

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 830

(Senator Hayes)

Finance

Economic Matters

**Workers' Compensation - Claims Application Form - Authorization for Release
of Information**

This bill expands the list of entities authorized to receive certain information related to specified workers' compensation claims to include the Uninsured Employers' Fund (UEF), the Subsequent Injury Fund (SIF), and their agents; the bill also expands the information that must be authorized to be shared with these and other entities involved in those workers' compensation claims, as specified.

Fiscal Summary

State Effect: The bill may result in administrative efficiencies for UEF and SIF in adjudicating workers' compensation claims. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee in FY 2026 only; review of the filings can be handled with existing budgeted resources. General fund revenues from the premium tax are not materially affected. Otherwise, State expenditures (all funds) for workers' compensation are anticipated to decrease minimally, as discussed below. Revenues are not affected.

Chesapeake Employers' Insurance Company (Chesapeake) Effect: Chesapeake expenditures decrease minimally from administrative cost savings. Chesapeake revenues decrease minimally as the cost savings result in fewer premium revenues collected from Chesapeake insureds, as discussed below.

Local Effect: Local government expenditures for workers' compensation are anticipated to decrease minimally, as discussed below. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: Generally, if an employee covered under workers' compensation insurance has suffered an accidental personal injury, compensable hernia, or occupational disease, the employee is entitled to compensation benefits paid by the employer, its insurer, SIF, or UEF, as appropriate. Workers' compensation benefits include wage replacement, medical treatment, and vocational rehabilitation expenses. Workers' Compensation Law specifies the processes that must take place for a covered employee, or the dependents of the covered employee, to file a workers' compensation claim. Directly related to the bill, a claim application form must be completed and filed with the Workers' Compensation Commission (WCC) within a specified timeframe for:

- a covered employee to file a claim for an accidental personal injury;
- the dependents of a covered employee (or an individual acting on their behalf) to file a claim for an accidental personal injury that results in the death of the covered employee; or
- a covered employee, or the dependents of the covered employee, to file a claim for an occupational disease that results in disablement or death.

Under current law, each of these application forms must include an authorization by the claimant for the release of medical information that is relevant to the member of the body that was injured and the description of how the injury (or occupational disease) occurred to (1) the claimant's attorney; (2) the claimant's employer; and (3) the insurer of the claimant's attorney. The form must also authorize the release of this information to an agent of one of these entities.

Under the bill, each of the application forms must also (1) allow the release of the information to UEF, SIF, and their agents and (2) authorize the release of medical *and financial* information that *may be*, instead of *is*, relevant to the member of the body that was injured and the description of how the injury (or occupational disease) occurred.

Under current law, this authorization (1) includes the release of information relating to the history, findings, office and patient charts, files, examination and progress notes, and physical evidence; (2) is effective for one year from the date the claim is filed; and (3) does not restrict the redisclosure of medical information or written material relating to the authorization to a medical manager, health care professional, or certified rehabilitation practitioner.

Under the bill, the authorization must also include the release of information in the custody of WCC and include the release of information relating to additional claims filed by the claimant.

State/Chesapeake/Local/Small Business Effect: Chesapeake advises that, under current law, it is often required to issue a subpoena to access certain financial and medical information related to a claim; Chesapeake pays a fee of \$90 to its service processor per subpoena. When subpoenas are issued on behalf of the State or a self-insured local government, these costs are directly paid by the State or local government; whereas these additional costs are reflected in the premiums Chesapeake charges to the local governments and private businesses (including small businesses) that it insures.

Under the bill, much of this information will, instead, be available through the authorization on a claimant's application form, resulting in fewer subpoenas being issued by Chesapeake. As these administrative costs decrease, expenditures by the State, self-insured local governments, and Chesapeake decrease correspondingly. Additionally, because Chesapeake advises that any cost savings it experiences will decrease the premiums it charges to its insureds, expenditures for local governments and small businesses insured by Chesapeake also decrease and Chesapeake revenues decrease correspondingly. Similar impacts are anticipated for local governments and small businesses insured by other workers' compensation insurers as well.

A precise estimate of the bill's impact ultimately depends on how many subpoenas would be issued by Chesapeake and other workers' compensation insurers absent the bill, which is unknown. Nevertheless, Chesapeake advises, and the Department of Legislative Services concurs, that cost savings for the State, local governments, Chesapeake, and small businesses due to the bill are anticipated to be minimal.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Chesapeake Employers' Insurance Company; Subsequent Injury Fund; Uninsured Employers' Fund; Workers' Compensation Commission; Department of Legislative Services

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