



Strategic Priorities in Workplace Leave Management Policy



A Message from the CEO

Dear Colleagues,

The United States is undergoing a fundamental shift in how we think about work, health, and resiliency. As new leave laws emerge across states and AI rapidly transforms workforce management, employers, workers, and policymakers are navigating a fragmented and complex landscape—often without clear, accessible guidance.

At DMEC, we see both a need and an opportunity. DMEC serves more than 20,000 professionals representing 1,400+ employers nationwide—from private companies to government agencies—who manage millions of leave and accommodation cases annually. Our unique role at the intersection of business practice and policy positions us to offer practical, scalable insights that can bridge gaps between federal law, state innovation, and employer implementation.

This Policy Blueprint represents the first national, nonpartisan initiative grounded in real employer experience to shape the future of workplace leave and accommodation management. The blueprint outlines four immediate areas where policymakers can lead with impact:



Inter-State Leave Coordination – Streamlining rules across jurisdictions to reduce burden and improve access.



Artificial Intelligence – Safeguarding fairness and transparency as technology reshapes eligibility, claims, and accommodations.



Mental Health – Strengthening leave, coverage, and workplace supports for mental health conditions.



Stay-at-Work/Return-to-Work – Investing in policies that keep people working safely, with dignity and support.

This blueprint is not a legislative agenda. It is a tool for collaboration—designed to equip legislators, regulators, and administrators with concrete options and field-tested ideas to modernize systems, reduce complexity, and support workforce participation. We are focused on practical, scalable strategies—not mandates. The recommendations below are designed to support employers, empower workers, and streamline public-private collaboration.

We invite your feedback and engagement. Together, we can build a more resilient, accessible and responsive approach to work and health in America.

With respect and resolve,

Bryon Bass

Chief Executive Officer
DMEC

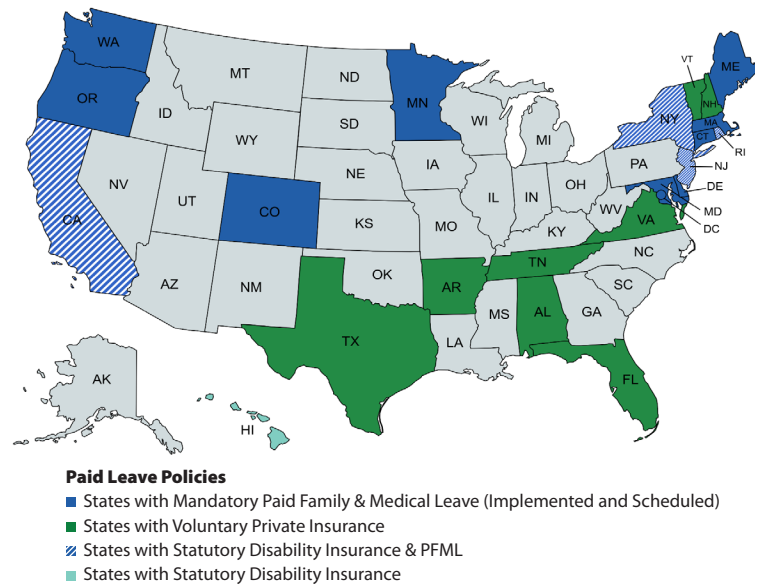


Lead with Impact On: Inter-State Leave Coordination

As of 2025, 13 states and Washington, D.C. have passed laws creating programs that offer eligible workers at least six weeks of paid family and medical leave. More than 10 states offer some kind of voluntary models. This creates nearly 30 different compliance requirements for multistate employers, not to mention the localities that have their own city and county level standards.

The proliferation of new or amended state and local paid family and medical leave (PFML) programs—each with distinct definitions, eligibility criteria, and funding mechanisms—creates significant compliance burdens for multistate employers. To stay aligned, employers must continuously monitor legislative changes and update internal systems to reflect evolving requirements, including annual adjustments to contribution rates, benefit levels, and notice protocols. These complexities not only strain administrative capacity but also lead to inconsistent benefits across jurisdictions, directly impacting the employee experience.

State legislators have a pivotal opportunity to streamline paid leave administration and promote benefit equity by championing inter-state coordination. By aligning core policy elements, investing in interoperable systems, and establishing centralized repositories for regulatory updates and best practices, states can reduce compliance burdens for employers while ensuring consistent, accessible leave benefits for workers across jurisdictions.



States can foster inter-state leave coordination by:

- **Engaging** in an inter-state paid leave coordination network.
- **Standardizing** policies to align with minimum leave policies in surrounding states.
- **Developing** memoranda of understanding between states to standardize leave policy.
- **Creating** inter-state benefit equivalency standards.
- **Developing** an electronic system for state paid leave program management.
- **Implementing** paid leave programs through shared technical assistance and operational templates.
- **Monitoring** and reporting on the performance and parity among state leave programs.
- **Maintaining** a repository of best practices, regulatory updates, and case law interpretations.





Lead with Impact On: **Artificial Intelligence**

Artificial intelligence (AI) is a collective term used to describe machine-based technologies that can, when given a set of objectives, generate outputs such as predictions, recommendations, or decisions with applicability in real or virtual environments. In the context of workplace leave management, employers are increasingly adopting AI-driven tools to provide customized training to employees, assess benefits eligibility, support claims management, flag compliance concerns, verify medical information, facilitate accommodations, and predict peak leave periods or absenteeism trends.



While AI tools can optimize operations, improve decision-making, and provide fast-paced personalized support for employees, they also carry risks that may adversely affect both individuals and organizations. For example, automated leave denials without explanation can create confusion or lead to legal disputes if employees don't understand the rationale behind decisions. Further, because leave systems using AI are more likely to utilize a third-party vendor, breaches in data security, or the mishandling or unauthorized use of sensitive medical and employment data can pose a risk to employee privacy.

Policymakers can play a role in protecting constituent interests when it comes to AI and leave management by providing companies using and developing AI with guardrails that ensure privacy, prevent bias, promote transparency, set consistent standards, and encourage responsible innovation. Policymakers can also guide how AI is used by the state to set the tone for effective implementation.

State policymakers may want to consider:

- **Creating** AI governance at the state level.
- **Establishing** guidelines for responsible, ethical, and transparent AI use.
- **Applying** consumer protections for algorithmic bias and discrimination.
- **Requiring** human oversight of certain employment-related decisions made by AI.
- **Disclosing** AI use in employment contexts.
- **Setting** data security requirements for high-risk AI systems.

Lead with Impact On: **Stay-at-Work/Return-to-Work Programs**

Each year, countless workers face injuries or health conditions that threaten their ability to stay in the workforce. In a typical year, about [four percent](#) of workers stop working or reduce their hours due to an injury or illness. The longer an individual is unemployed, the higher the risk they [may not return](#), leading to lasting consequences for their health, financial stability, and long-term employment prospects. Employers lose experienced talent and absorb costs tied to turnover and lost productivity, while governments face reduced tax revenues and increased demand for public benefits.



119M

workers were absent from their jobs due to illness, injury or other reason¹

Stay-at-Work (SAW) and Return-to-Work (RTW) programs offer a proactive solution. These strategies provide coordinated supports—including case management, workplace accommodations, job modification, financial incentives, and a variety of other services—that help individuals remain engaged or safely transition back to work as soon as medically appropriate.

By prioritizing employee well-being and financial stability, SAW/RTW programs help organizations retain experienced talent, minimize productivity disruptions, and lower costs associated with extended absences. When policies help people stay in or return to the workforce after injury or illness, everyone wins, employees, employers, and the economy.

Policymakers can strengthen worker retention and economic resilience by investing in SAW/RTW programs that provide individuals with supports and services designed to ease the transition back to work within their medical restrictions, promote gradual RTW options, and equip employers with the tools and incentives needed to support their workforce.

State policymakers may want to consider:

- **Establishing** state temporary disability insurance programs.
- **Providing** resources on state reasonable accommodation policies.
- **Establishing** a preferred worker program.
- **Developing** a centralized accommodation fund.
- **Engaging** medical providers to support SAW/RTW.
- **Establishing** a state fund to provide wage subsidies or tax credits for RTW programs.
- **Delivering** SAW/RTW support services through vocational rehabilitation programs and RTW coordinators.



Lead with Impact On: Mental Health Leave

[Untreated mental illness costs the U.S. economy \\$282 billion annually, or 1.7% of GDP. One in five](#) U.S. adults experience mental illness each year. Untreated and undiagnosed mental health conditions can have a number of adverse impacts on employers and state and local economies. Poor mental health can lead to increased absenteeism and presenteeism, higher rates of illness, accidents, and increased turnover, resulting in significant [loss of productivity](#). Employees with anxiety and/or depression average [4.6 more sick days](#) annually, have higher rates of other chronic health conditions, and often [utilize more short-term disability](#) than individuals without those conditions, increasing costs for both employees and employers.



1 in 5

U.S. adults
experience mental
illness each year

Workplace supports, leave, and accommodations for individuals with mental health conditions are critical tools for building, retaining, and supporting a resilient workforce. Access to leave can not only reduce disability claims and long-term absence, but also prevent burnout, reduce turnover, and create a more [engaged and productive workforce](#).

Policymakers have an opportunity to strengthen mental health supports by aligning state policies with evolving needs and federal standards. This includes expanding leave protections to cover treatment and caregiving for mental health and substance use disorders, reinforcing insurance parity, and promoting preventive care. States can also clarify employer responsibilities, educate workers on their rights, and modernize workers' compensation frameworks to recognize mental health-related injuries. By embedding mental health into core benefit structures, states can foster a more resilient, inclusive, and recovery-ready workforce.

To do so, states can:

- **Expanding** on federal mental health parity legislation.
- **Expanding** state leave policies to cover treatment for mental health and substance use disorders, as well as caring for family members with mental health conditions.
- **Educating** employers on mental health leave eligibility and parity.
- **Requiring** or incentivize employers to provide annual mental health wellness exams.
- **Educating** employees on their rights to take leave, access benefits, and/or request accommodations for mental health conditions.
- **Expanding** the definition of injury under workers' compensation to include mental health-related injuries resulting from workplace events.
- **Requiring** health plans to provide coverage parity for telehealth and telemedicine.

Conclusion

As states confront the evolving realities of work, health, and technology, the DMEC Policy Blueprint offers a pragmatic path forward, grounded in employer experience and focused on scalable solutions. By advancing coordinated leave policies, safeguarding ethical AI use, investing in SAW/RTW infrastructure, and embedding mental health into core benefit structures, policymakers can modernize systems in ways that are equitable, efficient, and responsive to workforce needs. DMEC stands ready to support this transformation through continued dialogue, technical expertise, and cross-sector collaboration.

Let's Connect

DMEC is a mission-driven organization that values partnership. We invite you to work with us to shape the future of leave and accommodation management. You'll benefit from policy support, peer collaboration, real-time business insights and, ultimately, a stronger workforce across your state.

Our offerings include:

- **Expert guidance** on complex topics such as federal, state, and local leave laws; inter-state coordination; accommodations; mental health; stay-at-work and return-to-work strategies; and the use of artificial intelligence in leave management.
- **Curated resources** such as policy briefs, webinars, legislative updates, white papers, and up-to-date data, including findings from DMEC surveys.
- **A community of practice** connecting policymakers across states to share best practices, troubleshoot policy development, and co-develop effective solutions through forums, working groups, peer exchanges, and more.
- **Special events** featuring legal experts, government leaders, and business stakeholders to build capacity and bridge knowledge gaps.
- **Targeted trainings, microcredential programs, and continuing education** courses on state and federal leave and accommodation laws.

To get started, create a free policymaker account at dmec.org/dmec-state-policy or contact us at partners@dmec.org.

