

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



GOV. MSG. NO. 1146

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

May 27, 2026

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Third State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura  
Speaker, and Members of the  
House of Representatives  
Thirty-Third State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 27, 2026, the following bill was signed into law:

H.B. NO. 1514, H.D. 2, S.D. 1,  
C.D. 1

RELATING TO WORKERS' COMPENSATION.  
**ACT 046**

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

Josh Green, M.D.  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that early intervention  
2 is vital to ensure the efficient and effective rehabilitation of  
3 employees who suffer a work-related injury. This often begins  
4 with the referral of an injured employee for vocational  
5 rehabilitation services. Vocational rehabilitation services are  
6 intended to help the employee return to work as quickly as  
7 possible with pay as close as possible to pre-injury wages.  
8 Urgency is needed when initiating the vocational rehabilitation  
9 process to avoid prolonged adverse effects on injured employees  
10 and minimize costs for employers and insurers.

11           The legislature further finds that it is crucial for  
12 injured employees to have access to appropriate vocational  
13 rehabilitation services in the State. Many vocational  
14 rehabilitation providers have expressed concern regarding the  
15 future availability of services as providers retire or leave the  
16 practice. It is important for current and future providers to  
17 be properly trained on the vocational rehabilitation process.



1 Accordingly, the purpose of this Act is to:

2 (1) Clarify the process for selecting a certified provider  
3 of vocational rehabilitation services;

4 (2) Require a provider to automatically approve an injured  
5 employee for vocational rehabilitation services if the  
6 provider determines that the injured employee will  
7 likely require vocational rehabilitation services to  
8 return to suitable gainful employment; and

9 (3) Clarify the process for an employer to object to a  
10 vocational rehabilitation plan.

11 SECTION 2. Section 386-25, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "**§386-25 Vocational rehabilitation.** (a) The purposes of  
14 vocational rehabilitation are to restore an injured worker's  
15 earnings capacity as nearly as possible to that level that the  
16 worker was earning at the time of injury and to return the  
17 injured worker to suitable gainful employment in the active  
18 labor force as quickly as possible in a cost-effective manner.  
19 Vocational rehabilitation shall not be available for public  
20 employees who have retired from a public employer, as defined in  
21 section 76-11, with whom they sustained their work injury.



1 Employees of public employers, as defined in section 76-11,  
2 who are eligible for their respective public employer's return  
3 to work program, shall participate in and complete the return to  
4 work program, including temporary light duty placement efforts,  
5 as a prerequisite to vocational rehabilitation benefits under  
6 this section.

7 (b) The director may refer employees who may have or have  
8 suffered permanent disability as a result of work injuries and  
9 who, in the director's opinion, can be vocationally  
10 rehabilitated to the department of human services or to private  
11 providers of rehabilitation services for vocational  
12 rehabilitation services that are feasible. A referral shall be  
13 made upon recommendation of the rehabilitation unit established  
14 under section 386-71.5 and after the employee has been deemed  
15 physically able to participate in rehabilitation by the  
16 employee's attending physician. The unit shall include  
17 appropriate professional staff and shall have the following  
18 duties and responsibilities:

19 (1) To review and approve vocational rehabilitation plans  
20 developed by certified providers of vocational



1 rehabilitation services, whether they be private or  
2 public;

3 (2) To adopt rules consistent with this section that shall  
4 expedite and facilitate the identification,  
5 notification, and referral of industrially injured  
6 employees to vocational rehabilitation services, and  
7 establish minimum standards for providers providing  
8 vocational rehabilitation services under this section;

9 (3) To certify private and public providers of vocational  
10 rehabilitation services meeting the minimum standards  
11 established under paragraph (2); and

12 (4) To enforce the implementation of vocational  
13 rehabilitation plans.

14 (c) Enrollment in a vocational rehabilitation plan or  
15 program shall not be mandatory and the approval of a proposed  
16 vocational rehabilitation plan or program by the injured  
17 employee shall be required. ~~[The]~~ If the injured employee  
18 elects to enroll in a vocational rehabilitation plan or program,  
19 the injured employee [may] shall select a certified provider of  
20 vocational rehabilitation services ~~[. Both]~~ no later than thirty  
21 days after the referral is made. Once the injured employee



1 selects a certified provider, both the certified provider and  
2 the injured employee[~~7~~, ~~within a reasonable time after initiating~~  
3 ~~rehabilitation services,~~] shall give proper notice of selection  
4 to the employer[~~-~~] ~~within seven days.~~ If the injured employee  
5 fails to select a certified provider within thirty days, the  
6 employer shall select a certified provider of vocational  
7 rehabilitation services and give proper notice of selection to  
8 the injured employee.

9 (d) A provider shall submit an initial evaluation report  
10 of the employee to the employer and the director within  
11 forty-five days of the date of referral or selection. The  
12 evaluation shall determine whether the employee requires  
13 vocational rehabilitation services to return to suitable gainful  
14 employment, identify the necessary services, and state whether  
15 the provider can provide these services. The initial evaluation  
16 report shall contain:

- 17 (1) An assessment of the employee's:
- 18 (A) Current medical status;
  - 19 (B) Primary disability;
  - 20 (C) Secondary disability;



- 1 (D) Disabilities that are not related to the work  
2 injury; and
- 3 (E) Physical or psychological limitations, or both.  
4 If this information is not provided by the treating  
5 physician within a reasonable amount of time,  
6 information from another physician shall be accepted;
- 7 (2) A job analysis addressing the demands of the  
8 employee's employment;
- 9 (3) A statement from the provider identifying the  
10 employee's vocational handicaps in relation to the  
11 employee's ability to:
- 12 (A) Return to usual and customary employment; and  
13 (B) Participate in and benefit from a vocational  
14 rehabilitation plan or program;
- 15 (4) A statement from the provider determining the  
16 feasibility of vocational rehabilitation services,  
17 including:
- 18 (A) The provider's ability to assist the employee in  
19 the employee's efforts to return to suitable  
20 gainful employment;



1 (B) An outline of specific vocational rehabilitation  
2 services to be provided, justification for the  
3 necessity of services, and how the effectiveness  
4 of these services is measured; and

5 (C) How the vocational rehabilitation services  
6 directly relate to the employee obtaining  
7 suitable gainful employment; and

8 (5) The enrollment form and the statement of worker's  
9 rights and responsibilities form obtained from the  
10 department.

11 (e) A provider shall automatically approve vocational  
12 rehabilitation services for an injured employee; provided that  
13 the provider determines that the injured employee will likely  
14 require vocational rehabilitation services to return to suitable  
15 gainful employment, and the initial evaluation report finds the  
16 injured employee feasible to participate.

17 [~~e~~] (f) A provider shall file the employee's vocational  
18 rehabilitation plan with the approval of the employee[-] no  
19 later than one hundred twenty days after the provider submits an  
20 initial evaluation report; provided that the director may grant  
21 an extension in the director's discretion. Upon receipt of the



1 vocational rehabilitation plan from the provider, an employee  
2 shall have ten days to review and sign the vocational  
3 rehabilitation plan. The vocational rehabilitation plan shall  
4 be submitted to the employer and the employee and be filed with  
5 the director within two days from the date of the employee's  
6 signature. A vocational rehabilitation plan shall include a  
7 statement of the feasibility of the vocational goal, using the  
8 process of:

- 9 (1) First determining if the employee's usual and  
10 customary employment represents suitable gainful  
11 employment, and, should it not;
- 12 (2) Next determining if modified work or other work with  
13 the same employer represents suitable gainful  
14 employment, and, should it not;
- 15 (3) Next determining if modified or other employment with  
16 a different employer represents suitable gainful  
17 employment, and [~~finally~~], should it not;
- 18 (4) Then providing training to obtain employment in  
19 another occupational field. When training to obtain  
20 employment in another occupational field is required,



1 the first appropriate option among the following  
2 options shall be selected for the employee:

3 (A) On-the-job training;

4 (B) Short-term retraining program (less than  
5 fifty-two weeks); or

6 (C) Long-term retraining program (more than fifty-two  
7 weeks); and

8 (5) [~~Lastly, if~~] If training under paragraph (4) is not  
9 feasible, then self-employment may be considered.

10 [~~(f)~~] (g) A vocational rehabilitation plan may be approved  
11 by the director; provided that the vocational rehabilitation  
12 plan includes:

13 (1) A physician's assessment of the employee's physical  
14 limitations, psychological limitations, and ability to  
15 return to work. If this information is not provided  
16 by the treating physician within a reasonable amount  
17 of time, information from another physician shall be  
18 accepted;

19 (2) A labor market survey indicating there are reasonable  
20 assurances that the proposed occupation for which the  
21 employee is to be placed or trained is readily



- 1 available in the community when placement begins, or  
2 there are assurances of reemployment by the employer;
- 3 (3) A job analysis of the proposed occupation, setting  
4 forth its duties, responsibilities, physical demands,  
5 environmental working conditions, specific  
6 qualifications needed for entry-level employment,  
7 reasonable accommodations, expected estimated  
8 earnings, and other relevant information;
- 9 (4) The nature and extent of the vocational rehabilitation  
10 services to be provided, including:
- 11 (A) Specific services to be provided;
  - 12 (B) Justification for the necessity of the services;
  - 13 (C) Estimated time frames for delivery of services;
  - 14 (D) The manner in which the effectiveness of these  
15 services is to be measured;
  - 16 (E) Criteria for determining successful completion of  
17 the vocational rehabilitation plan; and
  - 18 (F) The employee's responsibilities;
- 19 (5) A report of tests and copies thereof that have been  
20 administered to the employee, including a statement



- 1            regarding the need for and use of the tests to  
2            identify a vocational goal;
- 3            (6) If retraining, including on-the-job training, is found  
4            to be necessary, the estimated cost of retraining, a  
5            description of specific skills to be learned or  
6            knowledge acquired with specific time periods and  
7            clearly defined measurements of success, and the  
8            nature, amount, and duration of living expenses;
- 9            (7) The total cost of the vocational rehabilitation plan;  
10           and
- 11           (8) The employee's approval of the vocational  
12           rehabilitation plan.
- 13           [~~g~~] (h) The employer shall have ten calendar days from  
14           [~~the postmark date on which the plan was mailed~~] the receipt of  
15           the vocational rehabilitation plan to submit in writing to the  
16           director any objections to the vocational rehabilitation plan.  
17           A vocational rehabilitation plan shall be deemed received by an  
18           employer when it is transmitted with reasonable evidence of  
19           receipt.
- 20           [~~h~~] (i) The director may approve a vocational  
21           rehabilitation plan that does not include all of the



1 requirements outlined in subsection [~~f~~] (g); provided that  
2 the director finds the vocational rehabilitation plan:

- 3 (1) Is in the best interest of the employee;
- 4 (2) Contains reasonable assurances that the employee will  
5 be placed in suitable gainful employment; and
- 6 (3) Has been approved by the employee.

7 [~~i~~] (j) If the vocational rehabilitation plan requires  
8 the purchase of any tools, supplies, or equipment, the purchase  
9 deadline shall be included in the vocational rehabilitation  
10 plan. Tools, supplies, and equipment shall be considered to be  
11 the property of the employer until the vocational rehabilitation  
12 plan is determined by the director to be successfully completed,  
13 after which it shall become the property of the employee. If  
14 the vocational rehabilitation plan requires the purchase,  
15 [~~etc.,~~] the employer shall purchase the items [~~prior to~~] before  
16 the purchase deadline in the vocational rehabilitation plan.

17 [~~j~~] (k) An employee with an approved vocational  
18 rehabilitation plan who is determined as able to return to usual  
19 and customary employment may choose to complete the vocational  
20 rehabilitation plan or request a new vocational rehabilitation



1 plan of which the goal may be the employee's usual and customary  
2 employment.

3        [~~(k)~~] (l) An injured employee's enrollment in a vocational  
4 rehabilitation plan or program shall not affect the employee's  
5 entitlement to temporary total disability compensation if the  
6 employee earns no wages during the period of enrollment. If the  
7 employee receives wages for work performed under the vocational  
8 rehabilitation plan or program, the employee shall be entitled  
9 to temporary total disability compensation in an amount equal to  
10 the difference between the employee's average weekly wages at  
11 the time of injury and the wages received under the vocational  
12 rehabilitation plan or program, subject to the limitations on  
13 weekly benefit rates prescribed in section 386-31(a). The  
14 employee shall not be entitled to temporary total disability  
15 compensation for any week during this period where the wages  
16 equal or exceed the average weekly wages at the time of injury.

17        [~~(l)~~] (m) The director shall adopt rules for additional  
18 living expenses necessitated by the vocational rehabilitation  
19 plan or program, together with all reasonable and necessary  
20 vocational training.



1           ~~(m)~~ (n) If the rehabilitation unit determines that  
2 vocational rehabilitation is not possible or feasible, it shall  
3 certify the determination to the director.

4           ~~(n)~~ (o) Except as otherwise provided, determinations of  
5 the rehabilitation unit shall be final unless a written request  
6 for reconsideration is filed with the rehabilitation unit within  
7 ten calendar days of the date of the determination.

8           The rehabilitation unit shall issue a reconsideration  
9 determination to affirm, reverse, or modify the determination or  
10 refer the request for reconsideration for hearing.

11          ~~(o)~~ (p) A reconsideration determination shall be final  
12 unless a written request for hearing is filed within ten  
13 calendar days from the date of the reconsideration  
14 determination. All hearings shall be held before a hearings  
15 officer designated by the director. A written decision shall be  
16 issued in the name of the director.

17          ~~(p)~~ (q) The eligibility of any injured employee to  
18 receive other benefits under this chapter shall in no way be  
19 affected by the employee's ~~[entrance upon a course of]~~  
20 enrollment in a vocational rehabilitation plan or program as  
21 ~~[herein]~~ provided~~[.]~~ in this section.



1            [~~(e)~~] (r) Vocational rehabilitation services for the  
2 purpose of developing a vocational rehabilitation plan may be  
3 approved by the director and the director may periodically  
4 review progress in each case."

5            SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7            SECTION 4. This Act shall take effect on July 1, 2026.



H.B. NO. 1514  
H.D. 2  
S.D. 1  
C.D. 1

APPROVED this 27th day of May, 2026



GOVERNOR OF THE STATE OF HAWAII

HB No. 1514, HD 2, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2026  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura  
Speaker  
House of Representatives

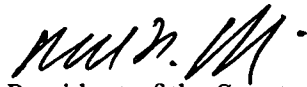


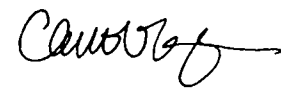
Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 30, 2026  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2026.

  
President of the Senate

  
Clerk of the Senate