



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

TASK FORCE TO STUDY TEMPORARY DISABILITY INSURANCE PROGRAMS AND THE
PROCESS FOR ASSISTING INDIVIDUALS WITH DISABILITIES AT LOCAL DEPARTMENTS OF
SOCIAL SERVICES

January 1, 2014

The Honorable Martin O'Malley
Governor
State of Maryland Executive Department
100 State Circle
Annapolis, MD 21401

Dear Governor O'Malley:

On behalf of the Task Force to Study Disability Insurance Programs and the Process for Assisting Individuals with Disabilities at local Departments of Social Services, we are pleased to submit the enclosed findings and recommendations of the aforementioned Task Force.

If you require additional information, please have your staff contact Allyson Black, Executive Director, Office of Government Affairs, Department of Human Resources, at 410- 767-7193 or Nancy Egan, Assistant Director of Government Relations, Maryland Insurance Administration, at 410-468-2488.

Thank you for your concern and commitment to providing and improving opportunities for our most vulnerable Marylanders.

Sincerely,

Signature on Original

Senator Kathy Klausmeier
Task Force Co-Chair

Signature on Original

Delegate Sally Y. Jameson
Task Force Co-Chair

**Report of the Task Force to Study
Temporary Disability Insurance
Programs and the Process for Assisting
Individuals with Disabilities at Local
Departments of Social Services**

MSAR 9612

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1. STATUTORY REPORT REQUIREMENT

Chapter 394 of the Acts of 2013

The Task Force to Study Temporary Disability Insurance Programs and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services (Task Force) submits this report in compliance with Chapter 394 of the Acts of 2013¹, which requires the Task Force to report on or before December 1, 2013, “*its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.*”

2. BACKGROUND

With the recent economic downturn and subsequent financial recovery it is critical that Maryland’s state service agencies effectively provide services within their purview to address varied problems facing residents. The rising cost of living presents a challenge to many with limited resources regarding the ability to afford necessities, such as food and rent/mortgages. These challenges often lead to individuals seeking comprehensive services from state agencies.

For many residents with little to no income due to temporary disabilities resulting from injuries or illnesses such as cancer, they have been especially affected during these difficult times. The expenses associated with cancer or disability treatment can quickly become insurmountable, and without support, individuals are soon unable to afford basic necessities. Advocates for individuals with temporary disabilities report that when these families have no income for an extended period of time, it does not take very long to exhaust savings, as well as help from friends and family. Additionally, not all employers offer FMLA benefits, and among those that do, some choose to release the employee after FMLA coverage has expired. Not all employers offer short term and long term disability coverage as part of their employee benefit package, and not all employees avail themselves of the coverage offered. Without a short term or long term disability insurance policy in force, and due to ineligibility for unemployment benefits under federal and conforming Maryland law, individuals with temporary disabilities and their families have few resources.

As a result, these individuals and/or families seek temporary help from local social service departments in the form of food stamps, energy assistance, temporary cash assistance, eviction prevention, and in some cases medical assistance. However, navigating the system to access public benefits while under physical and emotional stress can be taxing.

¹ A copy of the chapter law appears in Appendix A.

State service agencies and legislators recognize the importance of decreasing barriers that encumber these individuals and families from accessing public assistance benefits. To increase accessibility, state agencies have consistently evaluated programs while judiciously utilizing resources to maximize the statewide impact. Though the programs currently in place strive to address these issues, there is still a need to streamline and improve the provision of existing resources.

During the 2013 legislative session, the legislature passed House Bill 955 (Chapter 394) and established the Task Force to Study Temporary Disability Insurance Programs and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services. The Task Force was charged with: 1) determining the adequacy of the application processes utilized by local departments of social services (LDSS) to assist individuals who become disabled due to nonwork-related illness or injury, including individuals undergoing treatment for cancer, who apply for public assistance (i.e. food supplement benefits, temporary cash assistance, energy assistance benefits, temporary disability assistance benefits, and medical assistance); 2) studying the full complement of benefits available under State and federal law to workers who become disabled; 3) studying the availability and sufficiency of wage replacement benefits available to workers who become disabled due to nonwork related illness or injury; 4) studying and comparing temporary disability insurance programs in other jurisdictions; and 5) studying various other issues related to temporary disability insurance programs.

The report that follows is the result of an interagency collaboration involving the Department of Human Resources (DHR); Maryland Insurance Administration (MIA); Department of Labor, Licensing, and Regulation (DLLR); Department Health and Mental Hygiene (DHMH); and Workers' Compensation Commission in consultation with members of the local business community; labor organizations; and advocacy organizations. The report assesses the availability of benefits to unemployed Marylanders who become disabled due to nonwork-related illness or injury or cancer and includes a comparison of temporary disability insurance programs in other jurisdictions. This report also includes suggested next steps concerning the process for assisting individuals with disabilities at the LDSS.

3. CURRENT RESOURCES AVAILABLE

***PUBLIC ASSISTANCE PROGRAMS*²**

The Department of Human Resources' (DHR) Family Investment Administration oversees multiple programs that provide assistance to the citizens of Maryland. These

² A chart detailing the available benefits and guidelines appears in Appendix B.

programs are primarily delivered to people by the local departments of social services (LDSS) throughout the State. All of the programs offered have both technical and financial eligibility requirements.

- **Temporary Cash Assistance (TCA)**³- Cash assistance to families with a child age 18 or under or a child age 19 who will graduate from high school in the year the child turns 19. This program is primarily funded through the Temporary Assistance to Needy Families (TANF) Block Grant; however, funding for families with a long term disabled family member is provided through State General funds. This is Maryland's federal Temporary Assistance to Needy Families TANF program. Until January 1, 2014, TCA offers what is called "tag-a-long" medical assistance (MA). By virtue of receiving TCA, the customer receives MA. Effective January 1, 2014, changes associated with health care reform sever that automatic eligibility and require that TCA households also apply for MA through a separate MA eligibility process.
- **Food Supplement Program (FSP)**⁴- This program, formerly known as the "Food Stamp Program," is a federally funded program with some State funds required for administrative costs. The FSP provides nutrition assistance to low income individuals and families.
- **Public Assistance to Adults (PAA)**- A State funded program for individuals who reside in specified protective living arrangements. These individuals live in licensed Assisted Living facilities, Certified Adult Residential Environmental (CARE) homes (also known as Project Home), or Department of Health and Mental Hygiene Rehabilitative Residences.
- **Medical Assistance (MA)**- MA refers to a group of programs that are administered by the Department of Health and Mental Hygiene, but provided through the LDSS and the Local Health Departments. There are specific programs such as Families with Children (FAC), Aged, Blind and Disabled (ABD), Maryland Children's Health Plan (MCHP), Primary Adult Care Program (PAC)⁵ and numerous waiver programs, including programs that address specific illnesses and disabilities such as the Kidney Disease Program. MA covers the cost of medical care offered under the specific program for eligible individuals. What is specifically covered can vary by MA program coverage group. Effective January 1, 2014, with the implementation of the federal Affordable Health Care Act, some requirements for MA programs will change.

³ See Appendix B for more information.

⁴ *Id.*

⁵ The Primary Adult Care Program will sunset on December 31, 2013. After December 31, 2013, current enrollees will be converted to medical assistance.

- **Temporary Disability Assistance Program (TDAP)⁶** - DHR administers the Temporary Disability Assistance Program (TDAP) to provide assistance to eligible individuals without a source of income. Individuals requesting TDAP must have a disability of 3-11 months (short term) or have a disability of 12 months or more or have a condition that will lead to the individual's death (long term). This program provides assistance to individuals without children who are not receiving any other federal benefit and whose disability prevents them from working. This is a State funded program. Long term disabled TDAP customers may be eligible for Medical Assistance. MA is a separate application and requires the State Review Team (SRT) to review various information and determine the customer's potential eligibility for Supplement Security Income (SSI). The customer must apply for SSI. SRT may be able to find the customer potentially eligible for MA based on disability prior to the SSI determination.

NON PUBLIC ASSISTANCE RESOURCES

- **Patient Navigators-** Often viewed as the single point of contact for cancer patients and families, the role of the patient navigator is to serve patients on a personal basis by reducing and/or eliminating barriers to cancer screening, diagnosis and treatment. The focus is to help integrate a fragmented healthcare system for the individual cancer patient.
 - Clinical Navigation is established by the healthcare facility. The role is designated to a registered nurse or a social worker.
 - Financial Navigators identify the medical coverage a patient has or needs. They work closely with billing departments and other resources available to assist the patient with co-pays and the elimination of any financial barriers.
- **Cancer Foundations/Non-Profit Organizations-** This small group of organizations support patients and families by identifying resources for financial, medical, and social assistance. However, there is limited assistance for cancer patients in Maryland from either national or statewide foundations or non-profit organizations. These foundations/organizations supplement resources for patients as needed and when funding allows. Funds are spent according to the specific mission of the foundation or organization. Many organizations fund research primarily. A small number assist in providing financial or co-pay assistance. They also assist in areas such as referral to existing programs and help with eviction prevention, utilities, transportation, food, medical needs assistance and other everyday needs. Representatives of these non-profits have expressed limitation in the ability to adequately supply the requested needs from cancer patients.

⁶ *Id.*

4. PRODUCTS AVAILABLE IN THE INSURANCE MARKET

The Maryland Insurance Administration (MIA) is an independent state agency that regulates Maryland's insurance industry and protects consumers by enforcing insurance laws. MIA is the regulatory agency that provides prior approval of disability income insurance plans sold in the state. There are several types of insurance coverage available to individuals to purchase prior to their disability.

There are three types of supplementary or limited benefit plans: 1) Specified Disease/Critical Illness; 2) Hospital Confinement Indemnity; and 3) Accident Only. They may medically underwrite (requirement to answer medical questions), but accident only plans usually do not. A Specified Disease/Critical Illness benefit plan can be medically underwritten. These types of plans may pay a lump sum upon diagnosis of one or more conditions listed in the contract, such as cancer, stroke, heart attack, and organ transplant. The plan may provide a schedule of benefits in connection with hospital confinement, chemotherapy, and other circumstances. The benefits are not typically related to actual cost of health care services. These types of plans are available in the individual and group market. A Hospital Confinement indemnity plan can be medically underwritten. A specific amount is paid for each day of confinement. The plan may be for accident only or accident and sickness. Accident Only plans are normally not medically underwritten. Benefits are payable only as a result of an injury. It may provide medical expenses reimbursement, death or dismemberment lump sum, hospital confinement indemnity, and disability income.

Disability Income pays benefits when the insured is unable to work due to total or partial disability. Individual policies are medically underwritten. The disability can be caused either from a sickness or from an accident, and it is possible for the benefits to differ depending on whether the disability is caused from a sickness or from an accident. Short-term disability may be paid for up to two years, whereas long-term disability is usually paid for three to five years, up to the age of 65. There is an elimination period, or length of time that a person is disabled before benefits are paid. This time period can be anywhere from 30 days to 180 days and even longer in special cases. Some policies offer benefits integrated with Social Security income; this is more typical with group contracts than with individual contracts. The definition of disability in the contract is important: For the first 12 months, disability is often defined as "cannot perform own occupation." After 12 months it is often defined as "cannot perform an occupation for which you have training and experience." Disability benefits are based on a percentage of monthly or weekly salary. This is to encourage an insured person to return to work.

In Maryland, disability coverage may be provided by an employer as part of a benefits package. There is also voluntary group long and short term disability coverage, which is made available to employees. In addition, there are credit union disability income policies sold exclusively to credit union members. This coverage usually provides for non-occupational accidents and sickness, with an option to cover occupational accidents as well. Benefits provide 40% income replacement maximum without considering other sources of disability benefits. There are usually 14 or 30 day elimination periods, and 1 or 2 year maximum benefit periods. It is an individual coverage and fully portable.

Other plans sold to credit union members in Maryland include accident only policies and critical illness insurance. The credit union plans are fully portable.

The MIA's primary role is to protect consumers from illegal insurance practices by ensuring that insurance companies and producers that operate in Maryland act in accordance with State insurance laws. The MIA's complaint unit assists consumers in resolving claim disputes. In the case of disability insurance complaints, the MIA will investigate complaints involving disability insurance to determine: (1) whether or not the denial decision is arbitrary or capricious; and (2) whether or not the denial decision was rendered in accordance with the terms of the insurance contract and State insurance laws and regulations. Complaints may be filed either by downloading a complaint form to be completed by hand, by submitting a written letter or by filing a complaint online at: <http://www.mdinsurance.state.md.us/sa/consumer/file-a-complaint.html> .

5. TEMPORARY DISABILITY INSURANCE PROGRAMS IN OTHER JURISDICTIONS

Temporary Disability Insurance (TDI) programs⁷ provide workers with partial compensation for loss of wages caused by short-term, non-occupational disability. Five states have TDI programs: California, Hawaii, New Jersey, New York and Rhode Island. In addition, Puerto Rico has a program. In 1942, Rhode Island established the first TDI program. The last state to mandate a TDI program was Hawaii in 1969. All six jurisdictions restrict payment of TDI benefits to individuals who are temporarily unable and unavailable for work due to non-work related illness or disability and who are not eligible to receive any workers' compensation. These individuals are not eligible to receive any unemployment insurance benefits because they are not able and available for work.

Temporary disability insurance laws cover most commercial and industrial wage and salary workers in private employment. In most jurisdictions, the program covers the same employees who are covered under unemployment insurance laws. Generally, federal government employees are excluded.

To qualify for benefits, claimants must have a specified amount of past employment or earnings and must be disabled. All TDI laws require claimants to be under the care of a physician or other medical professional. Initial TDI claims must be supported by the medical professional's certification, and should include: (1) diagnosis; (2) the date of treatment; (3) an opinion as to whether the illness or injury prevents the claimant from carrying on his/her customary work; and, (4) an estimate of the date when the claimant will be able to work again.

States that have programs vary in contribution levels, but in all six jurisdictions employees may be required to contribute to the cost of TDI. In Rhode Island, employees contribute 100% of the TDI benefits and the program's administrative costs. The

⁷ A chart detailing the mandated TDI programs in other jurisdictions appears in Appendix D.

program is administered by the Rhode Island Department of Labor and Training. In New Jersey, Hawaii, New York and Puerto Rico, employers are also required to contribute. Some states have a cap on what an employee should contribute. In Hawaii, employers may either purchase a plan from an authorized carrier, or by self-insuring through an approved sick leave program. The employer may pay no less than 50% of the premium up to a maximum of 100% of the plan cost. The state of Hawaii does not pay the benefits, but does oversee the program through its Department of Labor and Industrial Relations. Others jurisdictions permit employers to purchase private plans sold for TDI but any costs that exceed those through the state plan must be picked up by the employer. The coverage is either placed through the state operated plan or through private placement.

TDI programs vary in coverage and structure; however, the weekly benefit amounts are generally related to the claimant's previous earnings in covered employment. In general, the weekly benefit amounts are intended to replace at least one-half of the weekly wage loss for a limited time. TDI laws specify minimum and maximum amounts payable for a week. Maximum duration of benefits vary by the jurisdiction, but generally are between 26 and 52 weeks.

6. PROCESS FOR ASSISTING INDIVIDUALS

Filing an Application and Accessing Assistance

Maryland's 24 LDSS offices have the same goal of providing assistance to the people contacting their office. They may go about it differently because of logistics in size and location of their offices and staffing, but the requirements are the same.

Customers may apply for any program of assistance by completing an application and bringing it to the local office, by mailing or faxing the application, by dropping an application off at the LDSS or by using the on-line application at www.marylandsail.org. Customers may file their application in any manner they choose; however, LDSS strongly encourages individuals to complete an application and submit it through the Service Access and Information Link (SAIL). It is to everyone's advantage to use SAIL. Enhancements to SAIL for on-line redeterminations and reporting are currently under way.

Once the application is received an interview can be scheduled. When an individual drops off an application, or someone on behalf of the individuals drops off an application, they will be given an appointment time for their telephone interview to be held the same day and no later than 24 hours. SAIL, mail in or faxed applications are processed the same way. The customer is contacted immediately or sent a letter with an interview date and time that is scheduled to take place within 5 -10 business days. The case manager contacts the customer at that designated time.

An interview takes about 45 minutes to an hour to complete (although some can be shorter) and in the cases with certain circumstances such as an eviction notice, utility turn off or domestic violence, the interview process can take several hours as appropriate referrals are made and assistance is provided. Scheduling a phone interview with the customer allows both the customer and the case manager to complete the interview when time is more convenient for both. The customer is not sitting in the office reception room waiting. This is particularly important to customers with disabilities.

Home visits are another option that is available to customers with disabilities and are completed when necessary. The case manager or other designated person will arrange with the customer to come to their home or other place to interview and talk with the customer. A home visit takes the case manager out of the office, reducing case processing time. Most LDSS offices prefer not to do a home visit when there are other options.

Reasonable Accommodations for Individuals with a Disability or Illness

When there is customer contact with the local department regardless of who initiated the contact, the local department must ask the customer if the customer requires reasonable accommodation because of a disability. When the local department contacts the customer about a required interview, participation in a work activity or for other reasons, the local department must advise the customer that reasonable accommodations will be made to assist the customer. Customers who are not able to come to the LDSS or a vendor appointment because of a disability should be offered a phone interview, home visit or other accommodation including an authorized representative.

The LDSS are required to provide interpreters for customers with a hearing or speech impairment. In addition, LDSS provides interpretation services for those with language barriers. Interpretation services are provided through professional interpreter services. Customers are not required to provide their own interpreter. In general, interpreters for customers with a hearing or speech impairment are on-site. The wait time for the interpreter to arrive in the LDSS office for a hearing or speech impaired customer may be two hours.

Anticipated Reduction in MA Processing Times due to the federal Affordable Care Act

The implementation of the federal Affordable Care Act (ACA) will reduce medical assistance (MA) application processing times. Currently, some hospitals and private practices require the approval of MA before care is provided. This varies by individual doctors and hospitals; some will not accept MA pending cases prior to providing treatment; some will accept receipt of the MA application. This can take up to six months. However, under the ACA, these processing delays will be reduced because there

will no longer be a need for disability determinations; real time eligibility determinations will be available and a decision should be made within 30 days. Those already enrolled in the PAC program will roll over into medical assistance effective January 1, 2014.

7. FINDINGS AND RECOMMENDATIONS

1. Improving the Administration of State and Non-Public Services

Finding: Various public assistance program resources are available to individuals who become disabled due to nonwork-related illness or injury, including individuals undergoing treatment for cancer, who apply for public assistance (as outlined in detail in this report). However, procedural changes should be implemented to accommodate these disabled applicants and prevent delays in processing times, taking into consideration the fact that LDSS staff are currently undergoing federal ACA implementation training and that implementation of Task Force recommendations requires adequate personnel to process (online and in-person) applications.

Recommendations:

(1) The State should establish one website consolidating available information with links from the following websites: Department of Human Resources, Maryland Insurance Administration; Department of Labor, Licensing, and Regulation; and Department Health and Mental Hygiene. This will allow users to learn as much about available State resources and reduce the number and duration of visits to the local departments of social services and other State offices. State agencies should review their respective information technology budgets and involve interested legislators for support.

(2) Members of the General Assembly of Maryland should make available to constituents the America's Health Insurance Plans "Guide to Disability Income Insurance" and the American Council of Life Insurers "Disability Income Insurance: Financial Protection for You or Your Family"⁸ as resources for those who are not currently disabled, but interested in purchasing coverage.

(3) DHR, in accordance with State and federal regulations, should reduce the need to submit documentation for certain diagnoses/programs with the added benefit of an anticipated reduction in needed personnel.

(4) DHR should offer customer service training to ensure that all LDSS staff provide timely and thorough customer care service.

(5) DHR should ensure adequate staffing to address increasing LDSS caseloads.

2. Improving Access to State Services

Finding: The State must ensure that all policies and procedures related to the accessibility of public services and benefits provide reasonable accommodations to disabled individuals, in accordance with the federal Americans with Disabilities Act. The State of Maryland has adopted regulations in compliance with the Federal 508 Standards.

⁸ See

<https://www.acli.com/Consumers/Disability%20Income%20Insurance/Pages/Financial%20Protection.aspx>.

The regulations provide the accessibility guidelines for all websites. The Department of Information Technology (DoIT) works with state agencies to facilitate accessibility. Each agency is required to report annually on compliance. State agencies are required to include accessibility compliance in their annual IT report.

Recommendations:

- (1) Telephone interviews and home visits, when appropriate and in compliance with existing regulations, should be uniformly offered by local departments of social services (LDSS) staff to applicants of public benefits.
- (2) The websites of State agencies serving those with disabilities should accommodate those with temporary disabilities. Specifically, DHR should continue to develop updates to online SAIL application and redetermination forms for those unable to visit the LDSS.

3. Study of Temporary Disability Insurance Program Models of Other Jurisdictions

Finding: Currently, five states and Puerto Rico administer Temporary Disability Insurance (TDI) programs for workers to cover lost wages caused by short-term, non-occupational disability.

Recommendation: The State should consider a further study of the 6 existing models focusing on the estimated costs of developing, administering and overseeing a program and the estimated economic impact on employee/employers.

4. Establishing a State Temporary Disability Pilot Program

Finding: Given current budgetary constraints, funding a pilot program with State general funds may not be feasible during the 2014 Session.

Recommendation: If and when a structure for a pilot program to establish a temporary disability program is sought, the following issues should be taken under consideration:

- (1) Source and Amount of Funding:
 - Committing limited State general funds
 - Rhode Island model - Employee funded
 - Hawaii model - Employer required to secure private insurance with TD coverage or self-insure. State provides audit and oversight.
- (2) Other Concerns:
 - Tax consequences of imposing employer-based temporary disability contributions
 - Cost to employee
 - Cost of administration of such a program
 - Source of administration of a pilot program
 - Improving services at LDSS is time-sensitive – DHR suggests this not be done at DHR level; more supplemental support envisioned
 - Political viability

APPENDIX A: Chapter 394, Acts of 2013

Chapter 394

(House Bill 955)

AN ACT concerning

Task Force to Study Temporary Disability Insurance Programs *and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services*

FOR the purpose of establishing the Task Force to Study Temporary Disability Insurance Programs *and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services*; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to study and make recommendations regarding certain matters; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Task Force to Study Temporary Disability Insurance Programs *and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services*.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) There is a Task Force to Study Temporary Disability Insurance Programs *and the Process for Assisting Individuals with Disabilities at Local Departments of Social Services*.

(b) The Task Force consists of the following members:

(1) two members of the Senate of Maryland, appointed by the President of the Senate;

(2) two members of the House of Delegates, appointed by the Speaker of the House;

(3) the Commissioner of the Maryland Insurance Administration, or the Commissioner's designee;

(4) the Secretary of Human Resources, or the Secretary's designee;

(5) the Secretary of Labor, Licensing, and Regulation, or the Secretary's designee;

(6) the Secretary of Health and Mental Hygiene, or the Secretary's designee; and

(7) the following members, appointed by the Governor:

(i) one representative of the Workers' Compensation Commission;

(ii) one representative of ~~the American Cancer Society~~ All Shades of Pink;

(iii) one representative of the Cancer Support Foundation;

(iv) two representatives of Maryland labor organizations;

(v) one representative of the ~~Maryland Chamber of Commerce~~ Leukemia and Lymphoma Society;

(vi) two members of the business community;

(vii) ~~three~~ two members of the insurance industry, including one member of the temporary disability insurance industry; ~~and~~

(viii) one member of the public;

(ix) one representative of a disability advocacy organization;

(x) two representatives of local departments of social services;
and

(xi) at least two representatives of cancer treatment centers in the State who perform patient navigation services.

(c) The Governor shall designate the chair of the Task Force.

(d) The Maryland Insurance Administration and the Department of Human Resources shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall:

(1) study the full complement of benefits available under State and federal law to workers and recently unemployed individuals in Maryland who become disabled due to nonwork-related illness or injury;

(2) study the wage replacement benefits available to a worker or a recently unemployed individual in Maryland who becomes disabled due to nonwork-related illness or injury;

(3) study the availability and sufficiency of wage replacement benefits available to workers and recently unemployed individuals in Maryland who become disabled due to nonwork-related cancer;

(4) study the exclusivity and exhaustion of benefit standards that limit the level or extent of benefits that a worker or a recently unemployed individual in Maryland who becomes disabled due to nonwork-related illness or injury may receive;

(5) study and compare temporary disability insurance programs in other jurisdictions in terms of:

- (i) coverage;
- (ii) eligibility requirements and limitations;
- (iii) minimum and maximum benefit threshold amounts;
- (iv) costs to employers, employees, and administrators;
- (v) funding mechanisms;
- (vi) administration; and
- (vii) appeals processes;

(6) study and make recommendations regarding the adequacy of the application processes utilized by local departments of social services to assist individuals who become disabled due to nonwork-related illness or injury, including individuals undergoing treatment for cancer, and who apply for assistance, including food stamps, temporary cash assistance, energy assistance benefits, temporary disability assistance benefits, and medical assistance;

~~(6)~~ (7) make recommendations regarding potential costs and benefits to the State's workforce of establishing a temporary disability insurance program; and

~~(7)~~ (8) make recommendations regarding the potential structure, administration, eligibility standards, and funding mechanisms for a temporary disability insurance program in Maryland.

(g) On or before December 1, 2013, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2013. It shall remain effective for a period of 1 year and, at the end of May 31, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 2, 2013.

APPENDIX B: Benefits Guidelines for TCA, FSP and TDAP

**Family Investment Programs
Income Guidelines
(as of December 2013)**

# of People in the Household	Temporary Cash Assistance	Food Supplement Program				Temporary Disability Assistance Program	Office of Home Energy Programs (Heating/Energy Assistance)
		Gross Monthly Income-under 200% of FPL	Gross Monthly Income-under 130% of FPL	Maximum Net Income-under 100% of the FPL	Maximum Benefit Amount with No Income		
1	\$282	\$1916	\$1245	\$958	\$189	\$185	\$1,675.62
2	559	2586	1681	1293	347		2,261.87
3	624	3256	2116	1628	497		2,848.12
4	755	3926	2552	1963	632		3,434.37
5	875	4596	2987	2298	750		4,020.62
6	962	5266	3423	2633	900		4,606.87
7	1081	5936	3858	2968	995		5193.12
8	1191	6606	4294	3303	1137		5779.37
9	1285	7276	4730	3638	1279		6365.62
10	1389	7946	5166	3973	1421		6951.87
Additional Person	\$119	\$670	\$436	\$335	\$142		\$586.25

APPENDIX C: Glossary of Terms Used

GLOSSARY OF TERMS USED

Term	Explanation
ACA	Affordable Care Act
ADA	Americans with Disabilities Act – federal legislation that prohibits discrimination on the basis of disability in employment, programs and services provided by state and local governments, goods and services provided by private companies and in commercial facilities.
CARES	Clients’ Automated Resource and Eligibility System, an application program of the income maintenance eligibility process.
DHMH	Department of Health and Mental Hygiene
DHR	Department of Human Resources
DLLR	Department of Labor, Licensing and Regulation
FMLA	Family and Medical Leave Act
FSP	Food Supplement Program
LDSS	Local Departments of Social Services
LTD	Long-Term Disability
MA	Medical Assistance - Medical benefits, through vendor payment, for all public assistance recipients and for other low-income persons. Program administered jointly by DHMH with eligibility determined by DHR.
MIA	Maryland Insurance Administration
PAA	Public Assistance to Adults - Cash grants to adults over 65 in a licensed domiciliary care facility; also supplement to certain recipients covered by SSI.
PAC	Primary Adult Care Program
SAIL	Service Access and Information Link
SRT	State Review Team
SSI	Social Security Income

STD	Short-term Disability
TANF	Temporary Assistance for Needy Families
TDAP	Temporary Disability Assistance Program
TDI	Temporary Disability Insurance
TCA	Temporary Cash Assistance

APPENDIX D: Other Jurisdictions' Temporary Disability Income Programs

Other Jurisdictions' Temporary Disability Income Programs

State	Name of Program	General Description	Eligibility Requirements	Limitations	Maximum Benefit Amount	Funding Mechanism	Exclusivity of Benefits	Administrator	Appeals
California	State Plan	Provides benefits to workers who cannot work due to nonwork-related illness or injury or pregnancy or childbirth.	(1) are unable to do regular or customary work for at least eight consecutive days; (2) are employed or actively looking for work at the time disability begins; (3) lost wages due to disability or, if unemployed, have been actively looking for work; (4) have earned at least \$300 from which SDI deductions were withheld during a previous period; (5) are under the care and treatment of a licensed physician or accredited religious practitioner during the first 8 days of disability; (6) submit a claim form within 49 days of the date of disability; and (7) receive medical certification from a physician.	(1) not suffering a loss of wages; (2) receipt of UI or paid family leave benefits; (3) disability arises due to commission of a crime that results in a felony conviction; (4) residence in a jail, prison, recovery home, or any other place based on conviction of a crime; (5) receipt of workers' compensation benefits at a weekly rate equal to or greater than the disability insurance rate; and (6) failure to obtain an independent medical examination upon request.	1% 2012 withholding rate; \$95,585 per employee taxable wage limit; \$955.85 maximum amount withheld from employee.	Mandatory employee contribution to SDI through payroll deductions.	Claimants may receive simultaneous coverage from both a state plan and a private plan if employed by two employers.	Employment Development Department – Disability Insurance Branch	CA UI Appeals Board – Office of Appeals
	Voluntary Plan	Provides benefits to workers who cannot work due to nonwork-related illness or injury or pregnancy or childbirth.		(1) late filing of the initial or continued claim; (2) failure to be under the care of a physician; (3) receipt of full wages; (4) receipt of workers' compensation benefits in an amount greater than the disability benefit entitlement; and (5) incarceration or disability due to commission of a crime that results in a felony conviction.	Plan must provide all the benefits of SDI, at least one benefit that is better than SDI, and it cannot cost more than SDI does.	Once a VP is approved, the employer is no longer required to send SDI withholdings to EDD. Instead, the employer holds the contributions in a separate trust fund to pay disability or paid family leave insurance claims and approved expenses. The VP employer pays an assessment to EDD based on the taxable wages of employees participating in the plan and other factors.	Claimants may receive simultaneous coverage from both a state plan and a private plan if employed by two employers.	Employment Development Department – Disability Insurance Branch	CA UI Appeals Board – Office of Appeals

State	Name of Program	General Description	Eligibility Requirements	Limitations	Maximum Benefit Amount	Funding Mechanism	Exclusivity of Benefits	Administrator	Appeals
	Elective Coverage Plan	Covers employers and self-employed persons who are not entitled to receive coverage under the law, but may choose to obtain coverage for temporary disability.	(1) employer or self-employed individual; (2) obtain elective coverage; and (3) meet eligibility requirements of state plan.	(1) 6-month waiting period unless claimant has wage credits from prior covered employment; (2) benefits do not continue if claimant is delinquent on premium payments for coverage; (3) claimant must participate in insurance benefits coverage for at least 2 years; and (4) to remain eligible for continued coverage, must show a minimum profit of \$4,600 per year (may cancel policy if profits fall below this level for 3 consecutive years).	Weekly benefits range from \$51 to \$959; disability insurance benefits may be paid up to a maximum of 39 weeks; paid family leave insurance benefits may be paid for a max. of 6 weeks during a 12-month period.	Employer or self-employed individual elects to pay for coverage.	Benefits paid whether a self-employed person is hurt on or off the job unless the individual also carries workers' compensation coverage; individual may continue to receive income or profits from a business without compromising eligibility to temporary disability insurance benefits or paid family leave benefits.	Employment Development Department – Disability Insurance Branch	CA UI Appeals Board – Office of Appeals
Hawaii	Temporary Disability Insurance Program - Private Plan - Self-insured Plan - Collective Bargaining Agreement	Benefits available to workers that are unemployed and cannot perform work due to nonwork-related sickness or injury.	(1) have at least 14 weeks of Hawaii employment during each of which the claimant was paid for 20 hours or more and earned not less than \$400 in the 52 weeks preceding the first day of disability; (2) be in "current employment"; and (3) not fall into an exempted profession.	(1) nonwork-related injury or illness; (2) inability to perform regular work due to injury or illness; (3) certification from a licensed physician or other medical professional; (4) employment immediately before date suffered injury or illness or disability occurred within 2 weeks of separation from employment; and (5) 90-day claim filing period, subject to a good cause exception that stops after 26 weeks.	Maximum of 26 weeks at rate of 58% of the claimant's AWW weekly benefit amount.	Employer may pay entire cost or may require employee to share in one-half of the premium cost.		Department of Labor and Industrial Relations – Disability Compensation Division	Teferee

State	Name of Program	General Description	Eligibility Requirements	Limitations	Maximum Benefit Amount	Funding Mechanism	Exclusivity of Benefits	Administrator	Appeals
New Jersey	State Plan	Benefits available due to nonwork-related illness or disability.	(1) develop or obtain a nonwork-related illness or injury within 14 days of the termination of employment; (2) have worked at least 20 calendar weeks in covered employment; and (3) have earned \$145 or more or earned \$7,300 or more during the 52 weeks before the week the individual became disabled.	(1) disabilities that do not exceed 7 days in length; (2) exhaustion of the 26-week benefit period; (3) initiation of disability beyond the 14-day window; (4) failure to be under the medical care of a legally licensed physician or other qualifying medical personnel; (5) self-infliction of disability; (6) discharge from employer due to gross misconduct; (7) receipt of wages for work after the beginning of the disability period; (8) receipt of wages and benefits in excess of regular weekly wages immediately prior to onset of the disability; and (9) failure to exhaust administrative sick leave in covered government employment.	26 weeks at 2/3 of AWW up to the maximum weekly benefit amount (\$572); the total allowable benefit amount is determined based on the lesser of 1/3 of total wages in NJ covered employment paid during the base year or 26 times the weekly benefit amount.	Employer assessments and (possibly) employee contributions; no budget appropriation.	WC benefits for PPD or PTD previously incurred; family temporary disability leave and UI leave may be taken before or after receipt of certain concurrent public or private benefits reduces the amount of benefits; may be entitled to temporary disability benefits if lower settlement of WC case.	New Jersey Department of Labor and Workforce Development – Division of Temporary Disability Insurance	Appeal Tribunal
	Private Plan	Benefits available due to nonwork-related illness or disability.	Eligibility requirements must be no more restrictive than those under the state plan.	Eligibility requirements must be no more restrictive than those under the state plan.	Weekly benefits payable must be at least equal to those under the state plan.	Employer assessments and (possibly) employee contributions; no budget appropriation.	WC benefits for PPD or PTD previously incurred; family temporary disability leave and UI leave may be taken before or after receipt of certain concurrent public or private benefits reduces the amount of benefits; may be entitled to temporary disability benefits if lower settlement of WC case.	New Jersey Department of Labor and Workforce Development – Division of Temporary Disability Insurance	Claims Review Unit

State	Name of Program	General Description	Eligibility Requirements	Limitations	Maximum Benefit Amount	Funding Mechanism	Exclusivity of Benefits	Administrator	Appeals
	Disability During Unemployment Program	Benefits available due to nonwork-related illness or disability.	(1) unemployed for more than 14 days and become totally unable to work due to nonwork-related illnesses or disabilities; (2) eligible for UI benefits, except for ability to work; (3) be under the care of a physician or other medical personnel; (4) file a claim within 30 days unless good cause; (5) have worked at least 20 calendar weeks in covered employment; and (6) have earned \$145 or more or earned \$7,300 or more during the 52 weeks before the week that the disability began.	(1) illnesses or disabilities that are work related; (2) illnesses or disabilities that begin during employment or within 14 days after the termination of employment; (3) disability period of less than 7 consecutive days; (4) failure to meet UI qualification standards, except for the ability to work; (5) voluntary quitting employment, termination due to misconduct or gross misconduct, refusal of suitable work, or fraud; (6) performance of work for remuneration or profit; (7) participation in a labor dispute that would disqualify an individual from receiving UI benefits; and (8) self-infliction of injury.	Maximum of 26 weeks at a rate of 60% of AWW up to the maximum weekly benefit amount (\$611); dependency allowances may help claimants reach maximum benefit amount.	Employer assessments and (possibly) employee contributions; no budget appropriation.	Maximum that a claimant can collect in both UI and DDU benefits is one and one-half times the maximum benefit amount on the underlying claim.	New Jersey Department of Labor and Workforce Development – Division of Temporary Disability Insurance	Appeal Tribunal
New York	New York State Insurance Fund	Benefits available due to nonwork-related illnesses or injuries or pregnancy.	Claimant must be an employee or recent employee of a covered employer for at least 4 consecutive weeks and may not receive remuneration for work.	Coverage not required for certain types of employees.	Statutory – ½ the AWW of the employee, up to a maximum weekly claim benefit of \$170 for 26 weeks; Enriched – up to five times statutory coverage, as selected by the employer, for 26 weeks.	Employer assessments and (possibly) employee contributions up to 0.5% of employee's wage (maximum of \$.60 per week).	May not receive remuneration or profit from work; may not receive UI benefits concurrently; may receive Social Security Retirement Benefits concurrently.	New York State Workers' Compensation Board	Disability Benefits Bureau
Rhode Island	Temporary Disability Insurance Program	Benefits available to workers that are unemployed and cannot perform work due to nonwork-related illness or injury.	(1) receive certification from a qualified health care provider or medical practitioner of inability to perform customary and regular work duties; (2) be unemployed due to sickness for at least 7 consecutive days; and (3) have been paid at least \$8,880 in either base period or an alternative base period, subject to a limited exception.		Maximum of 30 full weeks at a rate of 4.62% of the wages paid in the highest quarter of base period; effective 7/1/12, \$69 is the minimum and \$736 is the maximum benefit rate.	Employee payroll deductions.	May receive benefits even while collecting wages; may not receive UI or workers' compensation benefits concurrently.	Department of Labor and Training	Board of Review (not part of Department of Labor and Training)

State	Name of Program	General Description	Eligibility Requirements	Limitations	Maximum Benefit Amount	Funding Mechanism	Exclusivity of Benefits	Administrator	Appeals
Puerto Rico	Seguro Incapacidad No Ocupacional (SINOT)	Benefits available to workers that are unemployed and cannot perform work due to nonwork-related illness or injury.	(1) be unable to work due to a car accident or nonjob-related illness or injury; (2) be treated by a licensed physician or chiropractor; and (3) have received wages of at least \$150 in covered employment during the base year.		Maximum of 26 weeks; minimum weekly benefit of \$12 or a maximum weekly benefit of \$113; benefits offered under private plans must be at least as generous as benefits offered under the state plan.	Employer assessments and (possibly) employee contribution.	May not receive UI benefits concurrently.	Department of Labor and Human Resources	

APPENDIX E: Roster of the Task Force Members

Membership Roster

Maryland State Senate Members

Co-Chair

The Honorable Katherine A. Klausmeier
District 8, Baltimore County

The Honorable C. Anthony Muse
District 26, Prince George's County

Maryland House of Delegates Members

Co-Chair

The Honorable Sally Y. Jameson
District 28, Charles County

The Honorable Aisha Braveboy
District 25, Prince George's County

Maryland Insurance Commissioner
Therese M. Goldsmith

Representative of the Maryland Department of Human Resources
Jacqueline Richardson

Representative of the Maryland Department of Labor, Licensing and Regulation
Susan Bass

Representative of the Department of Health and Mental Hygiene
Debbie Ruppert

Representative of the Workers' Compensation Commission
Mary Ahearn

Representative of All Shades of Pink
Denice Whalen-White

Representative of the Cancer Support Foundation
Cindy Carter

Representatives of the Maryland Labor Organizations
Andre Powell
Jeremy Riga

Representative of the Leukemia and Lymphoma Society
Tracy Orwig

Representative of the Business Community
Rudolph Rose

Representative of the Temporary Disability Insurance Industry
Leah Walters

Representative of the Public
Gary Norman

Representative of a Disability Advocacy Organization
David Prater

Representatives of the Local Departments of Social Services
Michele Smith
Delania Ware

Representatives of Cancer Treatment Centers
Helania Ebling
Kadeja Ross

Staff

Allyson Black
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Maryland Department of Human Resources

Nancy J. Egan, Esq.
Assistant Director of Government Relations
Maryland Insurance Administration

Netsanet Kibret
Deputy Director, Office of Government Affairs
Maryland Department of Human Resources

Marilyn Lorenzo
Assistant Director, Cash Assistance and Reporting Unit
Office of Programs/Bureau of Policy Research, and Training
Family Investment Administration
Maryland Department of Human Resources

Tené Paul-McClelland
Government Affairs Specialist, Office of Government Affairs
Maryland Department of Human Resources