SEED

State Exchange on Employment & Disability

A State Policy Framework

October 2026

Strengthening Stay-at-Work/ Return-to-Work Systems

Foreword

Every day, an injury or illness forces American workers to a critical juncture: a path to recovery and continued employment, or a slide toward economic instability and long-term reliance on disability benefits. For too long, fragmented, difficult-to-navigate systems have pushed talented workers out of the labor force unnecessarily. In that moment of disruption, workers face a pivotal choice: continue working with the right support or slip into long-term disability benefits. And we know a simple truth: the longer someone is out of the workforce, the harder it becomes to bring them back. These outcomes are not inevitable.

When a worker drops out of the labor force, the consequences compound. They lose a paycheck and the stability it brings. This isn't just a personal tragedy for workers and their families; it is a drain on our businesses, our communities, and our nation's economic strength. These losses are preventable and unacceptable.

But there is real progress. States are rethinking outdated processes, strengthening partnerships, and demonstrating that timely, coordinated support can prevent avoidable hardship. At the Department of Labor, we are committed to building a system where work itself is a tool for recovery. This means ensuring that a health challenge does not end a career.

This framework sets a clear roadmap for state leaders to take decisive action. It builds on proven, evidence-based strategies that put the American worker first and state action around five core strategies: identifying at-risk workers early; integrating workforce services so that supports are easy to access; advancing worker-centered policies; equipping employers with the tools and incentives needed to retain talent; and aligning healthcare and employment services so that providers, insurers, and workforce partners work toward shared goals. These strategies are designed to create recovery-ready workplaces that retain valuable talent and empower workers to achieve economic independence. We are equipping employers with practical tools and aligning our healthcare and workforce systems so that we can create pathways that keep Americans on the job and contributing to our economy.

The stakes are high, but the opportunity is greater. By adopting these coordinated, evidence-based approaches, states can ensure that their systems work as hard and as smart as the American people they serve. Now is the moment to act.

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Acknowledgments

State Exchange on Employment & Disability

The State Exchange on Employment & Disability (SEED) developed this resource. SEED helps states and localities develop and adopt policies and best practices that advance the employment of people with disabilities and strengthen their own economies in the process. SEED acts as an educator and hands-on technical assistance resource to policymakers offering a range of customizable policy tools that help leaders implement workforce development policies that tap into a large and vital talent pool.

Stay-at-Work/Return-to-Work Policy Forum

This work drew on insights from the participants of the Stay-at-Work/Return-to-Work Policy Forum held in Washington, D.C., on April 7, 2026, with support from the National Conference of State Legislatures and The Council of State Governments West.

Office of Disability Employment Policy

SEED is funded by the U.S. Department of Labor's Office of Disability Employment Policy (ODEP). This work relied on contributions and guidance from ODEP's Cyrus Huncharek, Christopher McLaren, Heidi Booth, Jose Funes, David Rosenblum, and Trudy Wilcox.

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Introduction

States across the country confront a shared challenge: Too many workers leave the labor force after an injury or illness, not because they are no longer able to work, but because the systems meant to support their recovery and return are fragmented, hard to navigate, and slow to intervene.

Over the past several years, state leaders, national organizations, researchers, employers, and federal partners have increasingly recognized that coordinated stay-at-work/return-to-work (SAW/RTW) strategies offer a practical, scalable solution to this problem. As evidence for SAW/RTW has grown—through federally funded initiatives such as the Retaining Employment and Talent After Injury/Illness Network (RETAIN) and through state-led innovations—so has the need for a clear policy framework that helps states translate knowledge into action.

This state policy framework meets that need. It reflects the evolution of SAW/RTW policy work at the state and national levels and draws from lessons learned in RETAIN. It also encapsulates insights from workforce, healthcare, and disability experts and extensive discussions among state policymakers. A major influence in shaping this framework was the Stay-at-Work/Return-to-Work Policy Forum, a milestone event held in Washington, D.C., on April 7, 2026, that brought together state legislators, agency leaders, employers, researchers, and individuals with lived experience. Their perspectives helped identify practical SAW/RTW strategies, common challenges, and high-impact opportunities for state action.

This resource is designed for state policymakers—including legislators, executive branch leaders, and workforce development officials—who play a central role in shaping the policies, systems, and investments that determine whether workers can stay connected to employment during recovery. It provides a roadmap for strengthening cross-system coordination, enhancing employer engagement, integrating healthcare and workforce approaches, and centering policies on worker needs.

The SAW/RTW Policy Framework accompanies the SAW/RTW Playbook, which offers detailed, hands-on implementation guidance for the practitioners, state agencies, and partners responsible for designing and operating SAW/RTW programs. While the Framework focuses on the policy decisions and structural levers available to state leaders, the Playbook provides step-by-step tools, best practices, staffing guidance, service delivery models, and data strategies to support on the ground implementation.

As states continue to innovate and respond to changing workforce dynamics, these frameworks offer actionable, adaptable strategies to help leaders prevent unnecessary workforce exit, reduce long-term disability reliance, and support healthier, more resilient state economies.

Stay-at-Work/Return-to-Work Policy Forum

The SAW/RTW Policy Forum was held in Washington, D.C., on April 7, 2026. Hosted by the U.S. Department of Labor's Office of Disability Employment Policy, through its State Exchange on Employment & Disability initiative, the forum brought together federal and state policymakers, researchers, employers, and national stakeholders to identify practical strategies to improve employment retention after injury or illness. Participants examined the core components and benefits of effective SAW/RTW policies and engaged with subject-matter experts on strategies for designing, implementing, and evaluating initiatives. Forum attendees also heard from state policymakers on successes and challenges, including lessons from the RETAIN initiative, and learned from individuals with lived experience in navigating work and recovery.

Priorities emerged from these discussions, reflecting opportunities for state action to strengthen SAW/RTW outcomes:

- **Advance cross-system alignment** by providing guidance on coordinating eligibility for services, streamlining processes, and establishing shared accountability and understanding across leave programs, healthcare, and workforce systems.
- **Integrate workforce systems** as core partners in SAW/RTW by aligning workforce services, vocational rehabilitation, and related programs with healthcare and leave systems to support coordinated service delivery.
- **Identify and share early identification and intervention strategies** to engage workers sooner and prevent long-term workforce detachment. Note that interventions that start too early risk wasting resources on workers who are not yet ready to plan, while programs that start too late risk workers settling permanently out of the workforce.
- **Simplify and coordinate SAW/RTW-related programs** and requirements across workers' compensation, paid leave, disability benefits, workforce systems, and reasonable accommodation processes to reduce employers' administrative burden and improve worker engagement.
- **Equip healthcare providers to support work outcomes** by providing guidance, tools, training, and incentives needed to standardize functional capacity assessments and integrate work into treatment planning.
- **Integrate SAW/RTW strategies into leave policy**, coordinating eligibility and service delivery, and leveraging leave programs as an entry point for early identification and intervention.

The Challenge: Economic Impacts of Injury and Illness

Each year, millions of Americans experience an illness, injury, or change in a health condition that jeopardizes their ability to continue working. In 2024, according to the National Safety Council, an estimated 3.95 million work-related injuries and 22.7 million off-the-job injuries and illnesses required medical attention in the United States. In many instances, health-related disruptions contribute to workers leaving the labor force—not because their capacity to work ends, but because they encounter complex and poorly coordinated systems for accessing support. These challenges may be compounded by limited awareness of available resources and pathways, as well as a perception among some workers that they are largely on their own in navigating the process.

When workers lose their connection to employment after an injury or illness, the consequences can be profound. Individuals and families may face financial strain, diminished economic security, and disruptions to professional life. States experience reduced tax revenue and lost productivity, while public spending grows with more people relying on programs such as Social Security Disability Insurance, Supplemental Security Income, Medicare, Medicaid, and state workers' compensation systems. Research shows that the likelihood of a worker returning to employment declines sharply with time; by the 12th week of leave, the chance of returning drops to roughly 50 percent. As time away from work increases, so does the probability of permanent detachment and long-term reliance on disability benefit programs.

This trajectory is not inevitable. Evidence from SAW/RTW initiatives—including lessons highlighted in programs such as the Retaining Employment and Talent After Injury/Illness Network (RETAIN), where coordinated early intervention models strengthened communication among healthcare providers, employers, and workforce partners—demonstrates that timely, integrated support can keep workers employed and reduce reliance on disability benefits. When systems work together, ill or injured workers receive the guidance, accommodations, and employment services they need to remain attached to the labor force and to avoid the personal and economic costs of prolonged time away from work.

The Stay-at-Work/Return-to-Work Playbook

The SAW/RTW Playbook translates more than seven years of learning from the Retaining Employment and Talent After Injury/Illness Network (RETAIN) into a practical guide for practitioners. RETAIN demonstrated that early intervention, coordinated service delivery, and strong partnerships across healthcare providers, workforce systems, and employers can meaningfully reduce long-term work disability.

This playbook captures those lessons and distills them into actionable steps to build or strengthen programs—from planning and service delivery to data management, staffing, and outreach. It offers adaptable tools for any organization committed to helping workers recover, remain employed, and avoid unnecessary reliance on long-term disability benefits.

This framework begins with a simple premise: The right support at the right time can change the outcome. By building coordinated, worker-centered, and cross-agency SAW/RTW systems, state leaders can help ensure that a health setback does not become a permanent workforce exit.

The Opportunity: Early Intervention and Effective Coordination

There is good news: When healthcare and employment services work together, most workers who experience injury or illness can stay in their jobs, return to work more quickly, or find new work if necessary—all of which support their recovery. This coordination strengthens the foundation for timely, effective support by bridging critical gaps in services and connecting systems that otherwise operate in isolation. Early intervention is paramount. SAW/RTW programs operate on this principle, helping recently injured and ill workers remain employed or return to work as soon as medically appropriate by using strategies such as short-term or temporary accommodations, transitional work assignments, job restructuring, modified or light duty, assistive technologies, and reassignment. These programs also rely on the idea that work is a positive health outcome and a key social determinant of health.



Retaining Employment and Talent After Injury/Illness Network

RETAIN was the nation's first federally funded initiative to test early intervention strategies that strengthen coordination across healthcare providers, workforce systems, and employers to help workers stay at or return to work after injury or illness. Led by the U.S. Department of Labor's Office of Disability Employment Policy, in partnership with the Employment and Training Administration, Chief Evaluation Office, and U.S. Social Security Administration, RETAIN operated for 7.5 years and was funded in two phases. Phase 1 supported planning and pilot programs in eight states: California, Connecticut, Kansas, Kentucky, Minnesota, Ohio, Vermont, and Washington. Phase 2 funded the expansion and refinement of models in Kansas, Kentucky, Minnesota, Ohio, and Vermont.

Findings from RETAIN show that effective SAW/RTW strategies can improve worker health, support continued workforce participation, and reduce the risk of long-term workforce detachment. Key elements of successful programs included:



Reaching workers soon after an injury or illness affects their ability to work and delivering services as soon as workers are stable enough to engage.



Active involvement of a return-to-work coordinator.



Training for healthcare providers in occupational health best practices.



Strong collaboration between healthcare providers, employers, and workforce services.



Employer outreach campaigns, training, and engagement.

For workers, the ability to remain engaged in work—supported by SAW/RTW programs—helps maintain income, reduces the risk of re-injury or secondary complications such as depression that may delay or complicate recovery, and lowers the likelihood of long-term job loss. Employers benefit by retaining experienced workers, reducing absences, and maintaining productivity. States benefit by reducing long-term public costs, decreasing reliance on benefit programs, and strengthening labor force participation, thereby increasing tax revenue.

To support state leaders in establishing and scaling high-quality, integrated SAW/RTW systems, this framework organizes policy options around five core strategies:

To support state leaders in establishing and scaling high-quality, integrated SAW/RTW systems, this framework organizes policy options around five core strategies:

1. Statewide systems coordination;
2. Workforce systems integration;
3. Worker-centered policy design;
4. Employer engagement and support; and
5. Healthcare alignment with employment goals.

Successful SAW/RTW programs rely on effective coordination and communication between the individual stakeholders involved in the process. RTW coordinators often play a critical role, ensuring that communication flows smoothly, supports are aligned across systems, and workers receive the right support at the right time to help them stay attached to the workforce throughout recovery. Workers must be central to every step in the SAW/RTW process.

Workforce partners, including but not limited to WIOA Title 1 and vocational rehabilitation programs, offer coaching, training, job matching, and supportive services to help workers remain in or return to the workforce.

Workers report injuries or illnesses promptly, participate in return-to-work planning, communicate their functional abilities, and access supports to recover and stay connected to work.

States coordinate policies across systems, invest in early intervention, enable responsible data sharing, and ensure that employers and workers can access needed tools and guidance.

The roles and responsibilities of each stakeholder in the SAW/RTW process are key to successful implementation.

Employers respond quickly to injury or illness, provide modified duties and other accommodations, and stay in regular communication with the worker during recovery.

Insurers manage claims efficiently and provide timely replacement of wages or medical benefits, as well as case management services.

Healthcare providers care for workers, assess functional abilities, give clear guidance, and coordinate with employers to support a safe and timely return to work.

Policies, Best Practices, and Implementation Strategies

Effective SAW/RTW systems require intentional design, clear accountability, and sustained coordination across healthcare, workforce systems, and employers. At the center of these efforts, a designated coordinating professional helps align partners, ensure timely intervention, and support worker-centered responses across systems.

Successful states combine strong employer engagement, early identification strategies, and integration across workforce and healthcare systems. They also establish clear expectations for stakeholders, align incentives, and provide practical supports that address medical and non-medical barriers to returning to work.

The following sections outline policy strategies that states can use to build coordinated, scalable SAW/RTW systems. Together, these approaches can help leaders prevent unnecessary workforce exit and support long-term success for workers, employers, and state economies.

Statewide Systems Coordination

State systems often operate in siloes, making it hard to coordinate services, track outcomes, or understand how a program may be helping workers stay at or return to work. Information frequently resides in separate agency systems that do not communicate with each other, limiting the ability to see the full picture of a worker's experience.

Data-sharing challenges are not just technical. Agencies and providers may be unclear about privacy rules, lack authority to share information, or work under different policies and procedures. Workers and employers may also be hesitant to share sensitive information.

Creating effective SAW/RTW systems requires clear governance, shared accountability, and aligned incentives. This includes establishing mechanisms for sharing data securely, standardizing metrics and definitions, and ensuring that workforce, healthcare, and benefits agencies work toward common outcomes with shared goals. Evidence from RETAIN and other state experiences shows that when these structures are in place, states are better positioned to identify workers at risk of workforce exit, intervene earlier, and improve return-to-work outcomes.

The most consistent results may come from building a statewide SAW/RTW program with a designated lead coordinating entity responsible for oversight, implementation, and cross-agency alignment. But many states struggle to scale and sustain these models due to a lack of clear leadership and service coordination, limited funding, and challenges translating successful approaches into consistent statewide practice. Implementing specific components of a comprehensive SAW/RTW program can also prove worthwhile.

To strengthen infrastructure, data sharing, and interagency coordination, states can consider:

- ***Creating*** dedicated return-to-work coordinator positions responsible for facilitating communication and service navigation across key SAW/RTW stakeholders.
- ***Standardizing*** SAW/RTW eligibility criteria across systems and establishing shared, universal intake processes that generate automatic cross-program referrals, improving timely access to services, reducing delays, and enabling coordinated support.
- ***Developing*** sustainable funding models, including public-private partnerships and grants, to evaluate, and scale SAW/RTW programs into permanent initiatives.
- ***Establishing*** statutory authority and requirements for cross-agency coordination, data sharing, and joint accountability for SAW/RTW outcomes.

- ***Implementing*** formal data-sharing frameworks that define governance, standardize metrics, and enable secure coordination across systems while maintaining strong privacy protections.
- ***Establishing*** common definitions, expectations, and performance measures for SAW/RTW across agencies to support coordination, data sharing, and continuous improvement.
- ***Providing*** training and guidance to frontline staff and partners on data-sharing rules and coordination protocols.

Lessons from the SAW/RTW Playbook: Service Delivery Coordination

Service delivery is the core of any SAW/RTW program. Services generally fall into four categories: healthcare provider services, RTW coordination, workforce services, and supportive services. When planning your service delivery processes, remember how essential RTW coordinators are to RETAIN program success. RTW coordinators ensured seamless integration across services by developing SAW/RTW plans, aligning goals and services, tracking participant progress, and working closely with healthcare providers, employers, and service providers.

States in Action

Alaska SB 147 (2024) updates the state workers' compensation reemployment system to prioritize return-to-work outcomes. The law emphasizes helping injured workers return to their existing jobs when possible and establishes a formal stay-at-work program to support earlier workforce reentry. It requires the development of reemployment plans based on a worker's functional capacity and potential for returning, with input from rehabilitation specialists. The legislation also streamlines eligibility timelines, plan development, and reporting requirements, reducing administrative burden and supporting timelier, coordinated service delivery.

The **Delaware** Department of Human Resources administers a return-to-work program through its Disability Insurance Program to help employees return to work safely and efficiently following an illness or injury. The program provides coordinated assistance through a return-to-work coordinator who works with employees, supervisors, human resources, and medical providers to facilitate transitions back to work, including through modified duties, part-time arrangements, and reasonable accommodations. When a return to the original position is not possible, the program helps identify alternative roles within state government, with the overall goal of promoting recovery, maintaining workforce attachment, and reducing long-term absence.

Workers who participated in the **Kansas** RETAIN program, RETAINWOR*KS*, received robust support from a return-to-work coordinator and a dedicated employment counselor. The coordinator and counselor helped facilitate communication among all parties involved in the return-to-work process and supported workers as they navigated recovery, maintained their household expenses, and set goals for returning to work. Program leaders and staff said this support was the biggest benefit of return-to-work coordination services.

Maryland's Managed Return to Work Program (MRTW) provides temporary, meaningful transitional duty assignments to employees with work-related injuries or illnesses, helping them return to employment. The program emphasizes early medical assessment, coordination between employers and healthcare providers, and structured task analyses to match employees with appropriate work based on their medical restrictions. Overall,

MRTW aims to support recovery, maintain job skills, and reduce the long-term impact of injury on employees and employers.

The **North Dakota** Department of Health and Human Services' Unintentional Injury Prevention Data Dashboard provides a statewide picture of injury trends, risk factors, and outcomes. The dashboard compiles data from sources such as vital records and other public health systems to identify the leading causes of injury-related deaths and harm across the state.

Oregon established statutory authority for RTW through its Reemployment Assistance Program (ORS 656.622), which operates within the state's workers' compensation system. The program provides financial incentives and structured supports to help injured workers return to employment as quickly and safely as possible. Through initiatives such as the Employer-at-Injury Program and Preferred Worker Program, Oregon offers wage subsidies, worksite modification assistance, and reemployment services to encourage employer participation and support worker retention.

Texas Labor Code § 413.021 requires the Insurance Commissioner to create rules for collecting return-to-work data and to gather that information so the state can evaluate what is working and identify barriers that delay injured workers from returning to work.

Washington's Centers of Occupational Health and Education (COHE) model strengthens SAW/RTW infrastructure by creating a coordinated system of community-based partnerships that connect healthcare providers, employers, workers, and workers' compensation administrators through early intervention and return-to-work best practices. Funded by the Washington Department of Labor and Industries, COHE helps providers deliver occupational health best practices, improve communication, and coordinate recovery and return-to-work efforts.

Workforce Systems Integration

Workforce system partners, including vocational rehabilitation programs and American Job Centers, can be critical to supporting job retention and reemployment but they are not always integrated into SAW/RTW efforts. One primary reason is eligibility requirements: Under the Workforce Innovation and Opportunity Act (WIOA), many workers who experience injury or illness do not qualify for services until they are out of the workforce. In addition, when workers do qualify for services, including from vocational rehabilitation, timelines for referrals and eligibility determination, as well as other restrictions (such as a state's vocational rehabilitation agency being in Order of Selection), may not align with medical recovery. In short, a worker may be ready to go back to work with support, but if they cannot access support



Lessons from the SAW/RTW Playbook: Data and Evaluation

Information sharing is a critical component of effective collaboration and a key element of SAW/RTW programs. RETAIN programs relied on centralized data environments to support seamless information sharing, comprehensive analysis of program operations, and efficient service delivery. Appropriate data—covering both program-level metrics (e.g., number of people enrolled in the program, time from injury/illness onset to program enrollment, number of people who engaged with outreach) and relevant information about individual participants to guide service providers—ensured that all stakeholders had the information they needed to track progress, identify inefficiencies, and make informed decisions.

or encounter delays doing so, it decreases their chances of returning at all.

When intentionally integrated into the process, however, workforce partners can play a central role in keeping workers in the workforce. They can provide workers with accommodation support and help them navigate complex benefit systems. They can offer pathways to new opportunities, including through retraining, for workers who are unable to return to their previous jobs. With strong connections to employers and an understanding of local labor markets, workforce partners can also support workers in learning in-demand skills and seeking available jobs.

As the RETAIN evaluation shows, SAW/RTW programs that have strong, intentional integration of healthcare and workforce systems may achieve higher service use and better outcomes. Integrating workforce partners into SAW/RTW strategies helps ensure that workers receive timely, coordinated support and do not fall through gaps between systems. Workforce partners can serve as a bridge between healthcare providers, employers, and workers, translating medical guidance into practical job tasks, helping identify accommodations, and coordinating services.

To improve workforce systems integration, states can consider:

- ***Establishing*** dedicated return-to-work coordination roles to help vocational rehabilitation, American Job Centers, and other partners align their work, including shared case management and accountability for follow-up.
- ***Integrating*** SAW/RTW into systems that injured workers already use, such as paid family and medical leave, unemployment insurance, and workers' compensation.
- ***Leveraging*** workforce system partners to connect employers, training providers, and workers to modified duty placements, job matching, and rapid reemployment opportunities.
- ***Expanding*** access to career counseling, benefits counseling, upskilling, and retraining services to support informed decision-making and long-term outcomes.
- ***Establishing*** training requirements for workforce staff to better serve individuals with multiple needs, including reducing reliance on "refer and defer" approaches by equipping staff to coordinate services across systems and ensure ongoing support and follow-through.
- ***Identifying*** flexible approaches to leverage WIOA funding to prioritize and serve workers at risk of job loss due to injury or illness, as possible within federal guidelines, and exploring opportunities to support these workers through complementary state-funded programs when WIOA eligibility restrictions limit access.
- ***Expanding*** eligibility criteria in state vocational rehabilitation programs to include disabled people at risk of job loss, as WIOA allows.

States in Action

Through its Retaining a Valued Employee (RAVE) program, **Alabama's** vocational rehabilitation services provide SAW/RTW services to state residents with disabilities and employers seeking to retain/return valued workers. RAVE helps employers retain workers whose occupational or non-occupational injury, illness, or disability impacts their job duties, job performance, or ability to advance. A professional team, including a vocational rehabilitation counselor, a business relations consultant, and a rehabilitation engineer, works directly with the employer and employee to assess and identify needs and provide consultation, case management, accommodations, modifications, and other services to facilitate successful SAW/RTW outcomes.

California SB 863 (2013) provides funding for education-related retraining or skill enhancement at state-approved or accredited schools for individuals whose injury causes permanent partial disability and who do not return to work for their employer within 60 days of the termination of temporary disability.

Kentucky Revised Statutes § 342.710 provides that an employee who is injured at work has the right to receive medical rehabilitation services as soon as possible, for as long as those services are reasonably needed to help them recover. If the injury prevents the employee from returning to the type of work they previously did or were trained to do, the employee also has the right to vocational rehabilitation services. These services may include retraining, education, or help finding a new job, when reasonably necessary to help the employee resume working.

The **Kentucky** Office of Vocational Rehabilitation served as the lead agency for RETAIN KY, positioning the workforce system at the center of SAW/RTW service delivery from the start.

Massachusetts General Laws Ch. 152 § 30H states that if an injured worker and the insurance company cannot agree on a vocational rehabilitation plan, the worker can ask the Office of Education and Vocational Rehabilitation for help. The office will decide whether vocational rehabilitation is needed and has a reasonable chance of helping the worker get back to a suitable job successfully.

The **New York State** Workers' Compensation Board has vocational rehabilitation counselors who provide free assistance to injured workers with physical disabilities. Counselors help with the job search and applications, coordinate training and vocational services, and connect individuals to additional employment supports. They also help injured workers stay attached to the labor market, navigate workplace accommodations under the Americans with Disabilities Act, and develop return-to-work plans. In addition, vocational rehabilitation counselors collaborate with licensed social workers to address mental health needs.

Lessons from the SAW/RTW Playbook: Collaboration

Collaboration is the foundation of a successful SAW/RTW program. As one of RETAIN's six key elements (Early Intervention; Healthcare Provider Training; Return-to-work Coordination; Effective Collaboration; Worker Retraining and Rehabilitation; Accommodations and Job Modifications) and essential to the success of the others, collaboration enables early intervention, coordinated service delivery, and broader access to SAW/RTW training and best practices.

Worker-Centered Policy Design

After experiencing injury or illness, many workers must navigate a maze of disconnected systems on their own, often during periods of physical, emotional, and financial stress. Frequently, workers may not even realize they need services or are eligible for them, especially if they continue working through their injury or illness or take temporary leave. The stigma associated with disclosing health conditions, particularly those related to mental health or substance use, can further discourage engagement. At the same time, benefit structures and system processes can unintentionally incentivize absence. As a result, disconnection from work often stems from behavioral, social, and administrative factors rather than medical necessity in many cases.

Workers need access to clear, timely information on their options after injury or illness, including what to expect when returning to work, their legal rights, accommodations, and where to access supports and services. Worker-centered strategies ensure

that policies and programs address the full range of factors that impact a worker's ability to remain connected to work. This paradigm shifts away from the individual burden of navigating complex services toward a coordinated and individualized delivery of support focused on each worker's unique needs, including transportation, family caregiving, financial assistance, and behavioral health services.

To center policies on worker needs, states can consider:

- ***Establishing*** clear timelines for engagement, assessment, and service delivery to ensure that workers receive timely support during the critical early stages of recovery.
- ***Screening*** for nonmedical barriers to work and streamlining referrals to community services—including for transportation, caregiving supports, housing stability, and financial assistance—to address factors that may delay or prevent return to work.
- ***Integrating*** mental and behavioral health services into SAW/RTW programs by embedding screening, connecting workers to appropriate care, and addressing stigma that may prevent individuals from seeking support.
- ***Streamlining*** access to workforce supports and related services through shared or simplified application processes that include automatic referrals.
- ***Training*** return-to-work coordinators to provide individualized support to program participants.
- ***Reducing*** barriers to care and support for workers in rural areas, those with limited transportation, or those balancing caregiving and work responsibilities by providing telehealth, peer mentoring, and flexible service delivery models that improve access.

States in Action

The **Arkansas** SAW/RTW program provides vocational counseling to help employees adjust

Leave Programs and SAW/RTW

Leave programs—both paid and unpaid—and SAW/RTW efforts each play an important role in helping workers stay in the workforce after an illness or injury. Although these programs are typically managed separately, integrating them can create a more cohesive and coordinated experience for workers. Leave programs are often a worker's first point of contact after injury or illness and therefore can serve as a natural channel for identifying workers at risk of prolonged work absence and connecting them to SAW/RTW supports

Federal and state leave programs, such as the federal Family and Medical Leave Act and state Paid Family and Medical Leave programs, illustrate key points in the leave system where SAW/RTW strategies could be integrated to create a clear pathway from leave to sustained work. These integration opportunities include enabling early identification of at-risk workers, coordinating with employers on modified or transitional duties, and aligning services across workforce, healthcare, and rehabilitation partners. States can also assess how program design, such as wage replacement rates, benefit duration, and availability of partial return-to-work options, influences worker engagement and long-term employment outcomes.

to their disability and stay positive—factors that support SAW/RTW efforts. The program also offers specialized assessments that help workers identify their vocational strengths and challenges and how they affect successful job performance. In addition, employees can receive individualized training to learn how to use any new technology or equipment to improve work performance.

Minnesota HF 3451 (2024) expands eligibility for the state's dislocated worker program to include individuals with nonwork-related injuries or illnesses who need support to remain in or return to the workforce. The program provides employment and training services, including career counseling, job placement, skill development, and supportive services such as transportation, childcare, and health-related assistance. It also connects individuals to rapid response supports and offers retraining or entrepreneurial pathways for those unable to return to their previous occupations.

Montana HB 245 (2025) mandates that individuals receiving healthcare assistance have the option to participate in employment or reemployment assessments and workforce development programs. It emphasizes the importance of training in high-demand fields and the provision of supportive services necessary for employment, such as clothing assistance and transportation. The assessment must identify any probable barriers to employment that exist for the individual.

West Virginia Code § 23-4-9 establishes that a goal of workers' compensation is to prioritize early identification of rehabilitation needs and vocational services, including on-the-job training, job modifications, reassignment, and vocational training, with a statutory goal of returning injured workers to "comparable work" or alternative employment.

Employer Engagement and Support

Employers are critical partners in the success of SAW/RTW efforts. When supported appropriately, employers can help workers remain employed, reduce unnecessary absences, and improve health and work outcomes. For example, employers are in the position to implement workplace accommodations, offer modified or transitional duties, and maintain ongoing connection with workers during recovery. They are also often the first to recognize when their employee is at risk of leaving the workforce, making their early engagement essential to keeping workers employed.

Despite their central role, employers often struggle with system fragmentation. Many employers, particularly small and midsize businesses, lack the resources, staff capacity, and guidance needed to implement successful SAW/RTW plans and accommodations. Many employers would prefer to retain experienced workers rather than hire and train replacements, but they may not know enough—about medical restrictions, for example, or what tasks workers can safely perform—to do so. Financial constraints (including the perceived if not actual cost of accommodations) can further limit their ability to act.

In addition, depending on the industry and job type, SAW/RTW strategies may not always be feasible. In physically demanding industries or in small workplaces with limited staff, employers may have few or no meaningful light-duty or modified-work options available. Traditional accommodation approaches may not be realistic in these situations, so workers may need transitional employment, retraining, or rapid reemployment supports from the workforce system instead.

Findings from the RETAIN evaluation suggest that employers' SAW/RTW efforts are most successful when engagement occurs early and employers are supported by structured coordination, clear guidance, effective incentives, and practical assistance. For example, the evaluation found that employers are more likely to implement accommodations and SAW/RTW strategies when they receive direct support, such as specific

guidance from return-to-work coordinators and clear information about their worker's capabilities, rather than general outreach or information.

By equipping employers with practical tools, guidance, and resources, states can shift employer engagement from a compliance-driven activity to a proactive workforce strategy that supports retention and reduces long-term costs.

To better equip employers to retain and support workers, states can consider:

- ***Developing*** employer-focused awareness and education campaigns that communicate the business value of SAW/RTW, address common misconceptions about cost and legal risk, and highlight successful implementation examples.
- ***Providing*** clear, state-issued guidance, and safe harbor frameworks to clarify legal requirements and reduce employer and provider concerns related to compliance, liability, and information sharing.
- ***Developing*** practical tools, training, and technical assistance for employers to support implementation of SAW/RTW best practices.
- ***Leveraging*** trusted intermediaries, such as chambers of commerce and industry associations, to deliver outreach, training, and best practices.
- ***Establishing*** policies that incentivize employer participation in SAW/RTW through tax credits, wage subsidies, and, where applicable, premium relief or financial incentives tied to state-administered insurance programs (e.g., workers' compensation state funds or state temporary disability insurance programs).
- ***Creating*** centralized accommodation funds to help small and medium-size businesses pay for accommodations, such as physical changes, technological aids, workplace adjustments, training or instruction changes, and environmental modifications.
- ***Establishing*** preferred worker programs, or similar models, that provide employers with financial incentives, liability protections, or subsidized employment opportunities to encourage the hiring and retention of workers with permanent restrictions resulting from a work disability.

States in Action

In 2023, **Minnesota** created a central fund to support small and midsize Minnesota employers who request reimbursement for expenses related to providing reasonable accommodations for job applicants and employees with disabilities. The legislature (2023 Minn. Laws, Ch. 53, Art. 15, Sec. 31, Subd. 9) appropriated $4 million for this pilot project. In addition to processing reimbursements, an Employer Reasonable Accommodation Fund coordinator was made available for technical assistance and consultation at no cost to employers.

New Jersey AB 2617 (2020) requires certain employers to give preference to workers who can no longer return to their previous job after a work-related injury but are able to perform the essential duties of another open position with the employer. Unlike traditional preferred worker programs, which typically encourage employers to hire or retain injured workers through incentives such as wage subsidies or premium relief, New Jersey's approach instead creates a legal obligation for employers to consider qualified injured workers for existing vacancies.

New York State employers with an approved return-to-work program may be eligible for insurance discounts under the Workplace Safety and Loss Prevention Incentive Program managed by the state's Department of Labor.

Lessons from the SAW/RTW Playbook: Employer Recruitment

Employers are an especially important audience and play a critical role in the SAW/RTW process. They provide job accommodations and modifications and may hire participants who need to change jobs. They may also provide valuable insights into emerging trends or barriers to employing disabled workers or those recovering from injury or illness. Reaching some employers can be challenging due to competing demands on time and hesitancy to take on perceived risks.

When recruiting employers to participate in SAW/RTW programs, tailor the messaging to employers' business priorities:

Focus your messaging.
Emphasize return on investment, the low cost of common employee accommodations, the high cost of employee turnover, and how addressing performance issues early can prevent adversarial situations.

Assess employer values.
Review mission statements and focus on employers who emphasize employee well-being and show openness to SAW/RTW initiatives.

Prioritize high-impact geographies and industries.
Target employers in industries with high rates of injuries and those located near your healthcare partners.

Conduct in-person visits or phone calls.
Direct conversations can help cut through the many requests employers receive and highlight your program's business value.

The **Oregon** Employer-at-Injury Program encourages the early return to work of injured workers by helping lower the employer's early return-to-work costs and claim costs. The insurer helps the employer develop transitional work and request reimbursement for its costs. Wage subsidies repay the employer for 50 percent of the worker's early return-to-work gross wages for up to 66 workdays within a consecutive 24-month period.

Utah HB 333 (2022) establishes grants for business entities offering innovative employee return-to-work programs.

Washington HB 2127 (2023) increases wage subsidies for employers offering light duty or transitional work. Employers can also receive reimbursements for training costs, necessary clothing, and tools, with extended durations for claiming wage subsidies. Guidance from Washington's Department of Labor and Industry also specifies that providers can disclose personal health information to an employer without patient authorization. This can be done when the information relates to a workplace-injury, light-duty-work, or a return-to-work examination and HIPAA's minimum necessary standard does not apply to disclosures required by state law.

The **Kentucky** LivingWell Program is a comprehensive wellness initiative designed to improve employee health, support preventive care, and create a culture of well-being across

state agencies. The program provides a structured framework for organizations to promote physical, mental, and behavioral health through education, engagement, and workplace-based initiatives.

New York SB 5081 (2024) establishes a comprehensive Injury Reduction Program to improve workplace safety and reduce injury rates in New York State's warehouse industry.

In various **states**, the federal Voluntary Protection Program (VPP) recognizes employers and workers who have strong safety and health programs and low injury rates. In VPP, employers, workers, and the Occupational Safety and Health Administration (OSHA) work together to prevent injuries and illnesses through training, hazard prevention, and active involvement from management and employees. To join, employers apply to OSHA and complete an on-site review by safety and health experts. Participants are reviewed every three to five years and are not subject to OSHA programmed inspections while they keep their VPP status.

Healthcare and Employment Goals Alignment

Healthcare providers and insurance carriers also play a central role in determining whether and how workers remain connected to employment during recovery. Providers are often the first point of contact for injured or ill workers; they diagnose conditions, assess functional capacity, and advise on work limitations. These assessments form the basis for a treatment and SAW/RTW plan that outlines when and how a worker can safely resume work, including any temporary restrictions. Insurance carriers similarly influence outcomes through claims management, communication with employers and workers, and facilitation of work supports.

Despite this central role, medical and insurance systems do not consistently structure work as a desired outcome. Clinical care typically focuses on diagnosis and treatment, with less emphasis on functional capacity or work participation. Many providers lack training in occupational health and have little familiarity with available supports. Communication between providers and employers is often inconsistent or delayed, and privacy constraints can further limit the sharing of information needed to support planning. Administrative burdens and time constraints also reduce providers' ability to engage beyond clinical care.

In the absence of clear expectations and coordinated pathways, healthcare providers may default to recommending time away from work rather than supporting modified or transitional work, even when some level of work activity would be safe and beneficial. As a result, opportunities to

Wellness and Injury Prevention Programs

Employers who invest in workplace safety and health can reduce fatalities, injuries, and illnesses. They can also realize meaningful cost savings, including reduced workers' compensation and medical costs and decreased expenses related to employee turnover, training, and incident investigations. In addition, strong safety practices can prevent or minimize the need for SAW/RTW interventions by reducing the likelihood and severity of work-related injuries and illnesses in the first place. Efforts to improve workplace safety also often lead to gains in productivity and overall financial performance.

integrate work into recovery are frequently missed, despite strong evidence that work is a strong social determinant of health.

Evidence from the Kansas RETAIN demonstration project shows that provider engagement is most effective when clinicians are supported by return-to-work coordinators who facilitate communication with employers, address nonmedical barriers, and reduce the administrative burden on providers. When coordination responsibilities are shared and expectations are clear, healthcare providers are better able to support work as part of recovery in their clinical decision-making. Incorporating work-focused goals into clinical care helps ensure recovery supports when returning to work.

A collaborative approach that incorporates employment into the recovery process from the start helps ensure that accommodations and return-to-work plans are medically appropriate, responsive to worker capabilities, and feasible for employers to implement.

To engage providers and align healthcare with work outcomes, states can consider:

- ***Developing*** targeted outreach and awareness campaigns for healthcare providers and insurers to increase understanding of SAW/RTW strategies, clarify roles and responsibilities, and promote integration of work into recovery planning.
- ***Expanding*** the definition of "treating physician" to include healthcare providers (e.g., physical therapist, physician assistant, advanced practice registered nurse) who can assess functional capacity (without a referral), identify individuals eligible for SAW/RTW earlier, and emphasize work as a health outcome.
- ***Training*** physicians and allied health providers on occupational health and SAW/RTW best practices, including early identification of workers at risk of prolonged work absence, communication with employers about functional capacity and modified duty, evidence-informed return-to-work planning, and coordination with workforce, rehabilitation, and benefits systems to support timely, safe, and sustainable employment outcomes.
- ***Incentivizing*** medical providers to integrate work into treatment plans through modifications to medical codes, tax credits, or reimbursement protocols.
- ***Encouraging*** providers to embed work information within electronic medical records



Lessons from the SAW/RTW Playbook: Healthcare and Employer Engagement

Healthcare providers and employers are essential partners in any SAW/RTW program. Each brings unique strengths to the table. Healthcare providers ensure that participants receive the medical care they need, while employers offer the necessary workplace support. Although engagement strategies may overlap, customizing your approach to each group's needs and priorities helps you recruit a well-rounded support system that maximizes program impact.

(EMR) to facilitate identification of workers at risk of leaving the workforce and to support their timely referral into return-to-work services.

- ***Standardizing*** and streamlining communication among healthcare providers, employers, and workers by establishing guidelines for timelines, roles, and expectations for information sharing; requiring consistent use of functional capacity assessments; and adopting standardized forms for communicating work-related limitations and return-to-work plans.

States in Action

The **Texas** Department of Insurance provides detailed guidance on roles and responsibilities of healthcare providers and insurers in return-to-work coordination services. Further, under Texas Labor Code § 413.021 workers' compensation insurance carriers must provide *ongoing* return-to-work coordination services to participating employers when an injured employee may lose time from work. These services may include job analysis to identify the physical demands of a job, job modification assessments as necessary to match job requirements with the functional capacity of an employee, and medical or vocational case management to coordinate the efforts of the employer, the treating doctor, and the injured employee to achieve timely return to work.

Montana SB109 (2025) broadens the workers' compensation definition of "treating physician" to include physical therapists. This change allows those who experience workplace injuries, especially in industries that involve physical labor such as construction, to receive support from a wider range of healthcare providers.

To identify potential program enrollees, the **Minnesota** RETAIN recruitment staff reviewed reports generated by a screening tool for social determinants of health embedded in electronic medical records. Based on information given by patients, an automated algorithm categorized individuals as having a low, medium, or high risk of acute work disability. RETAIN recruitment and enrollment staff then prioritized outreach to patients identified as medium or high risk, enabling earlier engagement and timelier SAW/RTW intervention.

RETAIN **Ohio** exceeded its enrollment targets by using EMR data to identify eligible patients. Program staff actively engaged with medical providers, who were compensated for completing online training on program services and occupational medicine best practices, enabling their patients to enroll.

The **Washington** Department of Labor and Industries funds the Centers of Occupational Health and Education (COHE). Healthcare providers affiliated with COHE receive training in four specific occupational health best practices to use with workers' compensation patients who are at risk of labor-force separation due to their illness or injury. These include:

- ***Submitting*** timely and complete forms to initiate claims, including a complete Report of Accident within two business days.
- ***Developing*** activity plans that communicate the worker's capacity to participate in work activities, outline activity restrictions, and reflect on the provider's treatment plans.
- ***Communicating*** directly with COHE staff and employers when injured workers are off work, expected to be off work, or working with restrictions.
- ***Assessing*** barriers to return to work and partnering with Department of Labor and Industry claim managers and others to develop and implement plans to address them.



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