

Uninsured Employers' Fund

MISSION

The Uninsured Employers' Fund (UEF) strives to promptly pay awards ordered by the Workers' Compensation Commission in favor of injured workers against non-insured employers who default on payments, and to maintain an adequate fund balance from which to pay claims through the collection of applicable fines, assessments, and benefit recoveries.

VISION

A State that ensures that all injured workers awarded benefits by the Workers' Compensation Commission are promptly and correctly paid.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. To efficiently investigate and defend and monitor all designated non-insured cases.

Obj. 1.1 All new cases will be promptly reviewed, investigated, and prepared for legal defense as required.

Obj. 1.2 All claims will be monitored for investigation, coverage and activity for purposes of monitoring their status and insuring accurate processing and management.

| Performance Measures | 2018 Act. | 2019 Act. | 2020 Act. | 2021 Act. | 2022 Act. | 2023 Est. | 2024 Est. |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of claims filed | 479 | 483 | 570 | 462 | 511 | 501 | 510 |
| Number of investigations conducted | 479 | 483 | 570 | 462 | 511 | 501 | 510 |
| Number of claims where coverage is found | 98 | 168 | 170 | 183 | 207 | 165 | 165 |
| Number of claims were found to be responsible | 1,172 | 53 | 136 | 195 | 98 | 121 | 120 |
| Average number of open claims | 1,270 | 919 | 1,022 | 678 | 660 | 670 | 680 |

Goal 2. To monitor awards and follow established procedures to ensure prompt payment to claimants and health care providers.

Obj. 2.1 By the use of active case monitoring, the agency will promptly initiate the appropriate benefit payments for each case following the determination of the Fund's legal obligation.

Goal 3. To track and collect fines, assessments, and awards benefits paid by the Fund, and to maintain the adequacy and integrity of the Fund balance.

Obj. 3.1 The agency seeks to maximize its collections from non-insured employers utilizing all legal processes including, as a last resort, Central Collections.

Obj. 3.2 To ensure that adequate funds are available from which to pay claims, the ratio of total Fund expenditures to total collections will remain less than 1:1. (Maryland law permits increasing the one percent permanency award assessment rate if required. Funds from this source are reliable as the payers are primarily insurance companies.)

| Performance Measures | 2018 Act. | 2019 Act. | 2020 Act. | 2021 Act. | 2022 Act. | 2023 Est. | 2024 Est. |
|--|------------|------------|------------|------------|-----------|------------|------------|
| Number of cases resolved | 992 | 556 | 425 | 600 | 659 | 646 | 650 |
| Number of benefit payments made | 2,250 | 2,425 | 2,600 | 1,984 | 11,616 | 11,700 | 11,800 |
| Value of compensation and medical payments | 9,449,100 | 8,772,756 | 8,784,084 | 8,225,106 | 5,648,907 | 5,700,000 | 5,800,000 |
| Agency operating expenditures | 1,787,862 | 2,010,988 | 2,015,260 | 1,940,363 | 4,098,804 | 5,445,354 | 5,559,274 |
| Total expenditures | 11,236,962 | 10,783,744 | 10,799,344 | 10,165,469 | 9,747,711 | 11,145,354 | 11,359,274 |

Uninsured Employers' Fund

| Performance Measures | 2018 Act. | 2019 Act. | 2020 Act. | 2021 Act. | 2022 Act. | 2023 Est. | 2024 Est. |
|---|------------|-----------|------------|------------|-----------|------------|------------|
| Dollar amount of assessments collected (\$) | 9,586,116 | 8,501,406 | 9,927,746 | 10,948,564 | 9,035,789 | 9,599,924 | 9,600,000 |
| Interest on fund balance | 121,238 | 122,793 | 96,035 | 20,075 | 35,514 | 79,131 | 79,000 |
| Recovery of benefit payments owed by uninsured | 1,492,355 | 918,229 | 1,319,496 | 1,340,995 | 799,598 | 1,174,135 | 1,300,000 |
| Total revenue | 11,199,709 | 9,542,428 | 11,343,277 | 12,309,634 | 9,870,901 | 10,853,190 | 10,979,000 |
| Ratio of total expenditures to total revenue for the year | 1.00:1 | 1.13:1 | 0.95:1 | 0.83:1 | 0.99:1 | 1.03:1 | 1.03:1 |

NOTES

¹ This metric does not include funding for the third-party administrator contracts. These funds were categorized as non-budgeted prior to fiscal year 2022, but have been recategorized as special funds due to accounting changes.

Uninsured Employers' Fund

C96J00.01 General Administration

Program Description

The Uninsured Employers' Fund (UEF) reviews and investigates claims filed by employees or, in the case of death, by their dependents. If the employer does not pay what is due the claimant, the Fund will directly pay the compensation benefits and medical expenses, and attempt to recover all benefits paid plus certain assessments from the uninsured employer. The cost of administering the Uninsured Employers' Fund and providing benefits to the claimants is wholly specially funded, principally derived from assessments placed upon awards of compensation.

Appropriation Statement

| | 2022 Actual | 2023 Appropriation | 2024 Allowance |
|--|----------------|-----------------------|-------------------|
| Number of Authorized Positions | 13.00 | 13.00 | 13.00 |
| Number of Contractual Positions | 1.00 | 0.00 | 0.00 |
| 01 Salaries, Wages and Fringe Benefits | 1,369,022 | 1,723,392 | 1,836,290 |
| 02 Technical and Special Fees | 2,147,925 | 3,321,000 | 3,321,000 |
| 03 Communications | 17,191 | 21,508 | 21,508 |
| 04 Travel | 5,248 | 15,825 | 15,825 |
| 08 Contractual Services | 401,024 | 195,555 | 196,074 |
| 09 Supplies and Materials | 13,717 | 17,000 | 17,000 |
| 10 Equipment - Replacement | 0 | 10,000 | 10,000 |
| 13 Fixed Charges | 144,677 | 141,074 | 141,577 |
| Total Operating Expenses | 581,857 | 400,962 | 401,984 |
| Total Expenditure | 4,098,804 | 5,445,354 | 5,559,274 |
| Special Fund Expenditure | 4,098,804 | 5,445,354 | 5,559,274 |
| Total Expenditure | 4,098,804 | 5,445,354 | 5,559,274 |
| Special Fund Expenditure | | | |
| C96301 Uninsured Employers' Fund | 4,098,804 | 5,445,354 | 5,559,274 |

3 Year Position Summary

| Classification Title | FY 2022 Positions | FY 2022 Expenditures | FY 2023 Positions | FY 2023 Appropriation | FY 2024 Positions | FY 2024 Allowance |
|--|----------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| C96 - Uninsured Employers' Fund | | | | | | |
| C96J0001 - General Administration | | | | | | |
| Admin Officer II | 1.00 | 66,797 | 1.00 | 70,510 | 1.00 | 74,414 |
| Admin Prog Mgr I | 1.00 | 94,279 | 1.00 | 99,561 | 1.00 | 105,072 |
| Admin Spec III | 2.00 | 57,581 | 2.00 | 101,797 | 2.00 | 107,739 |
| Administrative Mgr Senior I | 1.00 | 0 | 1.00 | 84,178 | 1.00 | 87,967 |
| Asst Attorney General V | 0.00 | 74,479 | 1.00 | 95,452 | 1.00 | 100,689 |
| Asst Attorney General VI | 2.00 | 204,327 | 2.00 | 217,636 | 2.00 | 227,430 |
| Asst Attorney General VII | 2.00 | 108,988 | 1.00 | 116,098 | 1.00 | 121,323 |
| Exec Dir Uninsured Employer Fund | 1.00 | 126,953 | 1.00 | 135,356 | 1.00 | 141,447 |
| Fiscal Accounts Technician II | 1.00 | 16,323 | 1.00 | 41,779 | 1.00 | 56,254 |
| MBR Uninsured Employers Fund | 0.00 | 28,906 | 0.00 | 0 | 0.00 | 0 |
| Prgm Mgr IV | 1.00 | 0 | 1.00 | 78,850 | 1.00 | 82,399 |
| Principal Counsel | 1.00 | 126,547 | 1.00 | 133,543 | 1.00 | 140,887 |
| Total C96J0001 | 13.00 | 905,180 | 13.00 | 1,174,760 | 13.00 | 1,245,621 |