

**The California Commission on Health and Safety
and Workers' Compensation**



**Report on the Return-To-Work Program
Established in Labor Code Section 139.48**

CHSWC Members

Sean McNally (2009 Chair)

Catherine Aguilar

Kristen Schwenkmeyer

Robert B. Steinberg

Darrel "Shorty" Thacker

Angie Wei

Executive Officer

Christine Baker

State of California

Labor and Workforce Development Agency

Department of Industrial Relations

April 2009

Acknowledgments

The Commission would like to thank the following people for their assistance in providing information for this report: DWC Acting Administrative Director Carrie Nevans and Otis Byrd, Program Manager and Sandra Lee Cortes, Area Supervisor, both of the Retraining and Return to Work (RRTW) Unit of DWC.

Additional thanks go to the many vocational rehabilitation and return-to-work professionals in the state agencies surveyed as well as to Small Business California for sending out the questionnaire to its members, and enabling the Commission to get a sense of the awareness of the RTW program in California. In particular, we would also like to thank Juliann Sum, University of California, Berkeley, who provided valuable technical assistance in preparing the report.

Table of Contents

Introduction.....	1
Background and Legislative History	1
Operation, Participation and Utilization of the Program	3
Awareness of the Program Among Small Employers	4
Cost-Effectiveness of the Program	5
Possible Future Funding	6
Other States' Funding	6
Conclusion	6
Findings	6
Alternatives.....	7
Attachment A – Summary of Answers to Questionnaire Distributed by Small Business California to Small Employers in December 2008	8
Attachment B – Chart on Return-to-Work Programs in Different States.....	11

Introduction

In November 2008, at the request of the Acting Administrative Director of the Division of Workers' Compensation, the Commission on Health and Safety and Workers' Compensation voted to conduct a study of the Return-to-Work Program established in former Labor Code section 139.48. This report describes the operation of the program in the period August 18, 2006, to December 15, 2008. It discusses rates of participation by employers, awareness of the program among small employers, and possible future funding.

Background and Legislative History

Section 139.48 of the Labor Code, as amended by SB 899 (Poochigian, 2004), requires the Administrative Director to establish a Return-to-Work Program to promote the early and sustained return to work of injured employees. The program reimburses employers for expenses to modify the workplace to accommodate injured employees. It is available to private employers with 50 or fewer full-time employees that seek reimbursement of expenses to accommodate an employee with a work-related injury or illness occurring on or after July 1, 2004. As originally enacted, the program was to sunset on January 1, 2009. Pursuant to a 2008 budget trailer bill, AB 1389, the sunset has been extended to January 1, 2010.

Upon submission by an eligible employer of adequate documentation, section 139.48 provides the following:

- (1) The maximum reimbursement to an eligible employer for expenses to accommodate each temporarily disabled injured worker is one thousand two hundred fifty dollars (\$1,250).*
- (2) The maximum reimbursement to an eligible employer for expenses to accommodate each permanently disabled worker who is a qualified injured worker is two thousand five hundred dollars (\$2,500). If the employer received reimbursement under paragraph (1), the amount of the reimbursement under paragraph (1) and this paragraph shall not exceed two thousand five hundred dollars (\$2,500).*
- (3) The modification expenses shall be incurred in order to allow a temporarily disabled worker to perform modified or alternative work within physician-imposed temporary work restrictions, or to allow a permanently disabled worker who is an injured worker to return to sustained modified or alternative employment with the employer within physician-imposed permanent work restrictions.*
- (4) Allowable expenses may include physical modifications to the worksite, equipment, devices, furniture, tools, or other necessary costs for accommodation of the employee's restrictions.*

Reimbursement is paid from the Workers' Compensation Return-to-Work Fund, which is funded by penalties collected pursuant to section 5814.6 (administrative penalties for unreasonable delay) and by transfers into the Fund from the Workers' Compensation Administration Revolving Fund established pursuant to section 62.5 (user funding).

Report on the Return-To-Work Program Established in Labor Code Section 139.48

The original legislation requiring creation of the Return-to-Work Program (AB 749, Calderon, 2002) allowed all private employers to obtain reimbursement. It also allowed reimbursement of lost wages for the injured employee and reimbursement of workers' compensation insurance premiums attributable to the sustained employment of the employee. It relied on funding of the Workers' Compensation Return-to-Work Fund only from the State Treasury. That funding was never appropriated, and the program was not implemented. SB 899 limited the program to private employers with 50 or fewer full-time employees, eliminated reimbursement of lost wages, eliminated reimbursement of insurance premiums, and provided for funding for the Return-to-Work/Workplace Expense Modification Program from penalty collections under Section 5814.6 and by transfers from the Workers' Compensation Administration Revolving Fund.

The regulations to implement the program were filed in July 2006 and became operative in August 2006. They are set forth in the California Code of Regulations, title 8, sections 10004 and 10005.

Section 139.49 of the Labor Code required that a study be conducted and a report issued on the Return-to-Work Program. This section was not amended after its enactment in 2002, and it was repealed by its own provisions effective January 1, 2009. The section directed the study to examine at least two years' operation of the program and to address the following areas:

- (1) The effectiveness of the wage reimbursement, workplace modification expense reimbursement, and premium reimbursement components of the program.*
- (2) The rate of participation by insured and self-insured employers, including information on the size and industry of employers.*
- (3) Comparison of rates of utilization of modified and alternative work before and after establishment of the program and evaluation of whether there is an increase in sustained return to work.*
- (4) The impact of the program on injured employees.*
- (5) The cost-effectiveness of the program.*
- (6) Identification of potential future funding mechanisms for the program.*

Note: Because SB 899 eliminated reimbursement of lost wages, reimbursement of insurance premiums, and participation by self-insured (i.e., large) employers, those elements are not described in this report.

Operation, Participation and Utilization of the Program

This report summarizes information provided by the DWC Retraining and Return to Work (RRTW) Unit describing employers' applications for workplace modification expense reimbursement and approvals and denials of those applications. It also discusses rates of participation by eligible employers and potential future funding mechanisms.

1. Applications, approvals, and expenditures

After regulations to implement the program were adopted in Summer 2006, employers began applying for reimbursement in 2007. The RRTW Unit received 36 applications in the two-year period January 2, 2007, to December 15, 2008. Of these, less than one-third (11) were approved and more than two-thirds (25) were denied.

The 11 approved applications were for the following workplace modifications and amounts:

1. Keyboard tray, \$443.02
2. Microscope tube, \$1,064.00
3. Custom knee pads, \$232.00
4. Ergo chair and mouse, \$727.52
5. Support camera equipment, \$2,500.00
6. Headset, chair, and keyboard shelf, \$325.78
7. Ergonomic workstation, \$1,250.00
8. [Description missing from summary] \$1,012.47
9. Mouse, keyboard, and brace, \$472.55
10. Chair and keyboard, \$490.17
11. Keyboard, document holder, mouse, etc., \$226.93

The total amount reimbursed was \$8,744.44, and the average amount reimbursed was \$794.95. In contrast, \$500,000.00 was available in the Workers' Compensation Return-to-Work Fund in this period.

2. Reasons for denial

The RRTW Unit denied 25 applications for the following reasons:

- No industrial injury – 1 employer
- Payee Data Record form STD 204 not submitted (required when receiving payment from the State of California) – 2 employers
- Requested reimbursement of salary instead of workplace modification expenses – 2 employers
- Employed more than 50 employees – 10 employers
- Incomplete Request for Reimbursement of Accommodation Expenses form 10005, or supporting documentation not included – 5 employers
- Notice of Offer of Modified or Alternative Work form not submitted – 5 employers

3. Rates of participation in the program

In 2007, more than one million (1,000,000) businesses in California employed 50 or fewer employees; those businesses employed more than six million (6,000,000) employees.¹ Of those employees, roughly one to four percent (i.e., tens or hundreds of thousands of workers) had a work-related illness or injury in 2007.² In the two-year period January 2, 2007, to December 15, 2008, only 36 employers applied for reimbursement and only 11 eventually received funds. These figures are very small compared to the number of businesses that were eligible to apply for reimbursement and the number of employees who were eligible to receive job accommodations through this program.

4. Industries of the participating employers

Based on a Web search, the industries of the 11 participating employers were as follows:

1. Technology consultation for small businesses
2. Chemical and biological testing and research
3. Tile installation
4. Nonprofit lobbying
5. Television and video production services
6. Real estate management
7. Medical practice
8. Banking
9. Electrical contracting (construction)
10. Supplier of gases to technical and research firms
11. Software development

Awareness of the Program Among Small Employers

The RRTW Unit promoted the program with claims adjusters and administrators. This was done primarily through the annual DWC Educational Conference and in public presentations statewide. Information was included in a DWC Newsline (emailed to interested persons and organizations) and posted at the DWC website.

CHSWC staff prepared a brief questionnaire asking small employers whether they were aware of the Return-to-Work Program, how they learned about it, and whether they would use it in the future. Small Business California, a nonprofit advocacy organization, sent the questionnaire to

¹ In 2007, there were 1,247,919 businesses in California employing less than 50 employees. These businesses employed a total of 6,225,883 employees. "Number of Businesses, Number of Employees, and Third Quarter Payroll by Size of Business, Third Quarter, 2007" [table], Employment Development Department, Labor Market Information Division.

² In 2007, among establishments in California employing 1-10 and 11-49 employees, for the equivalent of every 100 full-time employees, there were 1.6 and 3.9 injuries and illnesses, respectively. "Incidence rates of nonfatal occupational injuries and illnesses by industry sector and employment size, 2007" [table], Division of Labor Statistics and Research, citing Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating State agencies.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

its members in December 2008. Although this group is not necessarily representative of the entire population of eligible employers, the questionnaire results give some indication of the extent that small employers are aware of the program and possible reasons that the program has not been fully utilized.

Fifty (50) employers responded to the questionnaire. Attached is a summary of the results. (See Attachment A.) Of the 50 persons who responded, only one in 10 (i.e., five) had heard of the program. In contrast, two-thirds (34) said they would consider applying for reimbursement from the program in the future, and one-fifth (11) said they would not. Of those who said they would not consider applying, two (2) felt it would involve too much time and trouble to apply compared to the potential benefit. Most respondents recommended that small employers be informed about the program through communications from employer organizations, state agencies, city business licensing offices, workers' compensation insurers and brokers, and news media.

Based on responses to the questionnaire, more employers would probably participate if insurers, brokers, and city licensing offices notify employers about the program and further information is posted and publicized through the additional channels identified by the respondents (as summarized above and in the attached table).

It is possible that the efforts undertaken by the RRTW Unit to publicize the program did not reach the intended audience. Small employers may be difficult to reach through educational conferences. The RRTW Unit plans to conduct informational workshops about the program around the State in 2009. Careful design and planning of future outreach may need to consider how, where, and when small employers usually receive information relevant to their businesses. Examples of effective channels were identified by the respondents described above and summarized in the attached table.

Cost-Effectiveness of the Program

The RRTW Unit reported that \$1,653,561 is paid annually for the salaries of its staff. (This does not include staff benefits, office supplies and expenses, and travel.) The cost to operate the Return-to-Work Program was not separately identified. Therefore, estimates are provided below based on typical costs incurred by the state to process applications and issue payments.

Assuming eight hours, on average, to process each application, including the time required to identify, request, track, and review missing documentation and other information, it took approximately 288 hours to process the 36 applications received in 2007 and 2008, which was approximately 8% FTE over two years. Assuming full-time annual salary and benefits for an analyst of \$100,000, this was approximately \$16,000 over two years. In addition, it cost approximately \$500 for the State Controller's Office to process the 11 reimbursements that were paid out. Therefore, the total cost to process applications and send payments was approximately \$16,500. This is twice the total amount paid out in reimbursements (\$8,744.44).

The above figures do not include the costs to develop and promulgate the implementing regulations, promote the program, train and supervise staff, provide clerical support, maintain records, and process revenues into the program.

Possible Future Funding

The Return-to-Work Program paid out reimbursements totaling \$8,744.44 in the two-year period covered by this report out of a total of \$500,000.00 that was available in the Workers' Compensation Return-to-Work Fund. If it is determined that the program should be continued, the current funding level is adequate given the extent that the program was utilized. There is no need for additional funding at this time.

Other States' Programs

CHSWC conducted a survey of selected states. Oregon, Washington and Texas have worksite modification reimbursement programs. In all three of the programs, the worksite modification reimbursement either is not the key incentive for employers to rehire injured workers or is seldom used. Attachment B summarizes each state's program.

Oregon provides worksite modification reimbursements as part of its extensive return-to-work programs. Oregon's Employer-at-Injury Program reimburses employers up to \$2,500 per claim to modify the worksite to enable an injured worker to return to light-duty, transitional work while recovering. Oregon's Preferred Worker Program reimburses workers and employers up to an aggregate of \$25,000 per claim to modify the worksite for workers with a permanent disability. In addition to worksite modification reimbursements, Oregon's programs contain other provisions to motivate employers to retain or hire injured workers, such as premium exemptions and wage subsidies.

Washington's Early Intervention Program, which is part of its vocational rehabilitation program, provides up to \$5,000 for worksite modifications. However, Washington reported that the worksite modification benefit is not commonly used. Instead, most employers make other kinds of changes such as reducing work schedules.

Texas has a pilot worksite modification reimbursement program which grants up to \$2,500 to employers with fewer than 50 employees. It is modeled on California's program. Since implementation of the program in February 2006, Texas received only five applications and awarded only two grants. This was despite extensive outreach to the employer community.

Conclusion

Findings

- The California workplace modification program has been underutilized, probably because most small employers who qualify for the program were unaware of it.
- More than two-thirds of the employers that applied were denied.
- The average amount received per employer was less than \$800.00.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

- To date, the program has not been cost-effective. The costs to process applications and administer the program far exceeded the amounts paid out.

Alternatives

- California may wish to consider eliminating the program. California may wish to consider a program that more directly assists injured workers who are unable to return to their previous jobs.
- If the program is maintained, outreach and communication about the program should be improved, taking into account the channels through which small employers most commonly receive information.

Attachment A

Summary of Answers to Questionnaire Distributed by Small Business California to Small Employers in December 2008

	1. Aware of the state's RTW program?	2. How did you learn about it?	2a. Have you applied for reimbursement?	2b. If not, why not?	3. What are best ways to receive info about the program?	3a. Would you consider applying?	3b. If not, why not?
1	No				Employer organizations; insurer when worker injured.	Yes	
2	No				Newsletter from Small Business California	No	Employees are 1099 (i.e., contractors)
3	No				Email; mailed pamphlet	Yes	
4	Yes	SCIF rep	No	No need yet	Email; written notice	Yes	
5	No			No returning employees	Official letter from the administering agency	Yes	
6	No			No need yet	Short emails with links to more information	Yes	
7	Yes	Local EDD	Yes		In city business license application	Yes	N/A
8	No				Small Business California	-----	
9	No				Email; written documentation	Yes, actively wish to accommodate when possible	
10	No				WC companies when there's a claim	Yes	
11	No			No need yet	Word of mouth, Small Business California listserv	Yes	
12	No, but very interested				Email, bulletin, seminar	Yes	
13	No				Emails	Yes	
14	No				Email from Small Business Calif, Calif Small Business Assoc'n, or Calif Chamber of Commerce	Yes	
15	No			No employees, have subcontractors	Regular mail	No	
16	No				Probably saw information and dismissed it as not relevant	No	Business not lend itself to modification, everyone must lift
17	No				WC insurance brokers	Yes	
18	No					-----	
19	No				Emails from Small Business California	Yes	
20	No				Newsletter	No	Office is rented in pre-ADA constructed bldg, cannot alter office area w/o approval from owner
21	No				Email	Yes	
22	No					No (partnership w/o employees)	Partnership w/o employees
23	No				Business and employer associations, HR-related training	Yes	

Report on the Return-To-Work Program Established in Labor Code Section 139.48

	1. Aware of the state's RTW program?	2. How did you learn about it?	2a. Have you applied for reimbursement?	2b. If not, why not?	3. What are best ways to receive info about the program?	3a. Would you consider applying?	3b. If not, why not?
24	No				Email	Yes	
25	No				Trade groups, insurers, DWC	Don't know, would need to see program, some cases can't be accommodated	
26	Yes		No	Worker refused accommodation		Yes	
27	No			Too time consuming, modest rewards for time/money spent	Insurer	No	Too labor intensive, too much bureaucracy, takes time away from business
28	No				Flier emailed or mailed	Yes	
29	No				Mailing best, ads in Business Times or Chamber of Commerce newsletter	Yes	
30	No				Email and mail	Yes	
31	No				News media, notices from state	No	
32	No				Trusted local business organization like EDD at meetings or through email	Yes ("only if it would cover entire expense")	
33	No				Newsletter	Yes	
34	No				Small Business California	No	Not needed for my type of business
35	No				Mail or conversation with WC rep	Yes	
36	No				Internet	Yes	
37	No					Yes, if worker can perform the specific tasks required. Concern re ADA or OSHA complaints	
38	No				Email or contact by carrier when new claim filed	Yes	
39	No				Newspaper, magazine, direct mail	-----	
40	No				Referral to website FAQ page	Yes	
41	No				Mail	Yes	
42	No				Email	No ("doubtful")	No losses to date, cost and hassle may outweigh the benefits received
43	Yes	Probably Small Business California	No	No need		Yes	
44	No				Tax report we get each quarter	No	Don't have need
45	No				Carrier at time of modifying work	Yes	
46	No				Announcements with WC bills	Yes	
47	No					Yes ("probably, but not sure how it would apply")	
48	No				Information with WC audits	No	Unclear on definition of disabled,

Report on the Return-To-Work Program Established in Labor Code Section 139.48

	1. Aware of the state's RTW program?	2. How did you learn about it?	2a. Have you applied for reimbursement?	2b. If not, why not?	3. What are best ways to receive info about the program?	3a. Would you consider applying?	3b. If not, why not?
							<i>probably don't have employees who qualify</i>
49	No				<i>Small business seminars</i>	No	<i>No injuries in our workplace</i>
50	Yes	Ins. rep	Yes	Have not needed		Yes	
T O T A L S	No: 45 (90% of 50) Yes: 5 (10% of 50)					Yes: 34 about 2/3 rd s of 50) No: 12 (about 1/4 th of 50) Other: 4	

Attachment B

Chart on Return-to-Work Programs in Different States

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
Florida	Injured Workers Program through the Bureau of Rehabilitation and Reemployment Services for Injured Workers General Vocational Rehabilitation Program	Department of Education, Division of Vocational Rehabilitation	Injured workers may apply to the Department of Education for reemployment services consisting of placement services and evaluation services which include training in community colleges and vocational technical schools. An employment program assisting individuals with disabilities, including Floridians with the most severe disabilities, to pursue meaningful careers commensurate with their abilities and capabilities. The insurer is required to refer the injured worker to Vocational Rehabilitation within 180 days.	No	Trust fund pays for these services from a tax levied upon insurance carriers, an assessment based on premiums paid.	\$2.9 million	No legal incentives for at-injury employer to rehire injured workers. Since the cost of the program is paid by the same insurers, there is a disincentive to refer injured workers to vocational rehabilitation.	
New Mexico	State publishes a Stay-at-Work /Return-to-Work Guidebook		There are no mandatory Vocational Rehabilitation or Return-to-Work Programs. All Return-to-Work programs are voluntary by either employer or insurance carrier.	No				
New York	Vocational Rehabilitation	New York State Workers' Compensation Board	Rehabilitation is a program offering special services designed to: eliminate the disability, if that is possible, or to reduce or alleviate the disability to the greatest degree possible; help an injured worker to return to	No			Retention credits of 35% for the first \$6,000 of payroll: Worker Opportunity Tax Credit	Outreach to employers is offered by the Advocate Business Office which is the primary interface between New York's business community and Board.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
	Premium credit program for having a Return to Work Program	Department of Labor	<p>work when possible; or aid the person with a residual disability to live and work at his/her maximum capability. Four services offered are: Vocational Rehabilitation; Selective Placement; Medical Rehabilitation; and Social Services. There are 11 vocational rehabilitation counselors. Workers are sent to Vocational Rehabilitation on order by an Administrative Law Judge. In turn, counselors can refer workers to the Vocational and Educational Services for Individuals with Disabilities (VESID) in the Educational Department. Increased attention to referrals to Department of Labor One Stops for job leads, local training, resume writing training, etc.</p> <p>Department of Labor certifies specialists who review the RTW program for compliance. Still in final rulemaking for exact credit amount. For self-insured employers, the required guarantee fund will be lowered by a to-be determined amount. This is a voluntary program.</p>				(WOTC) and Workers with Disabilities Tax Credit.	The Advocate works closely with the Governor's staff, the Legislature, the State Insurance Fund, the New York Compensation Insurance Rating Board and the Governor's Office of Regulatory Reform to assist their constituents with various workers' compensation-related problems they may have.
Oregon	Employer-at-Injury (EAIP)	Reemployment Assistance Department, Oregon WC Division. The insurer at -injury administers the program and requests reimbursement for program costs from the	Promotes the early return to work of injured workers by providing incentives to employers who return their injured workers to light-duty transitional work. Program provides reimbursement for: worksite modifications; wage subsidy; and program purchases such as tuition and books. EAIP program is an employer-option and employer-activated program.	Yes. Reimbursement maximum: \$2,500	Provided by the WC Benefit Fund. Both employers and workers are assessed for this fund.	\$13.6 million \$250,000 is for worksite modifications.	50% wage reimbursement for transitional work gross wages for a maximum of 66 work days within 24 consecutive months.	Promotion through: professional and institutional networks with community colleges with business programs for small employers/entrepreneurs; word of mouth.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
Oregon (cont.)	Preferred Worker Program	Workers' Benefit Fund. The Oregon Department of Consumer and Business Services administers the program.	Creates hiring incentives. The Preferred Worker Program is a worker-option or employer-option and activated program. It is offered when there is permanent disability and a closed claim, and it generally applies to the more difficult cases. The program consists of premium exemption, claim cost reimbursement, six-month wage subsidies, obtained employment purchases and worksite modification. The injured worker can participate in the Preferred Worker Program after the vocational training has been completed.	Up to \$25,000, unless the injured worker has an exceptional disability	\$2.4 million in FY 2006 for worksite modifications.	\$8 million, of which \$2 million are claim cost reimbursements.	50% reimbursement on preferred worker's wages for 6 months of his/her employment, claim cost reimbursement, and premium exemption.	
	Vocational Assistance	Administered by insurance carriers or self-insured employers through private vocational counselors.	Insurers determine eligibility or ineligibility for vocational assistance for workers with permanent partial disability who do not return to permanent work with the at-injury employer. In general, workers are eligible for vocational assistance if they have a substantial handicap that prevents reemployment in any job that pays at least 80 percent of the job at-injury wages. There is a cap on training of 16 months (can be extended to 21 months); guideline for training tools and tuition is a maximum of about \$19,200. If approved in a plan, the worker can attend a community college or a vocational trade school as part of the program.			For cases closed in 2007, reported as of May 2008, time-loss payments were an estimated \$4.5 million, and insurers' reported expenditures for purchases were \$1.7 million and for professional services, \$2.3 million.		

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
Texas	Return-to-Work Pilot Program for Small Employers in Texas	Department of Insurance	Workplace modification program started in 2006; grants in the amount of \$2,500 can be preapproved and reimbursed; the program applies to the employers with less than 50 employees.	Yes	General Fund	\$100,000 per year.	No	Program staff also interacts with employers as well as employees about education about RTW, and staff prepares educational materials.
Washington	Early Intervention Program (Step 1 of the Vocational Rehabilitation Program) Early Return-to-Work Program	Washington Department of Labor and Industries, Return-to-Work Services	<p>Early intervention services are intended to help an industrially injured or ill worker return to work, or continue to work, for the at-injury employer or the current employer. These services include:</p> <ol style="list-style-type: none"> 1. Discussing early return-to-work options with the employer, worker, and attending physician; 2. Assisting employers with offers of employment; 3. Planning and working with the referral source on necessary job modifications and pre-job accommodations; 5. Performing job analyses. <p>The purpose of the Early Return to Work (ERTW) program is to encourage return-to-work options much earlier in the claims process. When a worker has received time-loss benefits for 14 days, his or her claim is automatically assigned to the ERTW program.</p> <p>The ERTW team which includes vocational services, therapists, and occupational nurse consultants works with the injured worker, employer and physician to explore return-to-work possibilities as early as is medically appropriate.</p>	Yes. Funds up to \$5,000 are available for worksite modification, plus professional consultant fees for assessment and set-up of the modification. The modification can be for the at-injury employer or a new employer.	Medical Aid and Accident Funds, via employer and employee assessments.		<p>If a worker is eligible for retraining, retraining funds of \$12,240 for a maximum of 2 years can be used; if employer is non-profit, funds can be used for on-the-job training and the employer may not have to pay wages during this period.</p> <p>The ERTW program engages both the worker and employer earlier in the process at 14 days of time loss. Risk Management Specialist can explain the financial benefits of return to work to employer. A safety consultant can provide an on-site consultation for</p>	Conferences, brochures. Every employer has an Xmod in Washington. L&I has educational programs and outreach about prevention in order to keep premiums down. L&I has developed an Employer Guide on Return to Work.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
Washington (cont.)	Preferred Worker Program		<p>Program that provides employers financial incentives to hire workers who, because of a workplace injury or occupational disease, cannot return to their old job. These workers are not disabled.</p> <p>L&I certifies a preferred worker for 36 months.</p>				<p>an employer who wants to prevent future worker injuries by improving workplace safety.</p> <p>Employers who hire preferred workers receive financial protection against subsequent injury. If a preferred worker suffers an injury or occupational disease within three years after the hiring date, all claims costs will be paid by L & I through a "second injury fund" with no direct cost or penalty to the employer.</p>	
Wisconsin	Retraining provision is provided for in the statutes, but there is no	Workers' Compensation Division and Division of Vocational	DVR provides employment services and counseling to people with disabilities, arranges for services to go to work. If DVR finds an	No	Funding for benefits is the responsibility of the insurance		The Wisconsin system is funded through Program Revenue	

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Program Name	Program Coordination	Description	Worksite Modification?	Funding	Cost of Program	Employer Incentive	Outreach
	formal RTW program per se.	Rehabilitation (DVR), Department of Workforce Development Retraining costs are paid by the carrier.	employee eligible for vocational rehabilitation services under 29 USC 701 to 797b and the employer is unable to provide suitable work within the injured worker's restrictions (within 90% of their wage at the time of injury), retraining benefits are provided for in WC statutes under Wis. Stat. s. 102.61		carrier or the self-insured employer.		under s.102.75 (1) based on total indemnity paid. This includes payment of TTD during retraining. Thus, there would be a reduction in the assessment if the employer was able to offer suitable work, and, therefore, no TTD would be due during retraining.	

Report on the Return-To-Work Program Established in Labor Code Section 139.48

Chart for Return to Work Programs in Different States (Continued from the Previous Table)

State	Usage/Outcomes of the Program	Evaluation	Lessons Learned/Other Comments
Florida	2,670 injured workers applied for services in 2008; 600 actually received training.	No evaluation conducted.	In order to receive training, permanent work restrictions are required; however, most workers cannot afford to wait until TTD benefits expire and then undertake training, since there are no funds for sustenance during training.
New Mexico	No Return-to-Work program in New Mexico.		
New York			
Oregon	<p>There were 7,752 approved placements with 1,793 employers in calendar year 2007 through the employer-at-injury program.</p> <p>There were 948 preferred worker contracts started in calendar year 2007. About 23% of the contracts were for worksite modifications.</p> <p>Vocational Assistance-740 workers were eligible to receive vocational rehabilitation assistance.</p>	<p><i>Employer-at-Injury Program.</i> According to Oregon's DCBS, the employment and wage recovery rates have been four points higher for the participants of the program (measured at 13th quarter after injury-calendar year of injury-2004; measured in 2008).</p> <p><i>Preferred Worker Program:</i> Employment and wage recovery rates have been 27 points higher for the participants of the program (measured at 13th quarter after injury).</p> <p>A program evaluation was conducted in 2004 of these programs. DCBS found for the Employer-at Injury Program that:</p> <ul style="list-style-type: none"> - \$7.3 million spent in 2000 on wage reimbursements there was a \$10.8 million savings in time loss benefits. <p>Measured at 13 quarters after injury, employment, rates have been at least 20 percent higher for workers who completed plans. However, less than a third of the workers complete their plans.</p>	When designing benefits, it is important to maximize the employer's desire to retain the worker. Key implementation features include: attention to being innovative in design; creating a constituency that will demand and support the program--keeping in mind that insurers will be most willing to accept a cost-neutral design; and designing powerful benefits that are compelling.
Texas	Two grants for reimbursements were made.	Program began in 2006 and has not generated enough interest and publicity. No formal evaluation was conducted.	Federal tax credits (ADA) can already be accessed for expenditures up to \$2,500.

Report on the Return-To-Work Program Established in Labor Code Section 139.48

State	Usage/Outcomes of the Program	Evaluation	Lessons Learned/Other Comments
Washington	45%-50% return-to-work rate in the Early Return-to-Work Program; 22% in the Early Intervention Program	A cost benefit study is underway.	<p>Early contact and personal contact with injured workers and employers have made the programs successful.</p> <p>Worksite modification benefit is not commonly used. Modified jobs are more commonly applied than a modified worksite.</p> <p>Washington is partnering with "OneStop" centers in their state to provide vocational rehabilitation services.</p> <p>A tool to evaluate the quality of Washington's vocational rehabilitation performance was not working well. There was a built-in incentive to perform the vocational services quickly, but then it often needed repeating. The new quality measure is weighted for "useful," "neutral," and "not useful."</p>
Wisconsin		N/A since Wisconsin does not have a formal RTW program	Penalties exist if the employer unreasonably refused to rehire when suitable work was available. The additional costs for the employer would be up to one year's actual wage loss.