



## **House Bill 346**

### *Workers' Compensation - Vocational Rehabilitation Services - Retroactive Compensation*

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: March 11, 2026

From: Karrington Anderson

The Maryland Association of Counties (MACo) **OPPOSES** HB 346. This bill requires an employer or insurer to continue paying temporary total disability (TTD) benefits for up to 60 days after an injured worker reaches maximum medical improvement (MMI) if there is a delay before vocational rehabilitation services begin. This period is commonly referred to as the “gap period.”

Under current law, temporary disability benefits generally end once an employee reaches maximum medical improvement, meaning the employee’s condition has stabilized and further recovery is not expected with additional treatment. At that point, if the employee cannot return to their previous position, vocational rehabilitation services may begin to help the worker return to the workforce or train for a new occupation. During the vocational rehabilitation process, employees receive workers’ compensation benefits while participating in the program.

HB 346 would mandate employers or insurers to pay up to 60 additional days of TTD benefits during the gap period, even though the employee has already reached MMI. While vocational rehabilitation ideally begins immediately after MMI, delays can occur for a variety of reasons that can be outside the employer’s control. The bill creates a financial incentive to delay the initiation of vocational rehabilitation services, as claimants could postpone requesting services while still becoming eligible for retroactive benefits during the gap period.

For counties, these additional mandated payments would directly increase workers’ compensation costs. Counties that self-insure would face higher claim expenses, and counties that purchase workers’ compensation insurance would likely see higher premiums as insurers adjust to expanded liability.

For these reasons, MACo respectfully requests an **UNFAVORABLE** report on HB 346.