5%	2,309	9.7%
Colleges Or Schools Incl. Day Care	1,519	6.5%	1,440	6.1%	1,641	6.9%
Municipal Township County Or State Employees N.O.C.	1,161	5.0%	1,168	4.9%	635	2.7%
TOP 3 INDUSTRIES IN FILED CLAIMS	4,856	20.8%	4,615	19.5%	4,585	19.3%
Truckmen N.O.C.	998	4.3%	795	3.4%	1,005	4.2%
Hospitals - All Other Employees	979	4.2%	1,007	4.3%	1,126	4.7%
Hotels, Restaurants, Bars & Nightclubs	776	3.3%	772	3.3%	872	3.6%
Convalescent Or Nursing Homes All Employees	737	3.2%	641	2.7%	663	2.7%
Firemen Incl. Volunteer Dept & Ambulance Service	719	3.1%	763	3.2%	754	3.1%
Building, Raising Or Moving - General Construction	690	3.0%	614	2.6%	696	2.9%
Storage Warehouses General Merchandise N.O.C.	583	2.5%	622	2.6%	486	2.0%
Meat Combined Grocery And Provision Stores Retail	472	2.0%	415	1.8%	497	2.1%
Taxicab And Bus Companies	439	1.9%	573	2.4%	688	2.9%
Automobile Garages Or Repair Shops Inc. Dealers	398	1.7%	426	1.8%	463	1.9%
Store Risks Wholesale Or Combined N.O.C. K-MART	289	1.2%	395	1.7%	306	1.3%
Buildings Operation By Contractors	259	1.1%	333	1.4%	342	1.4%
Clerical Office Employees N.O.C.	256	1.1%	359	1.5%	233	1.0%
Clothing Or Dry Goods Stores Retail	253	1.1%	222	0.9%	186	0.8%
Charitable Organizations (Goodwill)	250	1.1%	341	1.4%	311	1.3%
Aircraft Operation All Other Employees	221	0.9%	206	0.9%	194	0.8%
Mail & Parcel Delivery Employees, Salespersons & Drivers	210	0.9%	200	0.8%	103	0.4%
Employment Agencies	199	0.9%	179	0.8%	201	0.8%
Carpentry N.O.C. - Renovations	198	0.8%	209	0.9%	254	1.1%
Landscape & Tree Surgery	198	0.8%	233	1.0%	242	1.0%
Unclassified (Insufficient Data)	191	0.8%	340	1.4%	305	1.3%
Electrical Wiring In Buildings	164	0.7%	155	0.7%	158	0.7%
Garbage Refuse Collecting	147	0.6%	176	0.7%	173	0.7%
Sheet Metal Work Incl. Air Conditioning & Refrigeration	146	0.6%	180	0.8%	177	0.7%
Physicians Incl. Clerical	144	0.6%	138	0.6%	263	1.1%
Plumbing-Steam Fitting	140	0.6%	136	0.6%	145	0.6%
Housing Authorities - Apts & Condos Incl. Real Estate	123	0.5%	177	0.7%	228	0.9%
Concrete Construction N.O.C.	N/A		108	0.5%	N/A	
Hardware Stores - Locksmiths	N/A		101	0.4%	N/A	
Public Health Nursing Association All Employees	N/A		N/A		131	0.5%
Street or Road Construction Paving or Repaving	N/A		N/A		109	0.5%
Industries With More Than 100 Filed Claims	10,179	43.6%	10,816	45.7%	10,714	45.2%
Number Of Industry Groups Represented	30		32		32	
All Other	8,301	35.6%	8,252	34.8%	8,412	35.5%
TOTAL	23,336	100.0%	23,683	100.0%	23,711	100.0%

Source: Commission Data, July 2017

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

NOC: Not Otherwise Classified

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

FISCAL YEAR 2017					
TOP TEN BODY PARTS DISABLED					
BODY PART	1—74 Weeks	75—249 Weeks	Greater than 249 Weeks	Total	Percent of Total
Thorax-Lower (Back)	1,301	375	41	1,717	21.7%
Shoulders	776	768	14	1,558	19.7%
Knees	865	351	4	1,220	15.4%
Neck	749	246	18	1,013	12.8%
Hands	420	105	5	530	6.7%
Legs	300	149	13	462	5.8%
Ankle or Ankle and Leg	307	97	2	406	5.1%
Arms	222	140	4	366	4.6%
Wrists	260	82	4	346	4.4%
Foot or Feet	226	67	3	296	3.8%
TOTAL	5,426	2,380	108	7,914	100.0%
PERCENT OF TOTAL	68.6%	30.0%	1.4%	100.0%	

Source: Commission Data, July 2017

FIGURE 4 • Permanency Awards According to Weeks of Disability

FISCAL YEAR	1—74 Weeks	75—249 Weeks	Greater than 249 Weeks	Total
2017	7,097	2,879	177	10,153
	69.9%	28.4%	1.7%	100.0%
2016	7,681	3,085	164	10,930
	70.3%	28.2%	1.5%	100.0%
2015	6,883	2,767	183	9,833
	70.0%	28.1%	1.9%	100.0%

Source: Commission Data, July 2017



MARYLAND WORKERS' COMPENSATION COMMISSION

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

TYPE	FISCAL YEAR								
	2017			2016			2015		
	Count	Amount	Average	Count	Amount	Average	Count	Amount	Average
Permanent Total	57	\$5,387,093	\$94,510	61	\$5,719,367	\$93,760	45	\$4,065,561	\$90,346
Percent Change - Prior Year	-6.6%	-5.8%	0.8%	35.6%	40.7%	3.8%	-23.7%	-17.3%	8.5%
Permanent Partial	10,144	194,331,264	19,157	10,940	199,600,677	18,245	9,833	180,637,285	18,371
Percent Change - Prior Year	-7.3%	-2.6%	5.0%	11.3%	10.5%	-0.7%	-4.3%	-7.0%	-2.9%
Fatality	45	8,608,164	191,292	40	6,676,372	166,909	45	7,231,937	160,710
Percent Change - Prior Year	12.5%	28.9%	14.6%	-11.1%	-7.7%	3.9%	9.7%	8.1%	-1.5%
Compromise	6,468	178,566,115	27,608	6,035	151,515,415	25,106	6,139	156,140,777	25,434
Percent Change - Prior Year	7.2%	17.9%	10.0%	-1.7%	-3.0%	-1.3%	-2.4%	-1.6%	1.0%
Total	16,714	386,892,636	23,148	17,076	363,511,831	21,288	16,062	348,075,560	21,671
Percent Change - Prior Year	-2.1%	6.4%	8.7%	6.3%	4.4%	-1.8%	-3.6%	-4.5%	-1.0%
Compromise as a Percent of Permanent Partials		91.9%	144.1%		75.9%	137.6%		86.4%	138.4%

Source: Commission Data, July 2017

FIGURE 6 • Commission Claims Data

COMMISSION CLAIM ACTIONS	FISCAL YEAR					
	2017		2016		2015	
	Count	Percent	Count	Percent	Count	Percent
First Reports of Injury	89,757		91,109		96,579	
Total Filed Claims	23,336		23,683		23,711	
Disputed Accidental Injury Claims	9,187	39.4%	8,981	37.9%	8,626	36.4%
Temporary Total Awards	12,253	52.5%	13,126	55.4%	13,494	56.9%
Claims Settled	6,468	27.7%	6,035	25.5%	6,139	25.9%
Claims Deferred	7,818	33.5%	7,171	30.3%	6,909	29.1%
Claims Disallowed by Commission	551	2.4%	610	2.5%	584	2.5%

Source: Commission Data, July 2017

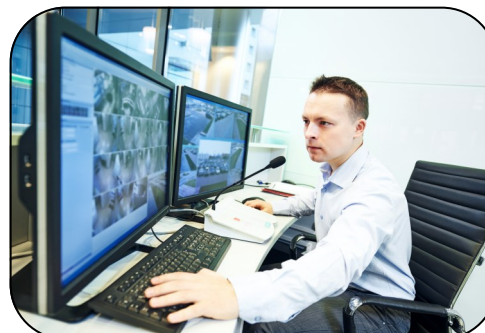


FIGURE 7 • Fatalities by Industry Grouping

INDUSTRY GROUP	Employment ⁽¹⁾	FISCAL YEAR		
		Fatalities ⁽²⁾		
		2017	2016	2015
STATE GOVERNMENT	98,780	4	1	2
LOCAL GOVERNMENT	251,995	22	16	19
GOVERNMENT SECTOR TOTAL	350,775	26	17	21
GOOD PRODUCING				
Natural Resources and Mining	6,245	1	1	0
Construction	163,740	4	3	8
Manufacturing	103,212	2	1	1
SERVICE PROVIDING				
Trades, Transportation , and Utilities	472,699	4	1	4
Information Technology	37,574	0	0	0
Telecommunications	13,990	0	0	0
Financial Activities	140,748	0	0	1
Professional and Business Services	449,543	4	1	1
Education and Health Services	431,736	2	0	1
Leisure and Hospitality	268,120	0	1	0
Other Services	90,754	1	2	2
UNCLASSIFIED	0	13	19	28
PRIVATE SECTOR TOTAL ALL INDUSTRIES	2,178,361	31	29	46
TOTAL EMPLOYMENT/FATALITIES	2,529,136	57	46	67

Source: ⁽¹⁾ DLLR 4th Quarter 2016

⁽²⁾ Commission Data, July 2017



FIGURE 8 • Filed Claims by Gender and Age

FISCAL YEAR 2017			
Gender	Age Group	Claims Filed	Percent
Male	Unknown	3	0.0%
Male	10 - 19	165	0.7%
Male	20 - 29	2,410	10.3%
Male	30 - 39	3,433	14.7%
Male	40 - 49	3,366	14.4%
Male	50 - 59	3,382	14.5%
Male	60 - 69	1,354	5.8%
Male	70 - 79	239	1.0%
Male	80 - 89	21	0.1%
Total		14,373	61.6%
Female	Unknown	1	0.0%
Female	10 - 19	102	0.4%
Female	20 - 29	1,270	5.4%
Female	30 - 39	1,816	7.8%
Female	40 - 49	2,058	8.8%
Female	50 - 59	2,465	10.6%
Female	60 - 69	1,061	4.6%
Female	70 - 79	170	0.7%
Female	80 - 89	20	0.1%
Total		8,963	38.4%
Total Filed Claims		23,336	100.0%

Source: Commission Data, July 2017



FIGURE 9 • Source of Appeals

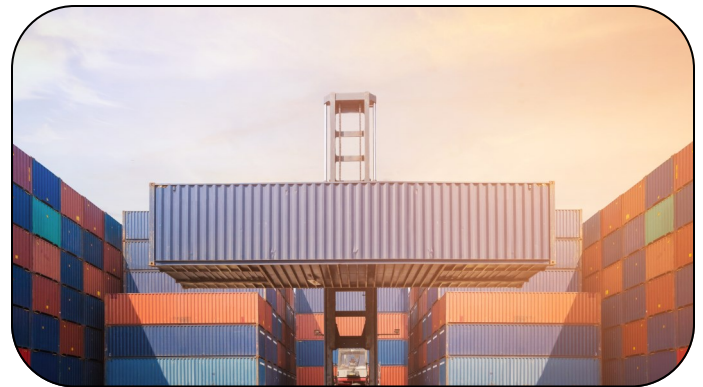
SOURCE	FISCAL YEAR		
	2017	2016	2015
Claimant	1,042	1,154	1,190
Employer/Insurer	784	705	737
Subsequent Injury Fund	55	38	36
Uninsured Employers' Fund	14	10	12
TOTAL	1,895	1,907	1,975

Source: Commission Data, July 2017

FIGURE 10 • Hearing Transcripts

CATEGORY	FISCAL YEAR		
	2017	2016	2015
Non Appeal Transcripts	1,417	1,321	1,381
Appeal Transcripts	1,555	1,676	1,810

Source: Commission Data, July 2017



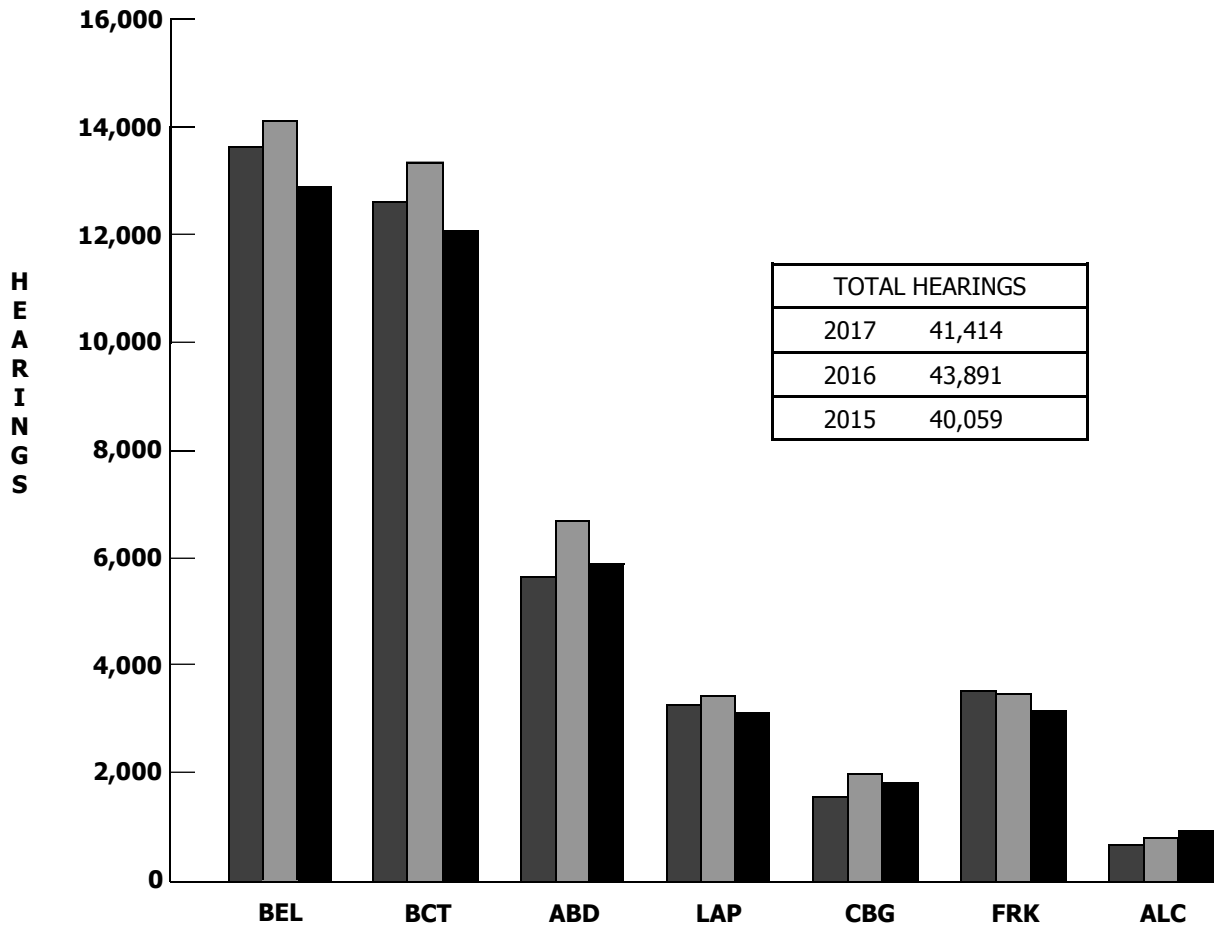
MARYLAND WORKERS' COMPENSATION COMMISSION

FIGURE 11 • Source of Claims and Appeals by Political Subdivision

JURISDICTIONS	FISCAL YEAR					
	2017		2016		2015	
	Claims	Appeals	Claims	Appeals	Claims	Appeals
Baltimore County	4,045	322	3,985	299	3,982	298
Baltimore City	3,506	218	3,780	231	3,754	229
Prince George's County	3,027	311	3,072	342	3,136	355
Montgomery County	2,236	162	2,188	192	2,402	207
Anne Arundel County	1,900	145	2,001	133	1,979	123
Harford County	983	69	971	55	961	90
SIX MAJOR METRO AREAS - COUNT	15,697	1,227	15,997	1,252	16,214	1,302
Percent of Total Filed Claims	67.3%	64.7%	67.6%	65.7%	68.4%	65.9%
Frederick County	857	77	906	67	838	65
Howard County	640	42	608	43	531	42
Washington County	603	52	614	38	568	42
Charles County	520	49	513	53	536	66
Carroll County	464	36	483	33	471	39
Wicomico County	344	26	349	26	342	19
Caroline County	336	29	338	28	319	24
St. Mary's County	329	37	296	33	328	22
Calvert County	304	24	312	38	338	36
Cecil County	291	15	306	30	311	19
Allegany County	277	17	256	17	256	30
Queen Anne's County	185	8	148	11	211	15
Worcester County	168	10	161	10	162	8
Dorchester County	120	9	152	8	150	6
Talbot County	99	4	101	7	87	14
Garrett County	92	6	97	6	109	5
Somerset County	81	5	96	0	86	1
Kent County	55	4	73	3	76	2
EIGHTEEN NON-METRO AREAS - COUNT	5,765	450	5,809	451	5,719	455
Percent of Total Filed Claims/Appeals	24.7%	23.8%	24.5%	23.6%	24.1%	23.0%
OUT OF STATE CLAIMS - COUNT	1,874	218	1,877	204	1,778	218
Percent of Total Filed Claims	8.0%	11.5%	7.9%	10.7%	7.5%	11.0%
TOTAL	23,336	1,895	23,683	1,907	23,711	1,975
PERCENT OF CLAIMS APPEALED		8.1%		8.1%		8.3%

Source: Commission Data, July 2017

FIGURE 12 • Scheduled Hearing Distribution



REGIONAL SITES							
	BELTSVILLE	BALTIMORE CITY	ABINGDON	LA PLATA	CAMBRIDGE	FREDERICK	CUMBERLAND
	BEL	BCT	ABD	LAP	CBG	FRK	ALC
2017	13,659	12,590	5,831	3,340	1,714	3,567	713
2016	14,149	13,187	6,717	3,514	2,018	3,515	791
2015	12,881	12,044	5,959	3,147	1,907	3,263	858

FIGURE 13 • Interpreter Office Program Statistics

ITEM	FISCAL YEAR		
	2017	2016	Change
Requests	3,315	3,334	-0.6%
Interpretations Provided	1,469	1,888	-22.8%
Requests Continued or Withdrawn	1,846	1,446	27.7%
Spanish Interpretations	1,259	1,592	-22.1%
All Other Interpretations	210	296	-29.1%
Percent Spanish	85.7%	84.3%	1.4%
Number Of Languages Provided	42	33	27.3%

Source: Commission Data, July 2017

FIGURE 14 • Vocational Rehabilitation Case Management

FISCAL YEAR 2017		
	Count	Percent
Return to Work		
Same Employer, Same Job	623	51.0%
Same Employer, Different Job	90	7.4%
New Employer, Same Occupation	34	2.8%
New Employer, Different Occupation	231	18.9%
Self-Employment	3	0.3%
Medical Issues, Not Employed	104	8.5%
Subtotal	1,085	88.9%
Employment Status Unknown		
Rehabilitation Services Declined	48	3.9%
Rehabilitation Program Dropout	67	5.5%
Claimant Moved Out of State	9	0.7%
Claimant Declined Job Offers	12	1.0%
Subtotal	136	11.1%
Total Vocational Rehabilitation Case Dispositions	1,221	100.0%

Source: Commission Data, July 2017

FIGURE 15 • Self-Insurance Program

ITEM	FISCAL YEAR		
	2017	2016	2015
Individual Self-Insurers and 1 Group	99	99	101
Covered Self-Insured Employees ⁽¹⁾	428.3 k	431.1 k	432.8 k
Covered Self-Insured Payroll ⁽¹⁾	\$23.7 B	\$22.8 B	\$22.8 B
Self-Insured Payroll as Percent of All Covered Payroll	15.5%	15.4%	16.1%
Security Held ⁽¹⁾	\$221.8 M	\$220.7 M	\$237.1 M
Commission Orders ⁽²⁾	13	21	28

k = Thousand, M = Million, B = Billion

⁽¹⁾ Source: A-01/IC-1 Report 2014 - 2016 Note: Security includes active self-insurers only.

⁽²⁾ Commission Data 2015 - 2017

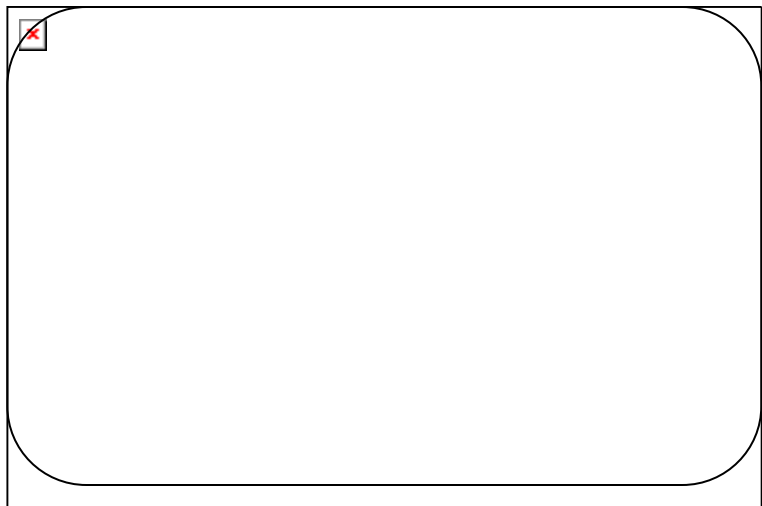


FIGURE 16 • Workers' Compensation Premium Rate Ranking

2016 Ranking	2014 Ranking	2012 Ranking	State	Median Index Rate	State % of Median
1	1	3	California	3.24	176%
2	3	7	New Jersey	2.92	158%
3	4	5	New York	2.83	154%
5	2	2	Connecticut	2.74	149%
5	5	1	Alaska	2.74	149%
6	9	30	Delaware	2.32	126%
8	6	6	Oklahoma	2.23	121%
8	7	4	Illinois	2.23	121%
9	20	20	Rhode Island	2.20	119%
10	10	15	Louisiana	2.11	115%
11	11	8	Montana	2.10	114%
12	23	12	Wisconsin	2.06	112%
14	8	14	Vermont	2.02	110%
14	13	10	Maine	2.02	110%
15	17	13	Washington	1.97	108%
17	27	35	Hawaii	1.96	107%
17	12	9	New Hampshire	1.96	106%
18	17	16	South Carolina	1.94	105%
20	21	36	Missouri	1.92	104%
20	20	27	New Mexico	1.92	104%
22	20	17	Minnesota	1.91	104%
22	27	25	North Carolina	1.91	103%
23	31	31	Wyoming	1.87	101%
24	24	25	Iowa	1.86	101%
25	29	21	Alabama	1.85	100%
26	17	12	Pennsylvania	1.84	100%
27	32	27	Georgia	1.80	95%
28	14	19	Idaho	1.79	97%
29	38	42	Mississippi	1.70	92%
30	22	19	Tennessee	1.68	91%
32	30	33	Nebraska	1.67	91%
32	25	23	South Dakota	1.67	91%
33	28	29	Florida	1.66	90%
34	34	32	Michigan	1.57	85%
35	41	43	Colorado	1.56	84%
36	40	22	Kentucky	1.52	82%
38	37	37	Arizona	1.50	82%
38	35	34	Maryland	1.50	82%
40	36	38	Texas	1.45	79%
40	33	28	Ohio	1.45	79%
41	39	41	Kansas	1.41	77%
42	45	47	District of Columbia	1.37	74%
43	46	46	Nevada	1.31	71%
44	48	44	Massachusetts	1.29	70%
45	43	39	Oregon	1.28	69%
46	45	45	Utah	1.27	69%
47	48	48	Virginia	1.24	67%
48	42	40	West Virginia	1.22	66%
49	49	49	Arkansas	1.06	57%
50	50	50	Indiana	1.05	57%
51	51	51	North Dakota	0.89	48%

Source: Research and Analysis Section, Oregon Department of Consumer and Business Services (Rev. 10/2016)

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

FIGURE 17 • Licensed Insurers Writing Workers' Compensation Insurance

Fiscal Year	Licensed Insurers ⁽¹⁾	Licensed Insurers Billed	Percentage of Licensed WC Insurers
2017	643	328	51.0%
2016	673	378	56.2%
2015	677	340	50.2%

Source: Commission Data, July 2017

⁽¹⁾ Includes Self-Insurers

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

Fiscal Year	Assessment Base Insured Payroll	Total Insurer Assessments	Safety and Fraud Program Cost	WCC Cost	Assessment per \$1000 of Payroll
2017	\$141,864,667,650	\$26,153,901	\$11,104,910	\$15,048,991	0.184
2016	\$130,198,276,239	\$25,522,429	\$12,278,948	\$14,124,799	0.196
2015	\$123,788,020,927	\$24,742,542	\$11,332,540	\$14,281,727	0.200

Source: Commission Data, July 2017



REVENUES/EXPENDITURES

The Commission collects an assessment from licensed workers' compensation insurers and self-insurers for the operating budget of the Commission as well as the Occupational Safety and Health Program and the Workplace Fraud Act within the Department of Labor, Licensing and Regulation (DLLR). During this fiscal year, \$26,153,901 was assessed and collected with \$11,104,910 being transferred to DLLR for its safety program and workplace fraud initiative. The remaining funds were retained in the Workers' Compensation Fund and were disbursed as Commission operating expenditures as appropriated. The fiscal year 2017

Legislative Appropriation for the Commission's operating expenditures totaled \$15,270,991. Approximately 76 percent of this budget provided for the Commission's allotment of 115.0 full-time equivalent permanent position salaries and 11.25 full-time equivalent contractual position salaries, 11 percent for fixed costs to include lease agreements and lease escalations, 8 percent for contractual services to include computer software and hardware maintenance contracts, and 5 percent for communications, postage, travel expenses, supplies and equipment.

LEGAL UPDATE

Legislation

SB 72 (Chapter 263)

Workers' Compensation-Tiered Rating Plans and Merit Rating Plans

Authorizes a workers' compensation insurer to develop a tiered rating plan, and requiring an insurer to submit a the tiered rating plan to the Insurance Commissioner a certain number of days in advance of the tiered rating plan's use. (Effective: 10/1/2017)

SB 194 (Chapter 568)

Workers' Compensation-Medical Benefits-Payment of Medical Services and Treatment

Requires a provider to submit to an employer or an employer's insurer, within a certain period of time, a certain bill for certain medical services or treatment provided to a covered employee under a certain provision of law; prohibiting the employer or insurer from being required to pay a certain bill except under certain circumstances. (Effective: 10/1/2017)

SB 426 (Chapter 69)

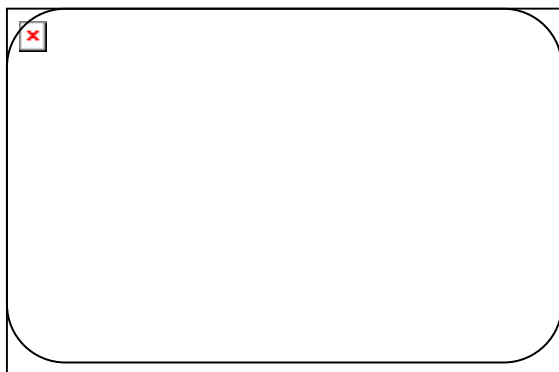
Workers' Compensation-Permanent Total Disability-Survival of Claim

Alters certain limitations on the survivability of the right to compensation for permanent total disability payable under the law. (Effective: 10/1/2017)

SB 867 (Chapter 566)

Workers' Compensation-Failure to Report Accidental Personal Injury-Penalty

Alters a violation relating to an employer failing to report an accidental personal injury within a certain time required under the workers' compensation law to require the violation to be a knowing violation and increasing the penalty imposed on an employer. (Effective: 10/1/2017)



Appellate Opinions

Hollingsworth v. Severstal Sparrows Point, LLC

Court of Appeals of Maryland, July 11, 2016
448 Md. 648

141 A.3d 90 95

September Term, 2015

LABOR AND EMPLOYMENT - Workers' Compensation. Provision for survival benefits for permanent total disability would govern permanent total disability due to accidental injury and preexisting conditions.

Zakwieia v. Baltimore County, Board of Education

Court of Special Appeals of Maryland, February 03, 2017
231 Md.App. 644

153 A.3d 888 2492

September Term, 2015

LABOR AND EMPLOYMENT - Workers' Compensation. Offset applied to workers' compensation benefits received by county employee who also received ordinary disability benefits.

Electrical General Corp. v. Labonte

Court of Special Appeals of Maryland, July 27, 2016
229 Md.App. 187

144 A.3d 856 0718

September Term, 2015

LABOR AND EMPLOYMENT - Workers' Compensation. Worker's subsequent injury did not preclude finding that original work-related back injury was cause of permanent partial disability.

Prince George's County v. Proctor

Court of Special Appeals of Maryland, July 26, 2016
228 Md.App. 579

142 A.3d 592 2614

September Term, 2014

LABOR AND EMPLOYMENT - Workers' Compensation. Injury off-duty police officer suffered at home on way to get cruiser did not arise out of employment, as required for workers' compensation benefits.

COMMITTEES

Maryland General Assembly Workers' Compensation Benefit and Insurance Oversight Committee

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

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

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

2017 Committee Roster

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

Representative of Maryland Business Community:
Mary Anne Reuschling

Representative of the Maryland Labor Organization:
Craig Simpson

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

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

Member of the Insurance Industry:
Thomas J. Phelan

Member of a Workers' Compensation Rating Organization:
David Benedict

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

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

Maryland Certified Rehabilitation Service Provider:
Jody Malcolm

Self-Insured Local Government Entity
Ronald J. Travers

Workers' Compensation Commission—Ex Officio:
Maureen Quinn

Committee Staff:
Tami Burt
Laura Atas
Department of Legislative Services

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

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

2017 Committee Roster

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

COMMITTEES

Advisory Committee on the Registration of Rehabilitation Practitioners

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

2017 Committee Roster

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

Medical Fee Guide Revision Committee

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

2017 Committee Roster

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

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Nimish Kalia, M.D.	James Groschan, P.T.
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