

MARYLAND UNINSURED EMPLOYERS' FUND ANNUAL REPORT

Period: July 1, 2023 – June 30, 2024

Due October 1, 2024

FINAL Version

Date: September 26, 2024

LE § 10-320(b)

“On or before October 1 of each year, the [Uninsured Employers' Fund] Board shall submit to the Governor and, subject to § 2-1257 of the State Government Article, the General Assembly an annual report that includes a detailed statement of the balances and expenses of the Fund.”

Michael W. Burns, Esquire

Director

WES MOORE
GOVERNOR

STATE OF MARYLAND

MARTIN E. LEWIS
CHAIR

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September 26, 2024

The Honorable Wes Moore
State House
100 State Circle
Annapolis, Maryland 21401

The Honorable Bill Ferguson
President
Senate of Maryland
State House, H-107
Annapolis Maryland 21401

The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
State House, H-101
Annapolis Maryland 21401

Re: Report required by Labor and Employment Article §10-320 (b), HB 67/Ch. 58, 2015 and State Government Article §2-1257 (MSAR # 10394)

Dear Lady and Gentlemen,

Pursuant to by Maryland law, Labor and Employment Article § 10-320(b) and State Government Article §2-1257, the Maryland Uninsured Employers' Fund (UEF/agency/fund) is required to submit to the Governor and the General Assembly on or before October 1 of each year "an annual report that includes a detailed statement of the balances and expenses of the Fund." (Report) The Fund therefore respectfully submits the following Report to you for purposes of these requirements, including details concerning the balances and expenses of the Fund as dated September 26, 2024.

MISSION STATEMENT

The Uninsured Employer's Fund (UEF/agency/fund) exists to protect workers whose employers fail to obtain legally mandated Worker's Compensation Insurance. The UEF reviews and investigates claims by injured workers who are not properly compensated for their injuries by their employers and pays claims on when uninsured employers fail to do so and otherwise as appropriate. We work to ensure that benefits and medical expenses are properly paid to uninsured injured workers and/or their families, and that uninsured employers are held accountable with penalties and sanctions for their failure to comply with Maryland law to insure and protect their employees. Our mission is, therefore, to protect the innocent injured employee (and their family) and to ensure that noncompliant uninsured employers are held accountable for their actions as mandated by law.

BACKGROUND AND AGENCY PURPOSE

Workers Compensation History and System

Worker's Compensation is a system of no-fault insurance that provides wage replacement and medical benefits to employees for accidental injuries or diseases related to the employee's work.

Before 1900 in the United States, a worker who was injured in the course of his or her employment could sue his or her employer in a civil or "tort" action, which was the same remedy available to a person injured under other circumstances. The tort remedy, however, had numerous problems. It required the worker to prove that the injury occurred because the employer was negligent and the employer had various defenses depending on the jurisdiction which could include: (1) The worker was also negligent; (2) The worker knew of the dangers involved and "assumed the risk;" or (3) The injury occurred because of the negligence of a "fellow employee." Additionally, because of the expense of securing legal counsel as well as the length of time to seek and obtain recovery under this tort system, it was very difficult for workers to recover against their employers. If they did win, however, there were, generally, no dollar limits on what a jury could award to the injured worker.

In response to this situation a system of workers compensation was developed and adopted by the states over time. Workers' compensation is one of America's oldest social insurance programs: It was adopted in most states during the first decades of the twentieth century. The Maryland Workers Compensation Act was first enacted in 1914.

The workers' compensation system is based on a trade-off between employers and employees. Employees are entitled to receive prompt, effective medical treatment for on-the-job injuries or illnesses no matter who is at fault and appropriate compensation for lost wages and, in return, are prevented from suing employers over those injuries. This is the system set up generally throughout the various states, including Maryland.

As a result of this system, most Maryland employers are required by law to secure and maintain workers' compensation insurance, even if they have only one employee, or must meet the criteria for becoming self-insured. Labor and Employment section 9-402 (2016 Replacement Volume and 2023 Supplement). And, if employees get hurt or sick in the course of their employment, the employer is required to pay by way of their insurance for their injured workers' medical and other compensation benefits.

In return, the law limits the amount that a worker can recover. As noted, workers are only entitled to certain specified benefits, including: (1) Certain wage loss benefits; (2) The cost of medical treatment; and (3) Certain disability payments. Under the old system, workers were able to recover for pain and suffering, loss of enjoyment of life and other damages that a jury might award. Recovery under worker's compensation today is, however, limited to the statutorily permitted areas of coverage, no matter how serious the injury.

This system works exceedingly well – the tradeoff between the rights of employers and employees results in serious protections for the injured worker at a reasonable cost to the employer for workers compensation insurance.

When, however, the employer fails to live up to its part of the trade off – when that employer, for whatever reason, fails to carry the required insurance - the system breaks down, leaving the injured worker in a serious and dangerous position. For the system to work all relevant employers must secure and maintain the required workers compensation insurance. Were it not for uninsured employers' funds such as Maryland's UEF, injured workers with uninsured employers would face terribly difficult – potentially catastrophic - situations in which lost wages and medical treatment payments would be difficult, if not impossible, to recover, from employers without insurance and then only by means of long, costly legal action.

The Maryland Uninsured Employers' Fund

In 1983, the Uninsured Employers' Fund Board was created by the General Assembly to protect workers whose employers are not insured under Workers' Compensation (Chapter 576, Acts of 1983).

The Fund reviews and investigates claims by employees, or by their dependents in case of employee death, who have not been compensated properly by their employer. The agency also provides coverage for claims for compensation for injured workers employed by insolvent self-insured employers as well. The Fund additionally supervises the operation and administration of the Uninsured Employers' Fund and staff as well.

The UEF is a statutorily-created, self-funded agency which does not receive other general funding. The agency was created in order to protect Maryland workers who are injured on the job from an accidental injury or an occupational disease under certain circumstances. Specifically, the agency provides workers' compensation benefits, including medical benefits, to injured workers, and to their families and dependents as appropriate, in cases where an uninsured employer fails to carry Workers' Compensation Insurance, an employee is injured, benefits are awarded by the Maryland Workers' Compensation Commission (WCC/Commission) and the uninsured employer fails to pay the WCC award as ordered by the Commission. The agency's obligation to provide benefits and/or compensation is triggered when an uninsured employer defaults on an award issued by the Commission.

The UEF was originally designed to be a limited stop-gap funding mechanism for injured workers whose employers failed to maintain legally required workers' compensation insurance. It was apparently initially believed when the agency was established decades ago that there would only be a fairly small number of such cases because employers would maintain workers compensation insurance to cover their employees since that insurance was, and still is, required of most Maryland employers under the law.

Over the years this expectation has proven to be, unfortunately, erroneous. Some employers, especially in the dangerous construction and landscaping industries, routinely and deliberately fail to carry required insurance because it enables them to underbid their competition and thus obtain work, or because it increases their own profits, or for other reasons. Add to this honest employers who simply fail to have coverage at the time of an injury for various reasons and then have a claim from an injured worker, as well as bankrupt self-insured employers, such as the Bethlehem Steel Corporation (BSC) and A&P Supermarkets (A & P), and by 2024 the result is that the UEF has now grown to cover hundreds of injured workers at any one time – currently a monthly average currently of approximately 730 active cases, including approximately 30 permanently totally disabled cases, with expenditures for both lost wages and medical bills totaling millions of dollars per year. A & P and BSC, both huge self-insured companies, have become insolvent during the past 20 years and the UEF has also become responsible for tens of millions of dollars in workers' compensation payments for these two corporations' injured workers, a responsibility which continues at the present time, remains ongoing and will continue for decades to come. It is important to note that there is no source of funding in existence currently for the BSC claims which the Fund manages and pays for.

UEF coverage for a claim can last for any amount of time depending on the Order of the WCC: weeks, months, years, a lifetime. Workers often come back to the WCC with a claim for worsening of their condition, requiring a new hearing, resulting in a new order with increased payments, multiple times. Even if a claimant does not claim a worsening of their condition the

agency is still responsible for casually-related medical treatment for the remainder of the claimant's life. Over time, cases can result in millions of dollars in medical and related expenses.

The UEF is a special fund. It is partially funded by fines levied by the WCC against uninsured employers but mostly by assessments imposed on awards of indemnity benefits made by the WCC. The agency also is to receive reimbursement from uninsured employers for expenditures made to claimants and works diligently to recover such from these employers. Many uninsured employers, however, do not make these required payments and reimbursements which has made collecting and recovering these funds a significant challenge.

In addition to collecting these fines and assessments the UEF seeks repayment of the benefits paid from the relevant liable uninsured employers by way of civil and criminal collection and enforcement actions. The agency now vigorously pursues suspension of business licenses and permits from, and seeks criminal penalties against, employers who fail to secure insurance and/or fail to pay benefits awarded by the commission.

As noted, the UEF is entirely self-funded and typically receives approximately 85 plus percent of its funding from a 2% assessment on most WCC permanency awards and settlements (with the remainder of funding coming as described above).

This 2% amount is the statutory maximum assessment available to the agency and has been the statutory maximum for many years. During the 2020 legislative session the Legislature raised that assessment amount temporarily for a period of one year to 3%. During the 2021 legislative session the agency requested, as a result of the COVID pandemic disruption and shutdown which occurred starting in March of 2020, that the temporary 3% figure be extended for one additional year. Although supported by the prior Administration the House Economic Matters Committee declined to extend the assessment increase and it therefore terminated on June 30, 2021.

RECENT HISTORY AND PROGRESS

Under the leadership which entered the UEF in 2016, and with the active oversight, guidance and cooperation of the Executive Branch and the Legislature, the agency has worked, diligently and successfully, to address and correct the serious and unacceptable situation of dysfunction, chaos and failure which existed within the agency for years prior to 2016.

Bringing the agency to professional competence and performance has been neither easy nor expense-free. In order to simply function adequately the agency has added four full-time staff persons since late 2016, including two new attorneys general, which is reflected in increased costs to agency management. The agency has a total of eleven full-time State employees, five of whom are the attorneys general, as well as three non-State temporary employees.

Claims Management and Investigations

As a result of the emergency situation regarding the agency's claims administration which existed when current management entered the UEF in 2016 the agency located, evaluated and hired the CorVel Corporation (CorVel) pursuant to an emergency procurement effective Sept. 1, 2017 to investigate and manage claims as the agency's third-party claims administrator (TPA).

CorVel's task was daunting; it literally had to build the agency's case management record from the ground up based on what data was available (which was often incomplete or even non-existent) while also taking on investigating and managing new claims immediately upon their arrival at the agency in 2017. It took CorVel months to collect, organize and process data and files just to get to a point where the agency could even know, with confidence, how many open claims were in existence and what they were. As a result of the agency's first-ever Request for Proposals (RFP) for claims management and investigation services CorVel was, after an exhaustive procurement process and evaluation, subsequently awarded a five-year contract for TPA services in 2019. Another RFP process has been underway for almost one year and a recommendation for award has been made.

CorVel's success at data management and investigations has been truly exceptional. The rate of cases where insurance coverage is found in new claims has gone from a rate of approximately 9% per month before CorVel's arrival to over 50% per month on average today. This means that literally hundreds of claims for which the UEF would have been found responsible in the past now have coverage of some type being located, resulting in the agency not being responsible for covering and paying these claims. CorVel's staff, working with the agency's Attorneys General, have also developed evidence and successful defenses in cases which have literally saved the Fund millions of dollars in potential additional claim payouts over the past six-plus years.

CorVel's effective investigations, case management, and large network of providers has provided substantial savings to the agency. The cost of finally having a competent TPA with a written contract added to agency expenditures starting in 2017, but the resulting competence, accuracy, claims management expertise and savings achieved have been outstanding. The contract for third-party claims services with the CorVel Corporation continues to be a success, providing cost savings and competent professional services to the agency for a reasonable cost. The successful work of the current UEF staff and CorVel has been remarkable and financially enormously beneficial to the Fund, the State and, importantly, the injured workers and their families who depend upon this agency for their financial survival.

The professional administration, investigation, cost management, network savings and other benefits the agency has received under the contracts more than recoup the cost of CorVel's services. For example, since starting on the program with CorVel, UEF expenditures for claims have declined. From FY 2020 to the present there has been a 30% reduction in the number of open claims and a 20% reduction in claim payments. From our start with the onset of CorVel's

services there has been more than an approximately 65% decrease in the total open claims and roughly a 30% decrease in money spent on claims.

These savings are substantial and could have only been achieved with the agency procuring such TPA services from a competent national TPA. The contracts with CorVel were, and remain, one of the main reasons for the agency's success and financial stability over the past years. Attempting to do what CorVel does, in-house, has been tried before by the agency and were a failure in the past for the agency. Considering the nature and complexity of what is required by the UEF in claims management and investigations, it would be catastrophic for the UEF, which equates to catastrophic for the injured workers and their families the agency serves, for the State to repeat the mistakes of the past and attempt to do the work of a competent professional TPA in-house. The illusion of savings by doing so would be a mirage; real costs would soar and the quality of the services provided to injured workers would suffer. Nothing would do more to harm the success of the agency than to do so.

Covid Disruption, Agency Response and Resulting Changes

The COVID pandemic of 2020-22, although challenging, was also met successfully by the agency.

As noted in previous Reports, the COVID pandemic resulted in a number of disruptions, challenges and changes to the functioning of government in 2020-2022 and the UEF was not spared from those events and challenges. The agency has, however, successfully come through that situation. Thanks to the agency staff, Office of the Attorney General (OAG) staff, and the staff of the agency's third-party claims administrator (TPA) the agency was able to set up a successful remote teleworking program which enabled us to continue to function effectively remotely in 2020. As a result of constant planning and preparation by staff the agency was able to resume functioning in our office later when State Government was reopened by the Governor seamlessly and without incident. At the direction and encouragement of the executive, the agency continues to utilize telework to a much greater extent than before the pandemic and can report there has been no disruption or reduction in the agency's production, efficiency or work product.

The agency recognizes the leadership of both Executive Branch agencies and the Legislature in turning what was a serious disruption and crisis into a successful system for the functioning of government during the governmental shut-down in 2020, the eventual reopening of our office in 2021 and the ongoing utilization of telework options for staff.

The agency continues to successfully use telework since State government reopened. Balancing in-person, in-office time with telework has proven to be a valid and effective way for this agency to function. Office production, communication and efficiency remains excellent under this hybrid model, which is due in no small measure to the outstanding and professional staff that make up our agency personnel, including state employees, OAG staff, and CorVel staff.

The results of this hybrid staffing are such that the agency will continue to utilize it going forward. Hybrid telework works, at least at the UEF.

UEF Revenue and Collections

Agency revenue continues to show improvements in collection efficiency and results. Also, the one-year increase in the agency's assessment to 3% in 2020 provided additional funding support for the agency reflected in bottom line receipt numbers. Although the Legislature choose not to provide an additional year of funding at the 3% level in 2021, the one-year increase to that level clearly provided evidence of the effect of that change in real numbers and amounts received by the agency by way of the assessment for future evaluation.

In spite of the pandemic, agency staff continues to grow the agency's collections reach and effectiveness in recovery of funds owed by uninsured employers to the agency and maintained a high success rate even with the effects of the COVID pandemic to work through. Increases in enforcement and collections utilizing business license suspensions and the full implementation of criminal enforcement are highlights and the agency notes that both programs continue to grow in scope, effectiveness and receipts.

The agency's collections efforts to continue to generate more revenue for the agency. Collection staff are efficient and effective in their work. Working with the agency's Attorney's General collection staff have established several effective systems for identification and collection of agency debt. Payment plans are established on an ongoing basis generating a continuing source of revenue for the agency. Additionally, in response to an Audit Finding from 2021 the agency has obtained the services of a temporary employee whose responsibilities include sending all relevant debt generated directly to the Maryland Central Collection Unit (CCU) for collection.

The agency plans on utilizing several existing positions to recruit and hire more staff dedicated to collections efforts in the year ahead as well if resources and income permits.

There is, however, an issue with the agency's assessment revenue which is in the process of being reviewed and addressed. During the past two fiscal years the amounts received from the 2% assessment has been below the average of recent years. This reduction is a reflection of forces over which the agency has no control. See Appendix A.

This issue was recognized during the 2024 Legislative Session and working with the Senate Budget and Taxation Public Safety, Transportation and Environment sub-committee the agency agreed to a sub-committee suggestion that the Legislative Joint Chair's Report (JCR) establish a requirement for a report on agency funding and expenditures options to present to the Legislature for the 2025 Legislative Session. The workgroup established pursuant thereto has been meeting, and continues to meet, and will be presenting its report as required by the JCR.

Agency recommendations will then follow.

2024 - Legislative Session and Administration Interaction

The 2024 session of the Legislature was extremely successful and productive for the agency. The agency's budget was approved without controversy. The agency's interaction with the two budget committees was positive and both Budget Sub-Committees were supportive of, and interested in, the agency and its current status.

The Senate Sub-Committee had been particularly interested in the issue of penalties for the failure of required Maryland employers to carry workers compensation insurance in 2023 and the Sub-Committee requested further information from the UEF on the issue of penalties for failure to carry the required insurance by employers and the Joint Chairmen's Report (JCR) requested a report from the UEF regarding a discussion of the current status of enforcement and recommendations for improvements in the enforcement process. The agency prepared and submitted that report to the Legislature in a timely fashion in August, 2023.

In response to that interaction with the Legislature and the facts obtained in that report, the agency recommended Legislation to the Governor and his staff to increase the potential penalty for failure to carry required workers compensation insurance from the then-current maximum of \$10,000 per violation to a maximum of \$25,000. This proposal was formalized in SB 0216. Working with Legislators, the Executive branch staff and the Chair of the WCC, Chair Quinn, that bill was successfully enacted by the Legislature in 2024, signed by the Governor and is law as Chapter 78/2024.

The workgroup established by the JCR in 2024 has already been noted, and the agency is genuinely pleased to report the continuing of a good professional relationship with the Legislature and the relevant legislative committees we deal with.

The agency's interactions with the Administration have been collaborative and profitable for both parties. It is clear that the Administration is working diligently to improve Maryland, including this agency's subject matter. It has been a pleasure to work with the new Administration staff, especially the Governor's Legislative Office, which has been extremely proactive in both interacting with state entities such as the UEF and being available for training, advice and support involving numerous matters. The staff we deal with regularly are excellent and it is a pleasure to work with them. The leadership of the Governor and the spirit of his Administration, including cooperation and collaboration with agencies and staff, is resulting in genuine reforms and improvements in Maryland. The UEF appreciates the interaction and guidance and leadership and looks forward to a successful 2025.

BALANCES AND EXPENSES

The UEF has been, and remains, solvent as evidenced by this report. Appendix A details revenue and expenditures for the period of 2020-2024 and provides data for review and comparison. Of note is the previously discussed reduction in assessment revenue for 2023 and 2024 from previous average amounts, which has resulted in reduced revenue for the Fund and a

reduction of the Fund’s balance. See Appendix A (one page). This situation is something the JCR work group is reviewing and discussing and that both that group, and the agency, will make recommendations to both the Legislature and the Administration, as appropriate, for possible actions in response to the situation.

Also, as Appendix B (two pages) illustrates, the actual number of claims filed with the agency has also increased noticeably from 2023 to 2024. It should be noted that, in fact, the agency recorded the largest number of new claim cases, 58, in the month of July, 2024 that it has received during any month in recent years. This trend is not something the agency can control – the UEF is not an insurance agency. The UEF takes claims and claimants as they come. More claims will, however, by their very nature inevitably led to increased costs, expenditures and, therefore, increased revenue requirements if the trend continues.

Appendix C (three pages) provides extensive detailed information – including monthly balance, payment and expense information - as to the agency’s performance, claims, payments, and status during the past year. Numerous data points are recorded and presented therein for the period. In particular, detailed monthly amounts are presented for compensation payments, medical payments, and operating expenses.

Appendix D (one page) indicates the various Fiscal Year-End Fund balances from 2012-2024. What is striking is that the agency has increased staffing and contracted for a competent third-party claims administrator during the past seven years and yet, because the cost of claims and claim management has been vastly improved, significant savings have resulted. This is a result of better claims management and cost containment, increased effectiveness at investigations, better case preparation, winning contested cases, quicker and more effective enforcement, and vigorous collection programs resulting in substantially increased and more effective recovery of funds owed to the agency from uninsured employers.

These detailed statements of the balances and expenses of the Fund are included for purposes of providing data for this report and to comply with the requirements of Labor and Employment section 10-320(b) as regards information relevant to this particular report and which may be due for previous annual reports regarding balances and expenses of the fund. Data for comparison is available from previous Reports.

Detailed performance data indicates the following information for the period of FY 2023 and FY 2024 including balances and expenses:

	<u>FY 2023</u>	<u>FY 2024</u>
Number of claims filed	391	487
Number of investigations conducted	391	487
Number of claims where coverage found	190	249

Percentage claims where coverage found	48.6%	51.1%
Number of claims where agency responsible	76	42
Average number of open claims (per month)	563	515
Number of cases resolved	659	613
Number of benefit payments made	1,694	1,599
Compensation and medical payments made (in dollars)	4,925,642	6,427,536
Contract Cost for TPA Services	(included in agency operating expenditures)	
Agency operating expenditures (in dollars)	4,880,612	4,668,311
Total expenditures (in dollars)	9,806,254	11,095,847

Amount of assessments collected (in dollars)	7,264,077	8,124,529
Interest on Fund balance (in dollars)	215,683	252,691
Amount of benefit payments owed by uninsured		
Employers recovered (in dollars)	799,598	987,239
Total revenue (in dollars)	8,466,999	9,281,176
Ratio of Total expenditures to Total revenue (year)	1.16:1	1.20:1

Appendix E indicates the history of reserves for the agency in 2023. It shows that as of July, 2024 the agency has liability reserves currently set at \$58,530,637. These reserves are estimates of the agency's liability for the claims currently being paid by the agency for any particular month as well as anticipated claim obligations. Those reserves do not, and cannot,

completely predict future increases, including yearly rising medical costs, new claims and claimant worsening changes, which will increase the agency's liability in the years ahead. Additionally, the impact of the COVID virus and its aftermath continues to exist.

As to administrative costs the TPA contract is estimated to cost approximately \$3.2 million per year. That cost has, with contractual increases, been constant over the past five years of the contract. As the figures show, it is not the cost of the agency TPA that has led to the recent decrease in the Fund balance – it is a reduction in the assessment revenue.

Agency operating expenses are currently at approximately \$2 million with costs expected to increase as recruiting and hiring for several positions continues.

The agency again emphasizes that it is not an insurance company. Whatever cases are found to be the responsibility of the agency are the cases it will cover; it is, therefore, difficult to predict what the UEF's true future liabilities are for medical and compensation payments with any rational degree of certainty over multiple years. Due to the unique nature of our mission, the UEF is quite literally at the mercy of events as to future costs and expenditures.

CONCLUSION

As has been described in detail in the Fund's previous Annual Reports, although the agency had faced challenges and obstacles over recent years progress has been steady, substantial and permanent. Improvements and stabilization have occurred in every area of agency structure and function over the past recent years. The progress, initiatives and improvements in the UEF over the past several years are documented, numerous and substantial. The agency's response to the COVID pandemic, from planning to implementation to the successful functioning of remote work was remarkable – the ability of the agency to transition to remote work simply and quickly was something that did not exist compared with the agency's situation in 2016. What would have been impossible to do in 2016 was, frankly, easily accomplished and smoothly implemented by the UEF staff in 2020.

As with all agencies, there always remains work to do at the agency, improvements to be made, and more success to be generated but we here face that work with the confidence that comes of years of working as a team to get the job done.

The agency could not have made this progress without the help and support of others in State Government. We thank Governor Moore and his outstanding staff who been great partners and supporters in our work. We thank the Legislature, and in particular the Budget Committees and the Joint Committee on Workers' Compensation, and their staffs, for their interest in our efforts, their suggestions and ideas, their support and their ongoing substantial efforts to work with us to make this agency function successfully, efforts which were especially true this year and gratefully appreciated. We also thank the countless State employees from many agencies, including the Workers Compensation Commission, especially Chair Maureen Quinn, the Department of Budget and Management, the Department of General Services, the Office of the

Attorney General, and the Office of Legislative Services who have all supported and assisted the UEF in our work and our progress over the past years.

Our improvements, progress and success would not have been possible without the support and involvement of all those recognized within this report and our accomplishments here are a reflection of the hard work and support of many persons and entities in Maryland State government as well as our agency staff, who have all worked diligently to make the UEF successful and deserve the highest commendation.

We look forward to continued progress in 2025 working along with Governor Moore, his staff and the Legislature to serve the people of Maryland and advance the Administration's priorities to make Maryland even better.

Respectfully submitted,

Michael W. Burns

Michael W. Burns, Esq.

Director

MB/

Encls.

Cc: Sarah Albert, Department of Legislative Services (5 copies)

MFR Data

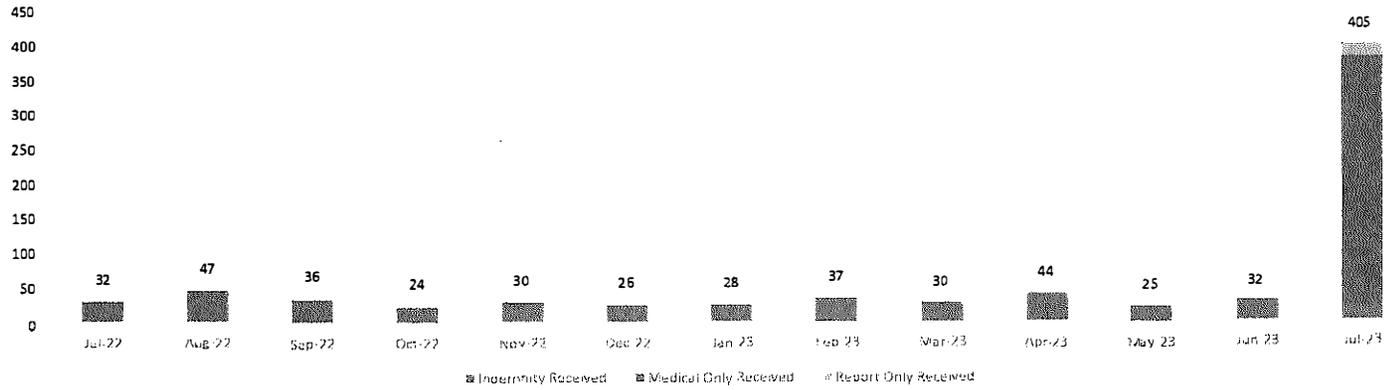
(Appendix A)

Code	Performance Measure	2020 Act.	2021 Act.	2022 Act.	2023 Act.	2024 Act.	2025 Est.
M101	Number of claims filed	570	462	511	391	487	600
M102	Number of investigations conducted	570	462	511	391	487	600
M103	Number of claims where coverage is found	170	183	207	190	249	300
M104	Number of claims were found to be responsible	136	195	98	76	42	109
M105	Average number of open claims	1,022	678	660	563	515	688
M301	Number of cases resolved	425	600	659	613	555	570
M302	Number of benefit payments made	2,600	1,984	11,616	1,694	1,599	1,800
M303	Value of compensation and medical payments made	8,784,084	8,225,106	5,648,907	4,925,642	6,427,536	6,802,255
M304	Agency operating expenditures	2,015,260	1,940,363	4,098,804	4,880,612	4,668,311	4,549,242
M305	Total expenditures	10,799,344	10,165,469	9,747,711	9,806,254	11,095,847	11,351,497
M306	Dollar amount of assessments collected (\$)	9,927,746	10,948,564	9,035,789	7,264,077	8,124,529	7,694,303
M307	Interest on fund balance	96,035	20,075	35,514	215,683	252,691	234,187
M308	Recovery of benefit payments owed by uninsured employers	1,319,496	1,340,995	799,598	987,239	903,956	945,598
M309	Total revenue	11,343,277	12,309,634	9,870,901	8,466,999	9,281,176	8,874,088
M310	Ratio of total expenditures to total revenue for the year	0.95:1	0.83:1	0.99:1	0.16:1	0.12:1	
		0.95	0.83	0.99	1.16	1.20	1.28

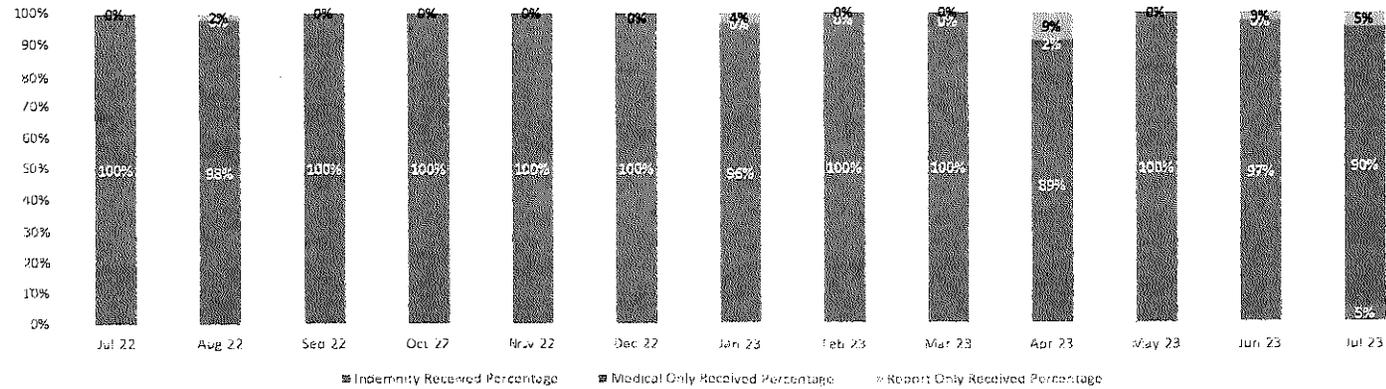
Maryland Uninsured Employers' Fund Key Performance Indicators

Jul-2023

Claims Received by Month by Class Code



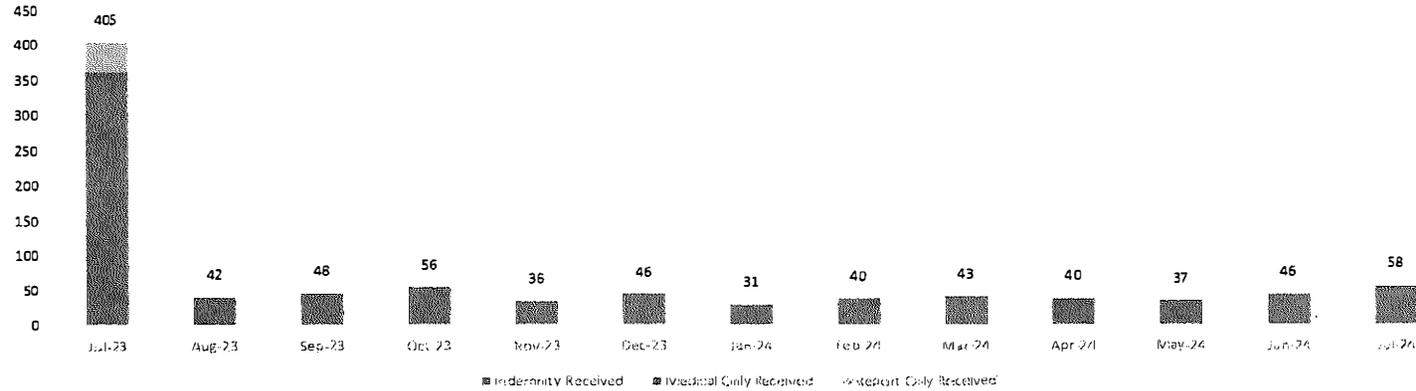
Percentage of Claims Received by Month by Class Code



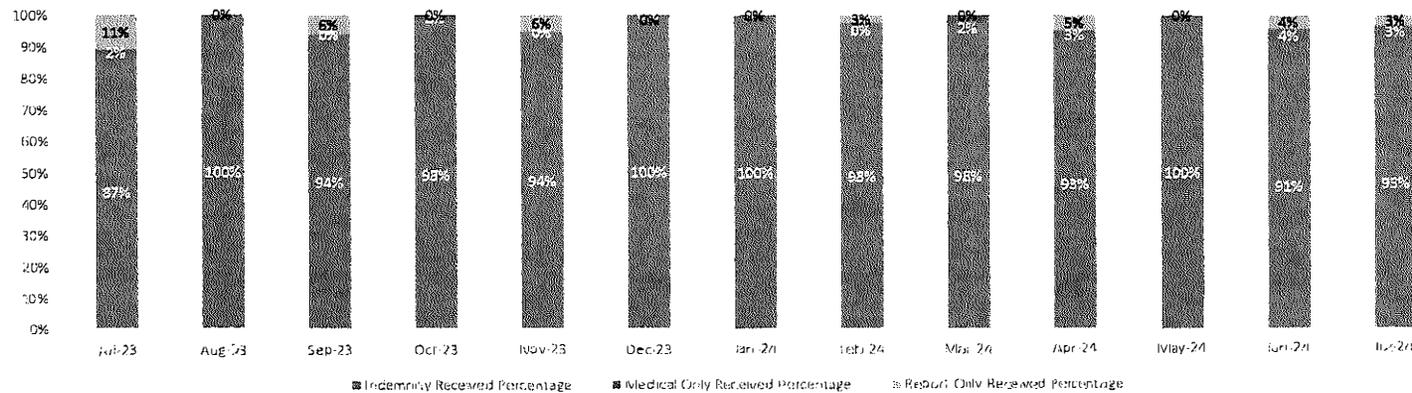
Maryland Uninsured Employers' Fund Key Performance Indicators

Jul-2024

Claims Received by Month by Class Code



Percentage of Claims Received by Month by Class Code



(Appendix C)
 Maryland Uninsured Employers' Fund
 Key Performance Indicators

Jul-2024

Activity	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Received	405	42	48	58	36	46	31	40	43	40	37	46	58	71	928
Indemnity Received	353	42	45	55	34	46	31	39	42	37	37	42	54	66	857
Medical Only Received	7	0	0	1	0	0	0	0	1	1	0	2	2	1	14
Report Only Received	45	0	3	0	2	0	0	1	0	2	0	2	2	4	57
Indemnity Received Percentage	87%	100%	94%	98%	94%	100%	100%	98%	98%	93%	100%	91%	93%	96%	92%
Medical Only Received Percentage	2%	0%	0%	2%	0%	0%	0%	0%	2%	3%	0%	4%	3%	1%	2%
Report Only Received Percentage	11%	0%	6%	0%	5%	0%	0%	3%	0%	5%	0%	4%	3%	3%	6%
Reopen	5	6	6	8	6	176	2	2	6	4	6	2	5	18	234
Inactive	54	45	70	171	102	45	33	50	63	59	152	95	58	78	1,011
Inactive Ratio	13%	94%	130%	267%	243%	22%	100%	119%	129%	134%	353%	198%	108%	147%	87%

Hearings	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Number of Hearings	36	44	45	27	35	25	43	41	52	45	29	56	40	40	518

Inventory	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Indemnity Open	555	586	586	597	577	905	905	899	892	878	771	727	723	739	
Medical Only Open	362	334	321	202	161	7	7	7	3	6	7	6	7	110	
Report Only Open	1	0	0	0	1	1	1	0	0	0	0	1	0	0	
Indemnity Open Percentage	60%	64%	65%	75%	78%	99%	99%	89%	100%	99%	99%	99%	99%	87%	
Medical Only Open Percentage	39%	36%	35%	25%	22%	1%	1%	1%	0%	1%	1%	1%	1%	13%	
Report Only Open Percentage	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total Open Claims	918	920	907	799	739	913	913	906	895	884	778	734	730	849	

Financial Overview	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Total Paid	\$638,032	\$662,574	\$601,994	\$546,380	\$548,201	\$560,367	\$432,459	\$666,269	\$421,357	\$632,445	\$467,882	\$379,772	\$557,395	\$547,317	\$7,115,127
Reserved	\$58,573,702	\$62,567,645	\$62,845,609	\$62,033,259	\$59,694,714	\$61,446,896	\$61,639,001	\$61,510,493	\$60,433,590	\$57,325,664	\$57,751,607	\$57,827,873	\$58,530,637	\$60,167,745	
Incurred	\$59,211,734	\$63,230,218	\$63,447,604	\$62,579,639	\$60,242,915	\$62,007,263	\$62,071,460	\$62,176,761	\$60,854,947	\$57,958,109	\$58,219,489	\$58,207,646	\$59,088,031	\$60,715,063	
Recovered	\$0	\$0	\$2,412	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$19,261	\$0	\$0	\$2,436	\$31,672



**Maryland Uninsured Employers' Fund
Key Performance Indicators**

Jul-2024

Documented vs. Undocumented	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Documented Received	397	37	40	51	31	38	26	31	37	26	23	31	45	63	813
Undocumented Received	3	5	8	5	5	7	4	9	4	12	14	15	11	8	102
Unknown Received	5	0	0	0	0	1	1	0	2	2	0	0	2	1	13
Documented Open	537	721	703	600	551	717	717	708	703	588	596	553	547	642	642
Undocumented Open	142	144	147	141	132	129	138	140	138	139	146	133	154	142	142
Unknown Open	239	55	57	58	55	67	58	58	54	57	36	26	29	66	66

Coverage Found vs. No Coverage Found	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Coverage Found Received	8	29	35	37	21	22	18	18	23	17	14	14	10	20	264
No Coverage Found Received	128	13	13	19	15	24	13	24	20	22	23	32	45	30	391
Unknown Received	269	0	0	0	0	0	0	0	0	1	0	0	3	21	273
Coverage Found Open	45	55	54	65	57	46	55	51	53	45	40	49	46	51	51
No Coverage Found Open	516	591	578	529	515	588	586	586	580	579	532	497	515	553	553
Unknown Open	337	274	275	205	167	279	272	269	262	262	206	188	169	245	245

Medical Bill Review Turn Around Time	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Average Calendar Days from Last Pending Approval to Approved	9	8	6	8	7	10	10	5	11	9	8	9	8	8	8
Average Calendar Days from CorVel Received to Approved	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Medical Bill Savings	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Number of Bills	690	581	566	665	498	498	742	571	588	869	620	682	764	626	6,134
Billed Charges	\$368,756	\$602,981	\$519,793	\$472,335	\$353,146	\$306,836	\$518,523	\$422,628	\$361,913	\$720,214	\$308,757	\$427,592	\$433,991	\$447,497	\$5,817,467
Total Savings %	65%	61%	70%	60%	66%	39%	64%	67%	67%	83%	67%	58%	56%	64%	64%
Standard Savings	\$225,661	\$346,428	\$339,403	\$239,771	\$227,467	\$105,518	\$255,134	\$260,641	\$202,544	\$580,693	\$190,787	\$228,445	\$189,683	\$260,937	\$3,392,175
Network Solutions Savings	\$13,310	\$26,377	\$25,047	\$45,672	\$15,614	\$15,494	\$76,464	\$23,130	\$18,167	\$14,525	\$16,071	\$62,694	\$49,455	\$30,925	\$402,021
Adjustment Savings	\$0	-\$3,024	-\$149	\$0	-\$10,137	\$0	-\$384	-\$1,725	\$20,779	\$0	\$0	\$0	\$4,798	\$781	\$10,158
Total Savings	\$238,971	\$369,782	\$364,301	\$285,444	\$232,945	\$121,012	\$331,213	\$282,045	\$241,490	\$595,218	\$206,858	\$291,139	\$248,937	\$292,643	\$3,804,354
Average Charge	\$534	\$1,038	\$918	\$710	\$709	\$616	\$699	\$740	\$633	\$829	\$498	\$627	\$568	\$725	\$725
Average Reduction	\$346	\$636	\$544	\$429	\$468	\$243	\$446	\$494	\$622	\$685	\$334	\$427	\$319	\$469	\$469

Preferred Provider Network	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Network Bills Processed	133	107	132	152	88	82	132	121	144	181	97	87	108	120	1,364
PPO Utilization Rate	33%	34%	28%	37%	49%	38%	42%	37%	69%	29%	30%	60%	28%	39%	39%
Charges in Network	\$83,282	\$162,072	\$72,457	\$116,310	\$91,124	\$69,785	\$136,062	\$90,355	\$139,592	\$112,451	\$49,403	\$170,590	\$71,861	\$105,026	\$1,365,344
PPO Reductions	\$3,873	\$4,453	\$3,515	\$2,977	\$2,655	\$1,634	\$11,066	\$4,355	\$7,352	\$5,091	\$3,700	\$5,353	\$5,313	\$4,718	\$61,334
Non-PPO Reductions	\$55,102	\$39,462	\$30,067	\$64,486	\$28,932	\$33,712	\$85,315	\$60,032	\$115,561	\$87,044	\$28,020	\$127,903	\$33,053	\$55,482	\$721,265



Maryland Uninsured Employers' Fund Key Performance Indicators

Jul-2024

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	13 Month Average	13 Month Total
Pharmacy Management															
Number of Claimants	33	33	35	32	34	35	33	33	34	34	30	34	36	34	436
Number Pharmacy Bills Processed	152	156	171	162	118	170	179	181	181	197	160	168	247	172	2,242
Amount Billed	\$65,005	\$91,000	\$88,037	\$82,149	\$59,503	\$95,223	\$116,934	\$117,704	\$119,455	\$124,160	\$98,243	\$98,510	\$139,981	\$99,685	\$1,295,904
Amount Paid	\$39,463	\$60,040	\$55,849	\$50,537	\$38,294	\$64,858	\$81,272	\$73,585	\$80,447	\$71,729	\$57,119	\$64,304	\$91,563	\$63,774	\$829,063
Savings Over Billed Price	\$25,542	\$30,959	\$32,188	\$31,612	\$21,209	\$30,364	\$35,661	\$44,118	\$39,008	\$52,431	\$41,124	\$34,206	\$48,418	\$35,911	\$466,841
Overall Savings Percentage	39%	34%	37%	38%	36%	32%	30%	37%	33%	42%	42%	35%	35%	36%	
Number of PBM Claimants	25	25	25	24	24	23	23	21	24	23	21	24	24	24	306
Number of PBM Pharmacy Bills Processed	90	87	78	93	71	93	82	69	91	83	70	79	91	83	1,077
Amount Billed (PBM)	\$92,171	\$32,018	\$38,410	\$35,396	\$21,972	\$30,249	\$28,007	\$29,927	\$31,533	\$27,830	\$22,667	\$28,000	\$35,385	\$30,274	\$393,568
Amount Paid (PBM)	\$14,665	\$13,696	\$19,188	\$14,881	\$9,981	\$15,187	\$12,661	\$13,000	\$14,616	\$11,884	\$10,625	\$13,936	\$17,596	\$13,993	\$181,914
PBM Savings Over Billed Price	\$17,506	\$18,322	\$19,223	\$20,515	\$11,991	\$15,062	\$15,346	\$16,928	\$16,918	\$15,947	\$12,042	\$14,064	\$17,790	\$16,281	\$211,654
PBM Savings Percentage	54%	57%	50%	58%	55%	50%	55%	57%	50%	57%	53%	50%	50%	54%	
% Claimants in PBM Network	76%	76%	71%	75%	71%	66%	70%	64%	71%	68%	70%	71%	67%	70%	
% Bills in PBM Network	59%	56%	46%	57%	60%	55%	46%	38%	50%	42%	44%	47%	37%	49%	
Brand Percentage	8%	10%	13%	12%	7%	11%	12%	14%	13%	11%	16%	15%	16%	12%	
Generic Percentage	92%	90%	87%	88%	93%	89%	88%	86%	87%	89%	84%	85%	84%	88%	
Mail Order Percentage	6%	3%	0%	8%	7%	4%	9%	6%	5%	8%	4%	5%	7%	6%	
Retail Percentage	94%	97%	100%	92%	93%	96%	91%	94%	95%	92%	96%	95%	93%	94%	
Narcotic Percentage	23%	21%	22%	25%	24%	20%	21%	19%	20%	18%	20%	20%	21%	21%	
Number of OON 3rd Party Bills	10	12	11	10	11	13	12	12	13	13	10	11	12	12	150
Number of OON Physician Dispensing Bills	3	4	4	4	4	2	3	4	3	5	4	5	6	4	51
Case Management															
MCM (pending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCM Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCM Closed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MCM Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TCM (pending)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
TCM Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TCM Closed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TCM Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TA (pending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TA Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TA Closed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TA Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (pending)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



UEF FUND BALANCE AS OF JUNE 30, 2024

(Also UEF FUND BALANCES – 2012-2024)

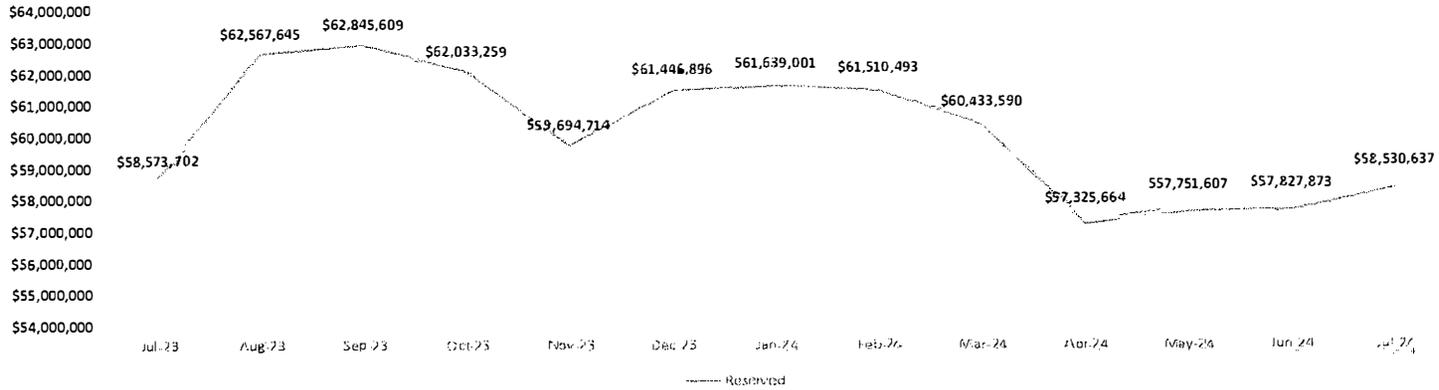
(Appendix D)

2012	\$ 10,773,750.83
2013	\$ 11,062,016.31
2014	\$ 11,025,312.96
2015	\$ 10,614,845.66
2016	\$ 8,822,208.54
2017	\$ 7,037,435.11
2018	\$ 7,011,141.05
2019	\$ 5,781,953.68
2020	\$ 6,327,160.83
2021	\$ 8,472,365.19
2022	\$ 8,605,648.97
2023	\$ 7,189,880.09
2024	\$ 5,298,761.75

Maryland Uninsured Employers' Fund Key Performance Indicators

Jul-2024

Total Reserved by Month



Total Incurred by Month

