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## **Section 1**

### **LETTER OF WELCOME**

Dear Valued Employee:

Welcome to Carolina Therapy Services, Inc.! We hope that your employment here will be enjoyable, satisfying, and mutually beneficial. Your application has been accepted because we believe that you have the ability, qualifications and desire to serve our patients in a manner consistent with the goals and philosophies of Carolina Therapy Services, Inc.

Your job performance is vital in providing the highest quality of service delivery to our patients in a dignified, clean and safe environment. It is our goal to provide services that will promote the highest quality of life possible and to meet the needs of the patients who are unable to do so for themselves.

Your new teammates, the facility management and I welcome you to our organization. We're glad to have you with us!

Kimberly G. Schmidlin  
President  
Carolina Therapy Services, Inc.

## **SECTION 2**

### **EMPLOYMENT AT CAROLINA THERAPY SERVICES, INC.**

#### **2.1 INTRODUCTION**

This handbook is intended to serve as a practical guide to various company personnel policies and practices and is relevant to all Carolina Therapy Services, Inc. employees. However, since it is only a summary compiled for the convenience of our employees, it is not intended to cover all topics or circumstances. Carolina Therapy Services, Inc. reserves the right to respond to specific situations as necessary. Where there are differences between the provisions of this handbook and more specific statements contained in the Company's files (i.e., insurance policies), the statements in the Company's files shall prevail. This handbook supersedes all prior copies of employee handbooks that may have been distributed. The company reserves the right to revise, amend, add, and/or delete personnel policies and procedures. Although the information in this handbook may be current at the time you receive it, the policy at the time of question will apply. As new policies are developed, and outdated policies are modified or deleted to deal with new situations, conditions, or laws, the Company will attempt to inform employees of changes in policies. The policies in this handbook, however, may change without notice.

Refer to Carolina Therapy Services Policy and Procedures Manual for additional information regarding company personnel policies and practices.

#### **2.2 MISSION STATEMENT**

Carolina Therapy Services is committed to enhancing the quality of life of those we serve to the highest possible levels with our caring and compassionate approach to rehabilitation services. We strive to provide the highest level of therapeutic intervention for our patients while extending personalized customer service to the facilities we serve.

Carolina Therapy Services is dedicated to ensuring the privacy of the information we access related to our patients and customers while maintaining the highest integrity in adhering to guidelines for billing compliance.

Carolina Therapy Services is a therapist owned and managed Rehabilitation Company. We are committed to providing our team of licensed professionals with educational opportunities, leading to their professional growth and resulting in a long term partnership with Carolina Therapy Services, our patients, and our customers.

### **2.3 EQUAL EMPLOYMENT OPPORTUNITIES STATEMENT**

In order to provide fair and equal opportunity for employment to qualified applicants, this company complies with Title VII of the Civil Rights Act of 1964, which prohibits discrimination in employment because of race, color, religion, national origin, sex, age, or disability.

Carolina Therapy Services complies with the provisions of the Americans with Disabilities Act (ADA). Carolina Therapy Services will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability or a person's diseases such as AIDS or AIDS-related virus, Sickle-Cell Trait, cancer, heart disease, or other life-threatening illnesses or diseases.

### **2.4 INTRODUCTORY PERIOD**

All new employees will be in an introductory period for the first ninety (90) days of their employment. The purpose of the introductory period is to give the new employee an opportunity to evaluate the job and determine if the work is suitable and to allow the Area Director to observe the new employee's job performance.

**Job performance generally means:** (a) the best possible delivery of resident care, (b) attendance, (c) ability to get along with others, (d) specific job duties as listed in your job description, (e) safety habits, and (f) appearance.

## 2.5 CONDITION OF EMPLOYMENT

**All Carolina Therapy Services, Inc. employees are required to sign the statement enclosed in this handbook acknowledging that they have received a copy of the handbook and have read and understood the handbook.**

**Nothing in this handbook is intended to create a contract of employment. The Company does not recognize any contract of employment unless it is reduced to writing and signed by an officer of the Company. Carolina Therapy Services, Inc. facilities adhere to the policy of "employment at will", which allows either party to terminate the employment relationship at any time, with or without advance notice or cause. This policy cannot be modified by any statement in this handbook or other policy or by any statement, oral or written, by any management personnel other than the President of Carolina Therapy Services, Inc. Any such agreement will be in writing and signed by the President of Carolina Therapy Services, Inc.**

## 2.6 AT-WILL EMPLOYMENT

All employees who do not have individual employment contracts for a specified period of time are employed at the will of the company for an indefinite period of time. See At-Will Employment policy in Carolina Therapy Services Policy and Procedures Manual.



## SECTION 3

### COMPLIANCE WITH STATE AND FEDERAL LAWS

#### 3.1 Compliance Policy Statement

As a Carolina Therapy Services, Inc. employee, you are required to understand the Medicare and Medicaid regulations that pertain to your particular job. You are also charged with acting ethically and in conformance with state and federal law, as well as company policy.

CTS adopted a Corporate Compliance Plan in 2004 to ensure the integrity of our billing and documentation practices. A copy of this manual is available in every department. If you have a compliance question or if you want to report a compliance concern, please contact Kim Schmidlin, Compliance Officer.

#### 3.1.1 Employees Are Required to Understand Governing Medicare and Medicaid and other Third Party Payors Standards.

The following sets forth the minimum standards of conduct and sets forth conduct that is prohibited. Prohibited conduct will result in disciplinary action, including possible termination of employment.

##### A. Employee Standards of Conduct

When providing direct resident care services, consulting services, services under arrangement or preparing bills for charges that will be submitted for payment by Medicare, Medicaid or other third-party payors, employees must comply with the following standards:

Bills, time records, clinical record charting, or any other documentation regarding items or services provided to residents must be accurate, timely and prepared in accordance with the applicable Medicare and/or Medicaid regulations and governing practice acts.

Items or services furnished to residents must be (a) medically necessary; (b) covered by the resident's

physician; (c) fall within the Medicare, Medicaid or other third party payor coverage guidelines; and (d) documented in the resident's medical record.

All clinicians working in outpatient clinics should be aware of patient authorizations. This includes the expiration date as well as the number of visits that are allowed. Any patient seen without proper authorization is considered a violation of this policy. See Section 5, Payroll Provisions.

Medicare, Medicaid or other third party must be charged consistent with the Company's established charging practices.

CTS utilizes electronic health record software and a computerized billing system. The computers CTS furnishes to each department are to be used for work-related purposes only and will be password protected. Employees will be given a unique username and password to access the electronic health record software and computerized billing software. Passwords cannot be shared between employees. Ensuring the privacy of our patients is of the utmost importance. Employees are responsible to help maintain patient confidentiality.

## **B. PROHIBITED CONDUCT:**

- Submitting claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious.
- Falsifying medical records, time cards, service logs, or any other record used as the basis for submitting claims.
- Utilizing improper coding for services that must be coded, or use of a code that does not accurately describe the documented service when there is a more accurate code that could have been used.
- Post dating orders or signatures. Late entries should include an explanation of reason for delay in entry.
- Daily notes and billing may not be completed prior to the initiation of the treatment session

### 3.1.2 Federal and State Anti-Kickback Statutes

The federal and anti-kickback statute, and many similar statutes, prohibit offering, giving or accepting, and “remuneration” to induce the referral of a beneficiary of Medicare, Medicaid or any other third-party payor. These same rules prohibit the payment of any remuneration to induce a person to purchase, or arrange for, or recommend, the purchase or ordering of an item or service paid in whole or in part by Medicare, Medicaid, or other third-party payor program.

- **“Remuneration” is defined broadly to include kickbacks, bribes, and gifts of cash, goods, or services. Examples include: free medical supplies, consulting services, meals, day trips, airline tickets, entertainment event tickets, theater tickets, sporting events, and lodging.**
- **Federal health care programs include Medicare, Medicare Replacement Plans, Medicaid, Tricare, and VA benefits.**
- **It is illegal to ask for or receive kickbacks.**
- **Many state anti-kickback laws apply to all payors, not just government programs. This means that the prohibition against kickbacks could extend to private insurance programs and self-pay residents.**

### 3.1.3 False Claims

Numerous federal and state laws make it a crime to submit a false or fraudulent claim for payment to a federal or state healthcare program, or third-party payor. Violations of these laws can result in imprisonment and exclusion from participation in health care programs.

- **Filing a false claim includes: (1) billing for services that were not provided; (2) double billing; (3) billing for more modalities than were provided; (4) billing for a product or service that was not prescribed by a physician; (5) billing for an item or service that was not medically necessary.**

Using a false or fake record to submit a claim also constitutes submitting a false claim. For example, this includes: (1) forging a physician’s signature; (2) changing a resident’s medical record; (3) misstating the amount or type of therapy provided to a resident.

### **3.1.4 Unfair Trade Practices**

Most states have laws that prohibit false advertising, deceptive trade practices and other types of unfair and unethical conduct. Consequently, all employees must ensure their business relations with other companies, as well as outside contractors are fair, ethical, and in conformance with laws.

### **3.1.5 Related Organizations**

Business dealings with any company that is an affiliate of Carolina Therapy Services, Inc. must be conducted at arm's length. This means that despite the fact that we may conduct business with a related organization, no favorable treatment will be permitted, and all business contracts should reflect an arm's length relationship.

### **3.1.6 Non-Retaliation/Non-Retribution for Reporting**

No Carolina Therapy Services, Inc. employee is permitted to engage in retaliation, retribution, or any form of harassment directed against an employee who in good faith reports a legitimate concern or condition.

### **3.1.7 Cooperating with Government Investigations**

It is the policy of Carolina Therapy Services, Inc. management to cooperate with all legitimate government investigations. If a Carolina Therapy Services, Inc. employee is approached by any person who identifies him or herself as a government investigator, the employee should contact your immediate supervisor and Area Director immediately.

Carolina Therapy Services, Inc. employees will not:

- Destroy or alter any document or record in anticipation of a request for the document or record by a government agency or court;
- Lie or make false or misleading statements to any government investigator;

- Attempt to persuade any other employee, or any other person, to provide false or misleading information to a government investigator, or fail to cooperate with a government investigation.

### **3.2 CORPORATE COMPLIANCE**

All Carolina Therapy Services, Inc. employees are required to be familiar with and abide by Corporate Compliance Policies & Procedures. In an effort to ensure due process for all employees, patients, customers, all compliance concerns must be reported to the Corporate Compliance officer. All compliance concerns will be investigated.

In an effort to protect the privacy of employees, patients, and customers, Carolina Therapy Services, Inc. employees will not:

- Discuss any Compliance concern or report with any other employee or outside party unless directed to do so by the Compliance Officer.
- Report any Compliance concern to any other employee or outside party except the Compliance Officer.
- Engage in any conversation with another employee or outside party that is considered to be a compliance or ethical concern.

### **3.3 EQUAL OPPORTUNITY**

Carolina Therapy Services, Inc. is an Equal Opportunity Employer. We recruit and employ the best-qualified individuals without regard to race, color, age, religion, national origin, ancestry, sex, sexual orientation, disability or handicap, except where there may be bona fide occupational qualifications. This policy also includes employment decisions involving evaluation, transfer, promotion, discipline, determination of compensation and/or benefits and termination of employment. No employment decision is unlawfully made on the basis of race, color, age, religion, national origin, ancestry, sex, sexual orientation, disability or handicap.

### **3.4 SEXUAL HARASSMENT**

Sexual harassment is defined as follows: Unwelcome sexual advances, requests for sexual favors, and other verbal or physical

conduct of a sexual nature. Verbal or physical conduct of a sexual nature constitutes harassment when (1) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; (2) submission to such conduct is made either explicitly or implicitly a term or condition of employment; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Carolina Therapy Services, Inc. will not tolerate sexual harassment of any employee. If any employee believes that he or she is the object of sexual harassment, the employee should **IMMEDIATELY** inform the individual whose behavior is offensive that the language or actions are offensive. If the behavior continues, or if the initial behavior is such that the employee desires to make a report, the employee should report the incident directly to the President. All incidents of alleged sexual harassment will be thoroughly and promptly investigated. The Company will attempt to limit the number of persons made aware of the claim, but the alleged harasser and witnesses will be contacted.

Investigations will be conducted in accordance with Company policy and will include a final discussion as to the disposition of the complaint with the individual filing the complaint. There will be no retaliation of any kind against the individual who has complained. Employees who are determined during the investigation to have sexually harassed other(s) will be subject to appropriate disciplinary action, up to and including termination. Employees who are determined to have falsely accused others of sexual harassment for retribution or other reasons may also be subject to disciplinary action, up to and including termination.

This policy applies to residents, family members, visitors, vendors, CTS employees, and anyone having a business relationship with Carolina Therapy Services, Inc.

### **3.5 DISCRIMINATION**

It is the policy of Carolina Therapy Services, Inc. that all employees be able to enjoy a work environment that is free of unlawful discrimination. It is the Company's policy to prohibit

unlawful discrimination of an employee by another employee, Area Director, manager, or officer on the basis of race, color, age, religion, national origin, ancestry, sex, sexual orientation, disability, or handicap. Such discrimination will not be tolerated by Carolina Therapy Services, Inc.

All employees, managers, officers, and business guests must avoid any action or conduct, physical or verbal, which could be viewed as discrimination, including, but not limited to, comments, slurs, insults, verbal abuse, epithets, threats, derogatory comments or unwelcome jokes, or display, or circulation of degrading written materials or pictures which are made on the basis of race, color, age, religion, national origin, ancestry, sex, sexual orientation, disability or handicap.

If any employee believes that he or she is subject to discrimination at work by anyone, including other employees, Area Directors, managers, officers or business visitors or guests, the employee should **IMMEDIATELY** inform the individual whose behavior is offensive that the action or conduct is offensive. If the behavior continues, or if the initial behavior is such that the employee desires to make a report, the employee has the right and the duty to report the incident directly to the Area Director. The Company will attempt to limit the number of persons made aware of the claim, but the alleged harasser and witnesses will be contacted. Investigations will be conducted in accordance with Company policy and will include a final discussion as to the disposition of the complaint with the individual filing the complaint. There will be no retaliation of any kind against the individual who has complained. Employees who are determined to have discriminated against another employee will be subject to disciplinary action, up to and including termination of employment.

Employees who are determined to have falsely accused others of discrimination for retribution or other reasons may also be subject to disciplinary action, up to and including termination.

### **3.6 HIPAA**

See Carolina Therapy Services, Inc. HIPAA Privacy and Hitech Policies and Procedures located in the CTS Policy and Procedure Manual.

## **SPECIAL ENROLLMENT RIGHTS**

Employee's who have a Special Enrollment Event such as loss of coverage, marriage, or birth or adoption of a child, have a Special Enrollment Right to enroll in the Company's Group Health Plan. Contact the Human Resources Manager for additional information.



## SECTION 4

### GENERAL PROVISIONS

#### 4.1 NEW EMPLOYEE HEALTH AND DRUG TESTING/CRIMINAL BACKGROUND CHECKS

As a new employee, you will be required to complete a Record of Tuberculosis Screening. Please consult with your physician or Company representative to determine if you will be required to receive a skin test or chest x-ray. New employees may be asked to take a physical examination and submit to a drug-screening test after a contingent offer of employment. Employees will also be required to be drug tested when chosen in random checks that are done periodically. Employees will also be required to submit to a drug test for all work related injuries, patient related incidents, reasonable suspicion, and/or strange behavior.

Upon employment the applicable criminal background check (as required by law) will be conducted on every new employee of Carolina Therapy Services, Inc. The offer of employment will be made contingent upon the results of the drug test and the results of the required criminal background check. A criminal background check will also be conducted annually on all full time employees.

#### 4.2 PROOF OF WORK AUTHORIZATION

Federal law requires that employers verify, prior to employment, that an individual is a citizen of the United States, is a permanent resident, or is a temporary resident with an unexpired visa certificate or permit authorizing employment in the United States. As a part of in-processing, you will be asked for proof that you meet one of these criteria and to complete the Employment Verification Form (I-9) within 72 hours of employment in compliance with the Immigration Reform Act. This employer also participates in E-Verify. This employer will provide the Social Security Administration (SSA) and, if necessary, the Department of Homeland Security (DHS), with information from each new employee's Form I-9 to confirm work authorization. New employees must present acceptable forms of identification as prescribed on the I-9 form within 72 hours, or their employment **MUST BE TERMINATED**, as required by federal law. There are no exceptions to this procedure.

### **4.3 ORIENTATION**

All new employees are required to participate in the facility's orientation program. The objective of this orientation is to acquaint each new employee with the facility's policies and procedures, and rules and regulations. Orientation to facility, school setting, or other contracted settings may be provided if required by contracting facility.

### **4.4 CONFIDENTIAL MATTERS**

When a resident enters a Carolina Therapy Services, Inc. clinic or facility, each employee assumes the obligation to keep in confidence all that pertains to the patient's condition and/or affairs. This responsibility is shared by every person employed. Each employee is obligated to refrain from any discussion of any patient, or to give any information about a patient, except as required to do their job, in or out of the facility. Violation of this requirement for confidentiality will result in disciplinary action, up to and including termination of employment. Likewise, all CTS employees must keep confidential all matters/affairs pertaining to all patients or residents for any facility, school, or setting in which CTS provides contractual therapy services.

Additionally, employees are obligated to keep in confidence, all information pertaining to salaries, wages and other employee information, company financial information and all other company matters. Your employment assumes an obligation to maintain confidentiality, even after you leave the company. If you are questioned by someone outside the company or your department, please refer the request to your manager or to the President. No one is permitted to remove or make copies of any company records, reports or documents without prior management approval. Because of its seriousness, disclosure of confidential information may lead to termination of employment.

### **4.5 SOLICITATION POLICY**

No employee may solicit, canvass, market, or sell articles or services for themselves or for any outside organization while the person soliciting or being solicited is on working time. Solicitation by employees in immediate resident care areas is prohibited at all times.

Distribution by employees of handbills, leaflets, advertisements or printed or written literature of any kind is prohibited on working time or in working or immediate resident care areas of the facility. Solicitation, distribution of literature or trespassing by non-employees is prohibited at all times on these premises.

#### **4.6 GIFTS AND GRATUITIES**

Acceptance of money or gifts from residents, families/visitors of residents or from persons with whom the facility does business is not permitted. Token gifts designated to a group of employees, given by residents and/or relatives in good faith, may only be accepted upon approval of the Area Director. Solicitation of gifts or donations by employees is strictly forbidden.

#### **4.7 ETHICS GUIDES**

As Carolina Therapy Services, Inc. employees, we must maintain the highest ethical standards in our work every day. We make this commitment to our residents, their families, our payors and to each other. Our business was built on the excellence of care we provide and the professional manner in which we provide it. Ethical behavior is a critical aspect of quality care.

If you have any questions on the ethical aspects of a situation in which you are involved, please contact the Compliance Officer for guidance.

#### **4.8 DRESS CODE**

At Carolina Therapy Services, Inc., we want to convey a professional image to our residents and visitors. You, as an employee of the facility, are expected to dress in a manner appropriate to the functions of the job you perform. Your Area Director determines appropriate dress for individual jobs, with review by the President. It is our policy to limit tags, insignia, and jewelry worn by employees providing direct patient care to name tags, service pins and school insignia. Non-skid/Slip-resistant closed toe shoes are recommended.

Therapy staff members are to dress in business attire appropriate for representing Carolina Therapy Services, Inc. in the areas where we are located.

Examples of inappropriate attire would include (but not limited to) visible body piercing jewelry other than stud type earrings; big, bulky, or loose jewelry; shirts with advertising or offensive messages, low cut shirts, slogans or cartoons; colored hair styles other than customary hair colors and tints; clothing too tight or short to be considered business attire (too casual).

All employees must wear name identification badges. See Badge Policy in Carolina Therapy Services Policy and Procedures Manual.

#### **4.9 WORK BREAKS**

Paid break periods will be scheduled for all employees. You will be allowed a paid ten (10) minute break for each four (4) consecutive hours worked or major fractions thereof. Two (2) paid break periods will be provided whenever an employee is required to work six (6) or more hours per day. Paid breaks must be taken on the premises. If you leave the premises, then you are required to clock out.

#### **4.10 EMPLOYEE SAFETY**

Carolina Therapy Services, as prescribed by state law, provides Worker's Compensation insurance coverage for all employees to protect against the financial impact of injuries or accidents arising from their employment. In the event of an injury/accident, or the potential risk of an injury/accident, while working, you are required to **immediately notify your Program Manager and Worker's Comp Administrator at CTS Corporate Office, or if unavailable, the nurse in charge of the facility.** All work-related injuries will require the employee to submit to a drug test. Report all accidents on the date of occurrence, no matter how slight. Non-compliance will result in disciplinary action.

Refer to CTS Policies and Procedures Manual for reporting guidelines

#### **4.11 DRUG AND ALCOHOL-FREE WORKPLACE**

Drug testing will be done periodically and employees will be required to participate when chosen at random.

Employees will also be required to submit to a drug test for all work-related injuries, reasonable suspicion, and/or strange behavior.

#### **4.12 WEAPONS POLICY**

Firearms, concealed or otherwise, and other types of “weapons” are not permitted on the clinic, school, or facility property at any time under any circumstances. A violation of this policy will result in immediate termination.

#### **4.13 WORKPLACE VIOLENCE/ABUSIVE BEHAVIOR**

Carolina Therapy Services, Inc. is committed to providing a work environment that is free from violence. Any acts or threatened acts of violence will not be tolerated. Anyone engaging in violent/abusive behavior will be subject to disciplinary action, up to and including termination, and may also be personally subject to other civil or criminal liabilities.

##### **Violent/Abusive behavior is defined as:**

- Physically harming or threatening, intimidating, stalking, or harassing conduct to an individual, group of individuals, or relative of those individuals
- The possession of weapons of any kind on facility property
- Loud, angry or disruptive behavior that is not part of the typical work environment
- Callous or intentional disregard for the physical safety or well being of others
- Intentional destruction of company or employee property
- Commission of a felony or misdemeanor on company property or while on Company business elsewhere
- Any other conduct that a reasonable person would perceive as constituting a threat of violence/abuse

Any employee who is subjected to, witnesses or has knowledge of violent/abusive behavior of any type, or has reason to believe that violent/abusive behavior may occur at or in connection with the activities at any Carolina Therapy Services facility is required to report it promptly to the President.

#### **4.14 CONDUCT**

1. Differences between employees are not to be discussed in front of visitors or residents, and should always be settled in a calm discussion by both parties. If necessary, employees should discuss their differences with their Area Director who may wish to bring the matter to the attention of the President.
2. Employees are expected and required to be kind and considerate of patients, visitors, and other company personnel.
3. Employees are expected to conduct themselves in a professional manner at all times and maintain a positive workplace environment.
4. Employees should refrain from discussing controversial issues with residents, visitors or co-workers. Employees should be calm and avoid any threat of violence when dealing with a hostile patient, visitor or co-worker. Employees should not show favoritism for one resident over another.
5. Privacy is the moral and legal right of every person. Employees will make every effort to ensure patients' privacy during treatment sessions.
6. Before entering a resident room, all therapy staff will knock on the door, announce who you are and request permission to enter from the resident.

#### **4.20 PATIENT ABUSE/NEGLECT POLICY**

All patients of Carolina Therapy Services, Inc. have the right to be treated and provided services with dignity and respect, free from any abusive treatment, neglect or exploitation.

Carolina Therapy Services, Inc. has a zero tolerance for any type of patient abuse, neglect, exploitation or mistreatment. Any employee found to have committed, conspired with another or fails to report an act of abuse, neglect or exploitation, will be terminated

and reported to the state regulatory agency, licensing officials and/or local law enforcement if appropriate.

An employee failing to report confirmed or suspected abuse/neglect of a patient, by any other person, including another patient, a family member or facility staff member, will be held accountable and will share in the blame and consequences resulting from the incident. Suspected abuse/neglect of a patient should be reported directly to the CTS Corporate Compliance officer as well as your Area Director.

## **Definitions**

“Abuse” means the willful infliction of injury, unreasonable confinement, intimidation or punishment with resulting physical harm or pain or mental anguish, or deprivation by an individual, including a care taker, of goods or services that are necessary to attain or maintain physical, mental and psychosocial well-being. This presumes that instances of abuse of all patients, even those in a coma, cause physical harm or pain or mental anguish.

“Verbal abuse” refers to any use of oral, written, or gestured language that includes disparaging and/or derogatory terms to patients or their families, or within their hearing distance, to describe patients regardless of their age, ability to comprehend, or disability.

“Sexual abuse” includes, but is not limited to; sexual harassment, sexual coercion, or sexual assault.

“Physical abuse” includes hitting, slapping, pinching, kicking, etc. It also includes controlling behavior through corporal punishment.

“Mental abuse” includes, but is not limited to; humiliation, harassment, threats or punishment or deprivation.

“Exploitation” is any unfair, deceitful or dishonest manner used to gain an advantage over or profit from another.

“Neglect” includes, but is not limited to, any kind of intentional action or lack of action or intervention that results in an avoidable negative outcome to a patient or has the potential to render a negative outcome.

“Mistreatment” is any type of action or communication that is not given to a patient in a respectful, caring, compassionate and skillful manner.

Accusations of abuse, neglect, mistreatment or exploitation will be fully investigated by the Corporate Compliance Officer. Any employee who has been accused of committing such an offense may be “suspended pending further investigation” immediately following the reported accusation and may not be permitted to return to work until the investigation has been completed and the matter resolved. If it is determined that the accusation cannot be proven or substantiated, the employee will be restored to duty. Investigation results may be provided to the reporting individual if requested and approved by the President.

Any persons intentionally bringing false allegations of suspected patient abuse/neglect for the purpose of discrediting CTS, the facility, or any employee, contractor, or agent shall be subjected to disciplinary action up to and including termination.

The subject of patient abuse, neglect and mistreatment will be discussed with you periodically at inservice training classes as it is a most important issue and one which Carolina Therapy Services, Inc. takes very seriously.

#### **4.21 CONFIDENTIALITY OF PROTECTED HEALTH INFORMATION (PHI)/PATIENT INFORMATION**

You are reminded that you will be coming into contact with medical records and confidential information about the patients. The information in these records must not be discussed with anyone outside the facility. Also, this information should never be discussed with other employees unless it is necessary for the treatment or care of the resident. Inappropriately discussing this type of information will be grounds for disciplinary action for any employee. PHI and patient specific information will only be stored on company owned devices with password protection. Removable storage must be provided by CTS and will be encrypted and password protected.

You are required to adhere to all HIPAA regulations at all times.



## **4.22 VISITORS**

Due to the confidential and often serious nature of your work, friends and relatives may not visit you while you are working. If there is an important reason for someone to see you at work, please arrange approval from your Area Director.

## **4.23 USE OF COMPANY PROPERTY/EQUIPMENT**

Employees may not use Company owned or Facility owned materials or equipment for personal use, unless otherwise authorized by their Area Director or President. This includes but is not limited to clinical and office supplies, telephones, computers, copiers, or other office or treatment equipment.

Facility supplies and equipment represent an enormous expense, and each employee is expected to exercise care and good judgment in the use of company property. While the cost of normal breakage and deterioration will be the responsibility of the company, any employee who maliciously or willfully destroys or damages property through careless actions, or removes equipment and/or supplies for personal use, will be subject to disciplinary action up to and including termination.

Company equipment, including but not limited to, cell phones, computers, printers, etc. are property of the Company and can be reviewed, used by others or returned to the Corporate office at any time upon request of the President.

For detailed policies pertaining to Information Technology please refer to the CTS Information Technology Policies and Procedures manual.

## **4.24 TELEPHONES/PERSONAL ELECTRONIC DEVICES**

Telephones located in the Rehabilitation Clinics are provided by Carolina Therapy Services for conducting company business. The facility's telephones are provided for conducting facility business. The use of these telephones for personal business may result in the delay of this business. As a result, personal telephone calls – incoming or outgoing – must be restricted to cases of emergency. An excess of such calls will be considered grounds for disciplinary

action. When answering the telephone, use proper phone etiquette, remember to answer promptly, identify yourself by name and discipline. Messages should always be relayed promptly. If you are not certain how to handle a matter, refer the call to your Program Manager or Area Director.

Personal electronic devices are to remain off during your working hours and are discouraged from being brought into the workplace. Break times may be used for checking cell phone messages and returning calls in non-patient treatment areas only. Answering personal telephone and cell phone calls during patient treatments may put patients in danger; therefore, telephone and cell phone use during patient and therapy times is strictly prohibited and will result in disciplinary action.

Personal electronic devices may not be used to transmit, store, or document any identifiable patient Private Health Information (PHI) or confidential employee information. Digital media (photos/videos/audios) on personal electronic devices should not include residents, patients, or visitors.

#### **4.25 ELECTRONIC MAIL (E-MAIL)**

Electronic Mail (E-Mail) is used by our company in transmitting company information and as such established security measures must be followed by all personnel who have the authority to access, use, or transmit protected information electronically.

When emailing company related information, please only use company email addresses. CTS email addresses are provided to full-time employees upon request for company use. Personal email addresses should only be used for company business with prior approval.

#### **4.26 PASSWORDS**

For access to electronic health records, passwords should be strong and must use combination of capital letters, numbers, symbols, and lower-case letters. Strong passwords are necessary to ensure that patient and corporate information is kept secure. Passwords are the responsibility of each individual employee. It should be kept confidential and may not be shared. To protect company information and confidential information, ensure all

electronic devices used for company purposes are password protected.

#### **4.27 SMOKING**

Employees are not permitted to smoke anywhere inside the clinic, facility, or school except where smoking areas are designated. Smoking in designated areas is allowed only during scheduled break periods. If designated smoking areas are off the premises of the facility, then employees are required to clock out before leaving.

#### **4.28 PERSONAL PROPERTY**

The company is not responsible for personal property of the employee while at company locations. The personal property is not covered under company insurance and because of limitations on personal homeowner's policies, coverage may be excluded on that policy as well.

#### **4.29 PERSONAL RELATIONSHIPS**

Should the company become aware of or have reason to believe that employees' personal relationships are impacting the work environment, the company will meet with the individuals to advise them of their professional responsibilities and the issues that may arise when individuals in a spousal or other intimate relationship are also co-workers. Personal relationships that result in disruption of the workplace, that is contrary to the company's interest, or that may create legal liability for the company or its employees, may result in disciplinary action, up to and including termination of employment.

#### **Manager/Director and Subordinate Relationships:**

It is not the company's intent or desire to regulate personal relationships between employees outside the workplace. However, Carolina Therapy Services is committed to ensuring that personal relationships do not adversely affect the work environment by creating a conflict of interest, by disrupting our business, or by creating a liability for the company and its personnel. Carolina Therapy Services does not allow employees who are in a personal

relationship to be in a direct or indirect supervisory/subordinate relationship at work.

Supervisory employees must notify Human Resources if they enter into a spousal relationship or other intimate relationship with another employee (spouse is defined as spouse, domestic partner, or significant other), failure to do so will result in disciplinary action, up to and including termination.

Where spouses or other co-workers in a personal relationship are also in a supervisory/subordinate relationship, the company will attempt to reassign one of the individuals. In some cases, the company may determine that reassignment is either impracticable or unlikely to eliminate the supervisory/subordinate relationship. If so, the company will discuss options with the individuals, including the possibility of one individual leaving the company.

#### **4.30 SOCIAL MEDIA**

Employees who participate in social media channels must interact responsibly and avoid actions that undermine productivity, expose proprietary information, or violate the privacy of CTS clients, partners, employees, and patient/residents. Employees are individually responsible for everything they publish to online channels and should exercise good judgment in determining whether the information released is professional, appropriate, and representative of CTS. Any information released or published that implies or references CTS, our employees, clients, partners, or policies, directly or indirectly, must be approved in writing in advance.

Social media interactions must adhere to the CTS Code of Conduct, and should reflect common-sense principles of constructive professional communications. Employees should:

- Avoid use of personal electronic equipment or CTS owned electronic equipment for social networking for personal purposes during work hours (CTS owned electronic equipment should never be used for personal social networking).
- Be considerate of others and conscious of the potentially global perspective that is often represented in social networking.

- Keep internal communications internal, even when communicating with colleagues or other CTS employees.
- Keep interactions professionally relevant. Avoid social media posts and statements which can disrupt the work environment and/or might lead to unproductive and controversial debates. In particular, use of the CTS name (CTS or Carolina Therapy Services), or trademark/logo is expressly forbidden without the permission of CTS officers.
- Keep communications positive and productive.
- Carolina Therapy Services reserves the right to request public postings remain representative of our corporate culture for any employee who discloses Carolina Therapy Services or our business partners as their employer on social media sites. Example: Profile on Facebook

Violation of this policy may result in disciplinary action up to and including termination.

For full detailed policies pertaining to Social Media, please refer to the CTS Information Technology Policies and Procedures manual.

## SECTION 5

### PAYROLL PROVISIONS

#### 5.1 CLASSIFICATION OF EMPLOYEES

All of our employees are assigned a classification upon hire, transfer, position change or rehire.

“Exempt” employees are required to work a minimum of forty (40) hours per week. If an “exempt” employee consistently works less than forty (40) hours per week the position will be reviewed and if it is determined that there is not sufficient work to warrant forty (40) hours per week, the employee will be re-classed as “non-exempt” and wages will be paid as reported on an hourly basis.

“Exempt” and “Non-Exempt” employees are required to record time worked and PTO promptly on the electronic time card.

Carolina Therapy Services will not allow any employee to take compensatory “comp” time. All hours worked by “non-exempt” employees over forty (40) hours per week will be paid at the overtime rate.

**“Exempt” employees are not eligible for overtime pay.**

#### **Full-time Employees**

Full-time employees include those who are regularly employed in positions of a continuing nature and are routinely scheduled to work forty (40) hours per week. Refer to Carolina Therapy Services Policy and Procedures Manual for information regarding full-time status and probationary full-time status.

#### **Regular Part-time Employees**

Part-time employees include those who are regularly employed in positions of a continuing nature who work less than thirty-three (33) hours per week. Part-time employees are not eligible for most company benefits. Refer to the Benefits section, Section 7, of this hand book for more a detailed description of benefits eligibility. Part-time employees are not permitted to work over 29 hours per week.

## Per Diem Employees

Per Diem employees include those who work on an irregular basis and are not employed in a position of a continuing nature and/or those who work on an as-needed basis. Per Diem employees are not eligible for most company benefits. Refer to the Benefits section, Section 7, of this hand book for more a detailed description of benefits eligibility Per Diem employees are not permitted to work over 29 hours per week.

## Exempt Salaried Employees

“Exempt” employees are employees who meet the definition of an “exempt” employee under the Fair Labor Standards Act (FLSA) and are not eligible for overtime payments.

## Non-Exempt Hourly Employees

“Non-Exempt” employees are hourly employees who do not meet the definition of an “exempt” employee under the Fair Labor Standards Act (FLSA) and are eligible for overtime payments.

## 5.2 PAYROLL PERIODS AND PROCEDURES

1. The payroll periods are from the 1<sup>st</sup> – 15<sup>th</sup> and the 16<sup>th</sup> through the end of each month.

For the purpose of overtime computation the **pay week begins with the first shift after midnight each Sunday and ends at 6:59 a.m. on the following Sunday morning.**

Employees will be paid by **Direct Deposit**. All employees are required to participate in Direct Deposit.

Employees enter their time in the electronic time card system. Payroll is then approved by the Program Manager and/or Area Director and submitted to the Payroll Department.

2. Overtime: Overtime will be paid to “non-exempt” employees in accordance with State and Federal law. It is your responsibility to make sure you secure your Area Director’s approval prior to working any overtime.

“Non-exempt” employees are paid one and one-half (1½) times their regular rate of pay for all hours worked over forty (40) in a work week.

3. Employees are prohibited from performing work prior to the beginning of their scheduled shift or from performing work after the close of their scheduled shift without prior authorization. All overtime must be approved in writing by the Area Director. Violation of this policy will result in disciplinary action.
4. Employees must be present at the facility during scheduled work hours. Patient documentation should be done at the facility and not from home. Prior approval from the Area Director is required in order to work from home. Any violation of this policy will be subject to wage a decrease to minimum wage for the period of time in violation.
5. Employees working in outpatient clinics must be aware of insurance authorizations; this includes expiration date as well as the number of visits that are allowed. Any patient seen without proper authorization is a considered a violation of this policy and the employee will be subject to a wage decrease to minimum wage for the period of time in violation.
6. All hourly paid employees are required to clock-in and clock-out in the electronic time card system at the beginning and the close of their shift. Employees are also required to clock-out for their meal breaks and if he/she leaves the premises.
7. Falsifying time records will result in immediate termination.
8. Clocking-in or out for another person or having someone clock-in or out for you will result in disciplinary action.
9. Time clock errors in the electronic time card system may be corrected/adjusted by the Area Director or authorized Corporate office staff member only. Adjustments/Corrections must be submitted in writing via the Time Clock Correction Log. The adjustment/correction being requested must be initiated by the employee whose time is being modified.



Employees are responsible for checking their own labor log to ensure the correct adjustments have been processed.

10. Bonus and Rewards Programs are not guaranteed and are paid at the discretion of the President. Employees who have submitted their resignation and are in their resignation period are not eligible bonuses or rewards programs.

### **5.3 SALARIES AND RATES OF PAY**

Your rate of pay is private and personal. **Do not discuss your salary with other employees. Discussing wages, salary adjustments, or bonus structures will result in disciplinary action.** Starting rates are based upon experience, past work records, licensure or certification and the position for which you have been hired.

### **5.4 WORKING HOURS AND SCHEDULES**

Each department must implement and follow established work schedules in accordance with needs of the facility. Department work schedules (hours of work) may be changed by the President or Area Director when deemed necessary and appropriate. A routine full-time work schedule is defined as a forty (40) hour work week, five (5) days per week, Monday through Friday; however the Area Director, Program Manager, or Corporate staff member reserve the right to modify work schedules based on company needs. As a regular working schedule, all full-time employees are required to report to work no later than 9:00 am daily and must provide all patient care between the hours of 6:00 am and 8:00 pm. Any permanent modification to this requirement must be approved in writing by the Area Director and placed in the employee's HR file.

Employees are expected, and required, to work their scheduled shifts. Failure to report to work or failure to follow your assigned work schedule can result in disciplinary action.

### **5.5 PERSONNEL FILES**

Employee personnel files contain confidential information and are maintained by the Carolina Therapy Services' Corporate Office. All such files are private and may be reviewed only by authorized individuals and only for official business during normal work hours.

It is the employee's responsibility to keep the Company informed of changes (i.e. address, telephone numbers, and name changes) so that his or her personnel files contain current information. All employees are also required to complete annual updates for their H.R file. These annual updates include, but are not limited to: therapy license, PPD Screening, OSHA Compliance & Exam, Corporate Compliance, Acknowledgments for updated CTS employee handbook, and Auto Liability Insurance verification.

Employees may request copies of certain information contained in the personnel files. The personnel file is the property of the Company, and the Company is not obligated to copy any information contained in the file for the convenience of the employee.

## **5.6 PROMOTIONS AND TRANSFERS**

All Carolina Therapy Services, Inc. facilities endeavor to provide opportunities for advancement. Wherever job vacancies occur, consideration is given to qualified employees among present staff members who express interest in the vacancy. Decisions concerning promotions are made based on the employee's education, credentials, experience, and past performance record, including attendance and other performance indicators, compared to the requirements of the job.

For lateral transfers from one contract to the same/similar job at another Carolina Therapy Services, Inc., the rate of pay, benefits and paid time off will be based on the new facility's pay practices. Unused paid time off benefits will transfer with the employee to the new facility.

For lateral transfers from one contract to another in the same pay grade within the same market, the rate of pay will remain the same. For promotions, the new rate of pay will be comparable to incumbents with similar experience.

## **5.7 RELOCATION EXPENSES AND SIGN-ON BONUSES**

Employees offered financial incentives as consideration for employment are required to sign an offer letter acknowledging the terms of the agreement. The signed offer letter must be returned prior to first day of employment. We recognize this is an act of

Good Faith and rely on the adherence to the commitment by the employee. In the event the agreement is breached by the employee, all monies paid by the agreement will be returned to CTS on the prorated schedule provided in the signed agreement. This commitment is consideration solely for the payment of financial incentives and in no way creates or is intended to create a contract for employment other than that of at will employment. In the event the employee is terminated with or without cause, the aforementioned prorated schedule for repayment of all monies paid by CTS will be in effect.

Sign-on bonus payment and repayment is contingent upon payroll procedure. Relocation expense reimbursement is contingent upon accounts payable procedure.

## 5.8 NOTICE OF RESIGNATION

1. Please submit a written resignation to your Area Director and to the HR Department at the Corporate Office. Two (2) weeks working notice is required for non-licensed personnel, i.e. rehab techs and restorative aides; Four (4) weeks working notice for corporate office staff, licensed therapists and licensed therapy assistants; and Six (6) weeks working notice for program managers, clinic managers, clinical specialists, and area directors. The reason for resignation should be stated in your letter of resignation. Such consideration on your part will assist us in reviewing your qualifications should you desire to work for us again. **For employees who do not give proper notice, all hours in the final pay period will be paid at minimum wage.**
2. Employees whose services are terminated by disciplinary action or for “just cause” may be ineligible for rehire and will be certified as having been separated for cause. No recommendation will be furnished to an employee whose services are terminated for cause or for disciplinary reasons.
3. References on terminated employees will be acknowledged upon request. Carolina Therapy Services, Inc. will provide prospective employers with the service dates and job title of the ex-employee.

## **5.9 RESTORATION OF SERVICE**

Former employees of Carolina Therapy Services, Inc., who are rehired within 60 days of voluntary termination in good standing, may be restored to their same status for purposes of seniority, anniversary date, and certain other benefits. Former employees who participated in the 401(k) plan may also be eligible for re-enrollment subject to the plan provisions. All rehired employees will be subject to a 90 day Introductory Period.

## **5.10 LEAVE WITHOUT PAY (LEAVE OF ABSENCE)**

A leave of absence is a temporary absence from work for illness, injury, maternity, military service, personal or educational purposes, which may be granted to full-time employees who have at least six (6) months of employment upon written request.

A leave of absence will be considered for a period of from two (2) weeks to thirty (30) days and renewed for thirty (30) day periods. The maximum amount of leave that can be granted is 6 months. A leave of absence request must be made in writing and must specify for what purpose the employee requests time away from work. When the employee requests the leave, the expected date of return must be indicated. A request for leave will be considered on the basis of length of service, performance, responsibility level, the reason for the request, and staffing requirements. A copy of official orders must accompany a leave of absence for military service.

Carolina Therapy Services, Inc. cannot guarantee a position to an employee on leave except for employees returning from a qualified FMLA leave or military leave in accordance with the Veteran's Reemployment Act. Upon return from leave, the employee may be reinstated in his/her former position, if available, or may be placed into a similar position with equivalent pay and benefits. If no such position is available, the employee will be considered for future positions that they are qualified to perform. If no position becomes available within ninety (90) days after the termination of leave period, the employee will be automatically terminated. If an employee returning from leave is offered a position of equivalent pay and benefits and refuses that position, that refusal will be considered to be a voluntary resignation.

An employee returning to work is expected to give at least three (3) days advance notice of intent to return to work. An employee returning from medical or maternity leave must provide a doctor's statement certifying medical ability to perform all functions required for the position and expected return to work date. The doctor may be required to sign a job description as certification of ability to perform duties required.

An employee who fails to return to work at the end of the leave period or when released to work by their physician, or fails to request an extension of the leave or fails to complete the required paper work within specified time frame, will be considered to have abandoned his or her job and will be terminated. Notices of resignation submitted during an approved leave without a commitment to work out the required notice period will be treated as termination without proper notice unless resignation is due to a validated disability with suitable documentation.

While on leave of absence, seniority or other benefits do not accrue. Any benefits accrued prior to commencement of such leave will be restored to the employee upon the employee's return to work.

While on approved leave of absence, applicable insurance coverage will continue with the employee portion being taken as a payroll deduction until the last day of the month in which you exhaust your paid leave through paid time off. When paid time off is exhausted or when it is determined the employee will not be able to return to work, the employee will be terminated from benefits due to loss of eligibility and offered COBRA, if applicable.

Employees facing or charged with a felony or certain other criminal offenses by federal, state, or local authorities will be placed on unpaid leave of absence.

## **5.11 FAMILY AND MEDICAL LEAVE**

Carolina Therapy Services, Inc. grants Family and Medical Leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA) of 1993. An employee is eligible for family or medical leave if he or she has been employed for at least twelve (12) months and has worked at least 1,250 hours during the twelve (12) months immediately preceding the commencement of leave and who is employed where 50 or more employees are

employed within 75 surface miles. Family and Medical leave provides up to twelve (12) work weeks of unpaid leave during any twelve (12) month period to eligible employees for family and medical reasons, and, at the conclusion of leave, guarantees an employee's reinstatement to either the same or an equivalent position. Carolina Therapy Services, Inc. administers FMLA automatically and concurrent with other types of leave whenever there is a qualifying event. Carolina Therapy Services, Inc. uses a 12-month rolling backward period for determining FMLA eligibility.

Eligible employees must complete an Application for Family and Medical Leave and submit with US Department of Labor Form WH-380 at the onset of leave. CTS will respond in writing to acknowledge receipt and status of leave.

Employees using Family and Medical Leave will continue health insurance coverage and will continue to pay the employee portion. This payment is due by the tenth (10<sup>th</sup>) of each month until the employee returns to work.

Please contact your Human Resources Manager for any clarification of the CTS policy.

## **5.12 DISCIPLINE**

Each Carolina Therapy Services, Inc. facility requires compliance with basic policies and rules, to include following procedures of the sites we are contracted to provide services for, to insure the safety and well being of residents and other employees. Actions by employees that are not in the best interest of the welfare of residents, visitors, and/or other employees may result in appropriate disciplinary action, including termination of employment. At its sole discretion, Carolina Therapy Services, Inc. may use the following progressive discipline procedure or any part of the following procedure for disciplinary actions: verbal counseling, written warning, final written warning, and termination.

At Carolina Therapy Services, Inc.'s sole discretion, employee conduct or performance, which is substandard, may result in counseling concerning the conduct or performance. Warnings are designated to encourage correction of the undesirable behavior or unsatisfactory performance, and a return to satisfactory conduct or behavior. Counseling an employee may utilize the following steps: verbal counseling, written warning, final written warning, and

termination. The President will determine the severity of the infraction and decide which step in the discipline procedure to use for the discipline. (Example: abuse would call for immediate termination).

If the problem discussed in the counseling persists or if the employee has other performance or conduct problems, further discipline steps and/or termination may be necessary. All written disciplinary action plans should be signed by the employee; however, the employee's refusal to sign a disciplinary action will not keep it from being valid and filed in the employee's personnel file. If the employee does not sign the disciplinary form, documentation of such refusal will be noted on the form.

## **5.13 TERMINATION OF EMPLOYMENT**

There are several types of termination of employment:

**Voluntary Resignation:** initiated in writing by the employee to the Area Director with a requested minimum of six (6) weeks working notice for program managers, clinic managers, clinical specialists, and area directors, four (4) weeks working notice for corporate staff, licensed therapists and licensed therapy assistants and a minimum of two (2) weeks working notice for non-licensed clinical assistants, i.e. rehab techs and restorative aides.

Notices of intent to resign must be in writing and show a notice date and the last date employee intends to work. No PTO may be taken during this period. PTO accrual will cease at the beginning of the pay period in which a resignation is received. Any absences during this period will void the notice unless the end date is adjusted by the number of days of absence. Any changes/adjustments to the resignation period are subject to the President's approval. Employees in their resignation period are not eligible for any bonuses or rewards programs.

**Any employee who fails to provide required notice as outlined above will be deemed to have quit without notice and will forfeit all accrued PTO. All hours in the final pay period will be paid at minimum wage.**

**Involuntary Termination/Discharge:** When an employee is discharged by Carolina Therapy Services, Inc. with or without

reason in accordance with its “at-will” employment policy. In addition to termination without reason, certain circumstances may constitute reason for termination and/or discharge, such as but not limited to, the following:

- Excessive absences and/or tardiness in reporting to work.
- Behavior not deemed appropriate for the workplace
- Failing to carry out assigned responsibilities or performing substandard work (in quality or quantity)
- Leaving the assigned work area without permission from the Program Manager and/or Area Director during work hours
- Failing to adhere to the approval procedure for overtime
- Reported or suspected resident abuse
- Gambling on facility property
- Defacing or abusing clinic, facility, or school property
- Violating safety rules, creating a safety hazard, contributing to unsanitary conditions, or not maintaining work area cleanliness. Failure to wear and use assigned safety equipment
- Failing to promptly report any accident, job related injury, or unusual occurrence
- Soliciting or accepting gifts, tips or donations from patients, visitors, physicians, vendors or others
- Conducting personal business during working hours without permission, including soliciting contributions and selling any article or service. Abuse of Company time by attending to personal matters during paid work hours including long or excessive personal telephone calls including text messaging and personal email.
- Posting signs or notices on bulletin boards without permission, or removing official notices already posted
- Failing to follow instructions or refusing to work special hours or special assignments as defined by the Area Director to insure quality patient care
- Smoking in undesignated areas
- Unauthorized use of telephones, cell phones and E-mail/Internet.
- Consuming food or drink in unauthorized areas
- Parking in unauthorized areas
- Stealing property and/or unauthorized personal use or possession of property that belongs to the facility, clinic,



school, students, patients, visitors, or employees of the facility, clinic, or school

- Destroying or abusing property of the facility, clinic, school, students, residents, employees, or visitors
- Unauthorized possession or concealment of firearms or other weapons while on facility, clinic, or school property
- Assaulting, fighting with or attempting to inflict bodily harm to a patient, student, parent, physician, employee or visitor
- Deliberately mistreating or displaying negligence which may result in injury to a patient, student, visitor, or employees, including the use of abusive language
- Sleeping during work hours
- Coming to work under the influence of alcohol or illegal drugs or use or possession of alcohol or unprescribed drugs while on facility property. Refusing to be tested for alcohol or drug use if there is reasonable cause to suspect such influence
- Insubordination, including, but not limited to, open defiance of instruction from any supervisor, the use of abusive, profane, or threatening language toward supervisory personnel or other employees in the performance of their assigned duties. Disobeying instructions, procedures, or policies, whether through neglect, procrastination or deliberate disobedience by refusing to comply with any reasonable request made by the employee's supervisor
- Forging, altering, or deliberately falsifying any document, authorization, record, resident chart, employment application or time card that is used. Making fraudulent or misleading statements of any kind
- Misusing confidential information about residents, students, their families, the Company or anyone associated with the facility. Carolina Therapy Services, Inc. will not indemnify any employee who faces legal action because of misuse of confidential information
- Engaging in unlawful, indecent or immoral conduct on facility, clinic, company or school property during or outside work hours. Conviction of a felony or other criminal charges. Failure to report to the President or Area Director any suspicious, unethical or illegal conduct by fellow employees, residents or vendors. Any employee facing or charged with a felony or certain other criminal charges by federal, state, or local authorities, the

employee will be placed on an unpaid leave of absence. If the charges stem from alleged conduct concerning Carolina Therapy Services, Inc., Carolina Therapy Services, Inc. may conduct an investigation. Carolina Therapy Services, Inc. may terminate the employment after conducting the investigation or may have the employee remain on an unpaid leave of absence

- Failure to maintain a valid license or failure to renew your professional license on or before the expiration date or revocation of licensure as outlined in respective practice acts.
- Suspension of therapist licensure by the NC Board is subject to further investigation by CTS and depending on the results an employee may be placed on an unpaid leave of absence during the suspension.
- Multiple disciplinary actions and/or warnings of any kind during a twelve (12) month period
- Violation of the Company policy of nondiscrimination (Section 3.5) or the sexual harassment policy (Section 3.4)
- Coercing, bribing, inciting, or otherwise inducing employees to engage in any practice in violation of Company rules or in restriction of facility operations
- Disregard of facility safety policies that may result in injury to self or others
- Discourtesy to any patient, student, family member, visitor, or employee
- Violation of Carolina Therapy Services' Corporate Compliance policy

Employees may be discharged for reasons not specified above, if the quality of resident care or efficiency of operations is being impaired.

**Job Abandonment:** an employee who fails to report to work without notifying his or her Program Manager (no call/no show), or an employee who fails to return from an approved Leave of Absence at the approved return date will be deemed to have abandoned and terminated his or her job.

**Reduction in Force/Layoff:** this occurs when an employee is permanently or temporarily terminated because of changing requirements for numbers and types of employees.

Upon termination, employees must complete the necessary paperwork, return office keys/cards, handbooks and any other Company property to their Area Director. PTO benefits will not be issued until all paperwork is completed and all Company property is returned.

#### **5.14 CONFLICT RESOLUTION (GRIEVANCE PROCEDURE)**

Carolina Therapy Services, Inc. strives to promote and maintain open lines of communication and provide an effective means for current employees to resolve work related problems. The Conflict Resolution Procedure is a formal guideline to assist employees in handling issues of concern. Employees are encouraged to bring to the attention of their Area Directors any problems or complaints about work related situations through the following procedure:

1. First discuss problems or complaints with your immediate Area Director. The Area Director will attempt to resolve the issue and attempt to respond within five (5) working days. If the immediate Area Director is directly involved in the problem, you may speak to the H. R. Manager.
2. If the employee is dissatisfied with the response, a written description of the problem may be submitted to the President. The President will attempt to resolve the issue and attempt to respond within five (5) working days. The decision of the President is final.

Nothing in this policy should be construed to alter the “at-will” employment relationship between Carolina Therapy Services, Inc. and its employees.

#### **5.15 JOB DESCRIPTION**

A job description is available for each position in the Company. Job descriptions serve as a general outline of work to be performed. However, Area Director personnel may find it essential to have a person work outside his/her work area at times. Each employee will be given a copy of his/her job description. The employee is required to read and sign a job description according to the department to which they are assigned. Any employee

refusing to sign or willfully disobeying job descriptions or other assigned tasks shall be subject to disciplinary action.

## **5.16 PERFORMANCE EVALUATIONS**

The performance of each employee of Carolina Therapy Services is periodically evaluated. Performance evaluations will be conducted in confidence, between the Supervisor and the employee, and will be based on such factors as quality and quantity of work, knowledge of the job, initiative, attitude (toward the work, residents, and other employees), attendance, punctuality, and other quantifiable factors.

Employee may receive a 90-day review. 90-day reviews do not have to be written and do not have to be made part of the employee file. However, if the review is written it will become part of the employee's HR file.

Full time employees will receive annual reviews and may receive a wage adjustment related to performance or equity, but it is not mandatory. It is solely at the discretion of the Area Director and President. Any increase will be effective the next pay period after the review was due. Responsibility for an annual review is shared between the employee and Supervisor. The employee should complete a self appraisal form and the Supervisor should complete a written performance review. Annual written reviews must be completed in a timely manner. If a written review is completed late, the Area Director or President may retro the increase back a maximum of thirty (30) days. The date for the next written review remains one (1) year from the date the last review was due.

Performance evaluations may be considered in the selection of employees for promotion, wage adjustments, job or shift change requests, and/or other personnel actions. All written performance evaluations will be made part of the individual's personnel file. Written comments by the evaluated employee are encouraged, and will be made part of the personnel file, as part of the performance evaluation.

## 5.17 “MOONLIGHTING”

Outside employment is discouraged since it often can interfere with the quality and reliability of your work at the facility. However, should you choose to work in a second job, your primary allegiance must be to Carolina Therapy Services. In order to protect the facility’s interest, as well as your own, approval of a “second job” is necessary from your Area Director or President.

## 5.18 MANDATORY ABSENCE

Employees are not to report for duty if they have a high fever, nausea, vomiting or an infectious rash. All open draining wounds must be covered. If these symptoms are not noticed until after reporting for duty, then you should report immediately to your Program Manager. You may be asked to see your doctor before reporting back to work. A doctor’s note may be requested upon returning to work.

## 5.19 CHANGE OF ADDRESS OR TELEPHONE NUMBER

Our employment records must be kept up to date at all times. Therefore, for your benefit, **you are required to notify Human Resources within 10 days in any of the following cases:** (1) change of address; (2) name change; (3) name change of person to be notified in case of an emergency; (4) number of dependents for withholding purposes; and (5) change in marital status.

## **SECTION 6**

### **ATTENDANCE**

Regular attendance is important and expected in order to ensure our continued ability to provide consistent quality care.

Management recognizes that employees will be absent from the workplace on occasion; however, excessive absence from work has a negative impact on the company's ability to provide quality care. Our patients' safety and clinical progress is dependent upon our ability to provide therapy as prescribed by their physicians.

Nothing in this policy voids the at-will nature of employment at Carolina Therapy Services, Inc. and the company reserves the right to terminate an employee without following any or all of these procedures.

#### **6.1 ABSENCE**

An absence is a failure to report for the job on a scheduled work shift. For the purposes of this policy, the following are not considered absences: approved scheduled PTO, bereavement leave, scheduled absences due to work-related injuries/illnesses, jury duty, and approved leaves of absence. PTO for unscheduled absences is approved at the discretion of the Area Director.

#### **6.2 NOTIFICATION OF ABSENCE**

In the event of an absence, the employee must notify their Area Director or Program Manager at least two (2) hours prior to your scheduled starting time. A doctor's excuse may be required for absences.

#### **6.3 EXCESSIVE ABSENTEEISM**

##### **EMPLOYEES IN FIRST 90 DAYS OF EMPLOYMENT**

For new employees in their ninety (90) day introductory period, two (2) occasions are viewed as excessive, and may be grounds for termination. Three (3) occasions of absences will result in termination. Under no circumstances will any leave of absence be granted to a probationary employee.

## **EMPLOYEES BEYOND 90 DAY INTRODUCTORY PERIOD**

Absences are considered excessive when an employee experiences three (3) separate occasions of absence within the most recent 90 days.

The counseling steps outlined below are initiated and followed when an employee's absence is the third occasion during this period. **Note: These disciplinary steps apply to Section 6 of this handbook only. They do not apply to the performance or conduct sections of this handbook.**

An employee, who accumulates three (3) separate occasions of absence in ninety (90) days or establishes an undesirable pattern, will be subject to disciplinary action up to and including termination.

### **6.4 ABSENCE ON WEEKENDS (Regularly scheduled employees)**

If an employee is absent on a scheduled weekend shift, he or she must report to work on the following weekend. This applies to all employees who are scheduled to work weekends.

### **6.5 PATTERNS OF ABSENCE**

Absences, which indicate a discernible pattern occurring three (3) times, will constitute a violation of this policy on patterns of absence. Undesirable patterns may include, but are not limited to:

1. Regular absences occurring immediately before or after scheduled days off (i.e. vacations, holidays, weekends)
2. Weekend or holiday absences during which the employee is scheduled to work
3. Regular absences occurring the day after pay day
4. Coming in to work, but leaving prior to the end of the shift

### **6.6 NO CALL/NO SHOW**

All employees are required to be at their work area at the beginning of their shift. Failure to notify your Program Manager

and/or Area Director that you will be unable to work within two (2) hours of the beginning of your shift or for a scheduled visit is considered a **“NO CALL/ NO SHOW”**

Any no call / no show will result in immediate termination.

## **6.7 LEAVING WITHOUT PERMISSION**

Leaving without permission is defined as leaving the premises or assigned work area during work hours without permission or knowledge of a Program Manager and/or Area Director. Assigned duties that cause an employee to leave the work area are excluded from this rule.

Leaving without permission is considered a serious offense that could jeopardize the safety, health and welfare of others; therefore, a disciplinary notice up to and including termination.

## **6.8 TARDINESS**

Tardiness is defined as the failure to report at the starting time of the shift or reporting back to work late from meal periods or breaks. Each occurrence of tardiness shall constitute a separate incident for the purposes of this policy.

### **EXCESSIVE TARDINESS**

For new employees in their ninety (90) day introductory period, three (3) or more instances of tardiness shall constitute excessive tardiness and may be grounds for dismissal.

For all other employees, excessive tardiness is considered to be three (3) incidents of tardiness or a pattern of tardiness in the most recent ninety (90) days.

When an employee accumulates three (3) separate incidents of tardiness within a 90-day period or establishes a pattern of tardiness the employee will be subject to disciplinary action up to and including termination.



## 6.9 INCLEMENT WEATHER

Therapists are considered vital in the continuum of care to our residents/patients. It is the policy of Carolina Therapy Services to ensure that all residents/patients are seen in compliance with the certified plan of care. In the event of expected inclement weather, it is crucial that staff therapists plan ahead to meet coverage requirements. In the event of unpredicted inclement weather, every effort is expected for attendance equaling compliance with current treatment frequency (i.e., scheduling over the weekend). In the event an employee is absent due to inclement weather, no benefit time may be used for hours missed. The **only** exception is a County mandated curfew lasting more than 2 days.

## SECTION 7

### BENEFITS

#### 7.1 PAID TIME OFF POLICY (PTO)

Carolina Therapy Services, Inc. recognizes the need for employees to be away from work periodically due to illness, personal reasons, holidays and vacations. For this reason, it shall provide all full-time employees with Paid Time Off (PTO) which combines vacation, sick leave, and holiday pay. Paid jury duty and paid bereavement leave are provided in addition to PTO.

We also recognize that new employees are subject to the same needs, therefore, within the first year of employment we give each new employee the opportunity to take the first seven (7) days or fifty-six (56) hours of PTO regardless of actual PTO earned. However, if the employee resigns or employer terminates employee prior to one (1) year of service, PTO taken will be deducted from your final paycheck and PTO will be accrued on 16 days rather than 23 days annually.

#### 7.2 ACCRUAL OF PTO

PTO shall accrue each pay period based on hours worked in accordance with the following schedule:

<u>Employment State</u>	<u>Hours Per Pay Period</u>	<u>Days Per Year</u>
0-2 years of service	7.67	23
3 years of service	8.34	25
4 years of service	9.34	28
5 years of service	10.00	30
6-7 years of service	10.67	32
8-11 years of service	11.67	35
12 plus years	13.34	40

Employees will be allowed to rollover a maximum of one hundred twenty (120) accrued hours annually.

PTO accrual ceases once an employee's balance reaches 216 hours. Once the balance falls below 216 hours, accrual will resume.

## **7.3 PTO REQUESTS**

Employees submit requests for PTO in the electronic time card system for approval. When requesting PTO for a holiday or if the employee is requesting an entire day off and is unavailable for work for an entire eight (8) hour shift, then eight (8) hours of PTO must be taken/used unless a **forty (40) hour work week** can be achieved with less PTO.

### **7.3.1 PTO - REQUESTS IN ADVANCE**

Managers shall approve or deny requests based on work volume, needs of the department and timeliness of the requests. Employee is responsible for securing coverage.

### **7.3.2 PTO – UNSCHEDULED ABSENCES**

When unscheduled absences are necessary, employees must follow departmental guidelines for notifying their manager of absence as stated in Section 6 (6.2).

Employees who have unscheduled absences the day before or the day after a scheduled PTO day(s), may have PTO for the absence deducted and may receive disciplinary action. Management will determine appropriate action based on departmental policy, employee performance records and/or employee attendance records.

When requesting PTO for a holiday or if the employee is requesting an entire day off and is unavailable for work for an entire eight (8) hour shift, then eight (8) hours of PTO must be taken/used unless a **forty (40) hour work week** can be achieved with less PTO.

### **7.3.3 TIME OFF WITHOUT PAY**

Employees who are on an authorized Family Medical Leave of Absence may elect to take time off without pay.

Employees in their initial 90-day Introductory Period may take time off without pay if their department is closed and they do not have PTO available to cover the time.

Managers may deny use of PTO for unauthorized absences which are associated with disciplinary actions due to excessive absenteeism.

### **7.3.4 PAYMENT OF PTO**

#### **Change in Employment Status**

For employees whose status changes from regular full-time to part-time or PRN status will receive payment of PTO balance at a rate of 70%. PTO accrual will cease at the beginning of the pay period in which the resignation is submitted.

Employees whose status changes from PRN to full-time, PTO will begin to accrual the next pay period after the change is effective.

#### **Terminations**

When an employee voluntarily terminates employment, PTO hours will be paid at a rate of 70% if the required notice period is worked and all company issued property (equipment, keys, uniforms, etc.) have been returned. PTO accrual will cease at the beginning of the pay period in which the resignation is received.

If any monies are due Carolina Therapy Services upon termination, the balance of PTO may be used to repay the debt, i.e. education, sign-on bonuses, relocation or equipment.

Employees who are discharged from employment forfeit their PTO balances.

### **7.3.5 SELLING PTO**

Non-exempt employees may request pay in lieu of time off for accumulated PTO. Employees who have over 120 hours may request pay in lieu of time off up to a maximum of 80 hours and a minimum of 8 hours. This payment shall not let accrued hours decrease below 100 hours. Example: Your PTO balance on your payroll check is 180.5 hours (your maximum carryover is 120 hours), you will need to take PTO or sell 60.50 hours to avoid losing PTO.

Non-exempt employees PTO can be sold at the rate of 70%.

(your pay rate x hours requested x 70%). The request must be made in writing on a “PTO Buy-Out” form and approved by your Area Director. The PTO Buy-Out form can be requested from the Human Resources Manager. Payment will be issued on the payroll following the request. Employees will not be allowed to sell more than 80 hours of PTO per quarter.

### **7.3.6 DONATING PTO**

Employees may donate PTO to other employees who have exhausted their own PTO banks due to an inability to work because of personal/family illness, disability, or personal tragedy. Guidelines are as follows:

- a. Donors must complete a “PTO Donation Authorization Form” which can be requested from the Human Resources Manager.
- b. Donors must maintain at least 80 hours in their own PTO bank.
- c. Donations of PTO will be hour for hour in four (4) hour increments.
- d. Donations are strictly voluntary; coercion is prohibited.
- e. Donations will be returned to the donor should the recipients’ employment be terminated (voluntarily or involuntarily).

### **7.4 JURY DUTY**

All full-time employees, including employees who are in their 90-day introductory period will be paid for scheduled time loss due to required jury duty.

- a. Employees must notify their supervisor immediately upon receipt of a summons for jury duty so that coverage can be coordinated.
- b. Employees must furnish to the payroll department, written documentation from the court stating the length of service and compensation received.
- c. Payment will be provided at the employee’s base rate of pay.
- d. Time paid is not accrued toward overtime hours.
- e. Employees will be paid the difference between normal scheduled earnings and compensation received for jury duty.

## **7.5 BEREAVEMENT LEAVE**

Bereavement leave of up to 24 consecutive scheduled work hours, which must include the day of the funeral or memorial service, not to exceed (3) days, is provided to regular full-time employees, including those who are in their 90-day introductory period, for the death of immediate family members. Immediate family members include father, mother, grandparents, child, step-child, grandchild, spouse, sister, brother, mother/father-in law, son-in-law and daughter-in-law, grandparents of spouse, step-mother, and step-father.

Pay for bereavement leave will depend upon whether or not the employee is scheduled to work during the three-day period. Example: If bereavement leave begins on Friday and the employee is scheduled to work on Saturday, Sunday – all three days would be paid. If bereavement leave begins on Friday and the employee is scheduled off on Saturday and Sunday the employee will only be paid for Friday and Monday and no additional days will be granted or paid as a part of bereavement leave.

- a. Employees must notify their supervisor immediately upon acknowledgement of the need of bereavement leave so that proper coverage can be obtained.
- b. Payment is provided at the employee's base rate of pay.
- c. Time paid is not accrued toward overtime hours.
- d. If additional time off is required, the employee may request use of PTO.
- e. Complete and submit a Bereavement Leave form to the Payroll Department along with a copy of the obituary or memorial program from the funeral service/visitation.

## **7.6 CONTINUING EDUCATION ASSISTANCE/ REIMBURSEMENT**

All full-time employees beyond their 90-day introductory period are eligible for \$500 Continuing Education Assistance/Reimbursement to include reimbursement for any licensure fees.

- a. All requests must be submitted and approved on the C.E.R. form thirty (30) days in advance of the Continuing Education event.
- b. Employees will be charged PTO for Continuing Education time taken during a regular work week
- c. The employee's signature on the C.E.R. is an agreement to work full time with Carolina Therapy Services for a term of one (1) or two (2) years following the event. Commitment term will depend on the total expense related to the continuing education course. Failure to full-fill the commitment will result in a pro-rated repayment of expenses.
- d. Following the Continuing Education event, requests for Continuing Education reimbursement must be accompanied by an expense report, proof of payment, Certificate of Completion and proof of in-service training

## **7.7 401(K)**

A company sponsored 401(K) retirement program is available to eligible employees.

Enrollment is offered to employees who have worked one year and a minimum of 1000 hours. For further detailed information on our plan, please contact the Corporate Office.

## **7.8 GROUP HEALTH INSURANCE**

Full time employees will be eligible for participation in the group health insurance at the beginning of the first full month following thirty (30) days of employment. (Example: If your hire date is January 22, your coverage would begin March 1. Details of this program will be given to you when you become eligible for participation. Individual, spouse, and family coverage is available. All Full Time Equivalent employees will also be eligible for participation in the group health insurance plan in accordance with the Affordable Care Act.

## **7.9 COBRA**

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the

opportunity to continue health coverage under Carolina Therapy Services health plan when a qualifying event results in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Each eligible employee will be provided a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Carolina Therapy Services health insurance plan. The notice contains important information about the employee's rights and obligations.

### **7.10 GROUP LIFE INSURANCE**

The Company provides basic group life insurance to eligible full-time employees. There is no cost to you for this benefit.

### **7.11 HEALTH AND DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS**

The company offers Health and Dependent Care Flexible Spending Accounts to its employees who have been employed full time for a period of six (6) months.

### **7.12 CHRISTMAS CLUB**

All full-time employees are eligible to participate in the Christmas Club program. If elected, participation is through payroll deductions for the employee elected amount. A Christmas Club Payroll Deduction Authorization form must be submitted to the Corporate office.



## SECTION 8

### SAFETY AND HEALTH REGULATIONS

The cooperation of every employee is necessary in order to ensure that our facility is a safe place in which to work. Help yourself and others by reporting to your Area Director any unsafe condition or hazard that you may observe.

#### 8.1 SAFETY RULES

1. All accidents, however minor, will be reported to your Area Director immediately. The Area Director is required to make an investigation and complete an injury file.
2. We recommend, employees required to lift, transfer or ambulate residents should use a gait belt whenever clinically appropriate.
3. Any liquid, food substance or bodily excretions noted on the floor will be reported to the facility immediately by the employee who first sees the condition.
4. Push, do not pull, all rolling items, (e.g. wheel chairs, geri-chairs), from the end and avoid having your hands where they can strike door frames or other objects.
5. No employee is to stand on any object other than a step stool or ladder designed for that purpose. If this equipment is not in good condition, or if ladders do not have safety feet, do not use them. Report the condition to your Area Director.
6. All electrical cords must be maintained in good condition. If a cord is frayed, a plug loose, or the grounding pin on a plug is broken, do not use it. Report it immediately to your Area Director. The use of unauthorized extension cords is not permitted in the therapy department.
7. Report immediately to your Area Director any condition or practice that might cause an injury or damage equipment.
8. To ensure the safety and wellbeing of our patients and employees, a call bell should be within reach during a therapy session or additional personnel should be available to assist in case an emergency should arise.

Failure to perform your job in a safe and efficient manner can cause severe injury to yourself, your fellow employees and the

patients we serve. Violations of safety regulations will result in disciplinary action including suspension or discharge.

It is your responsibility to report any unsafe conditions.

## **8.2 FIRE PREVENTION AND SAFETY**

Fire and smoke are one of the greatest hazards to the safety and welfare of our patients and employees.

CTS posts evacuation routes and follows the RACE procedure in all CTS owned and operated clinics. CTS follows the evacuation routes and procedures posted in the facilities, schools, and hospitals we contract with for services. It is each employee's responsibility to know the posted procedures and to participate in fire drills. If you have any questions regarding the fire policies and procedures for your clinic, please contact your Area Director for clarification.

## **8.3 WORK RELATED INJURIES AND WORKER'S COMPENSATION**

Carolina Therapy Services, Inc. provides Worker's Compensation insurance coverage to provide protection to our employees from medical expenses and from lost income due to legitimate work related injuries or illness.

If you are injured on the job, you must:

1. Immediately report your injury or incident to your Area Director.
2. Complete a first report of injury (Employee Accident/Incident Report) that will detail the circumstances surrounding the injury or event. List the names of any witness to your injury or incident.
3. You may be sent for a drug-screening test. If you require medical attention a drug test will be provided at the time medical services are provided. If you do not require medical attention the facility may arrange for the drug test to be performed.

4. After being off from work with a work related injury you must provide a full release to return to work from your doctor before being placed back on the schedule. We will work with the physician to offer modified duty to employees who are within 30 days of returning to full duties and have not exhausted approved leave. This modified duty is to be used as “work hardening” to help the employee return without further injury. You must keep your Area Director advised as to your progress and status.
5. Payment for lost time wages will be made in accordance with state law.

#### **8.4 PATIENT INCIDENTS**

Any incident involving a patient while in the care of a CTS employee must be reported to the Program Manager and Area Director. A CTS Patient Incident report must be completed and submitted to the CTS Corporate Office. CTS employees will be required to submit to a drug screening for any patient related incidents.

This CTS policy is in addition to any reporting procedures required by the facility involving patient incidents.

#### **8.5 COMPANY DRIVER POLICY**

The safe operation of motor vehicles is one of the highest priorities at Carolina Therapy Services, Inc.

*Our goal is to protect our own employees as well as provide for the safety and welfare of the motoring public.* The following provisions apply to employees operating company vehicles or personally owned vehicles on Carolina Therapy Services, Inc. business:

*\*Operation of a personally owned or company owned vehicle on company business exposes Carolina Therapy Services, Inc. to vicarious liability.*

Employees

- (1) Upon employment and no less than every 12 months thereafter, Carolina Therapy Services, Inc. will request a

current MVR for each employee who drives on company business. This includes any employee operating a personally owned vehicle or company owned vehicle on Carolina Therapy Services, Inc. business.

- (2) During the first 90 days of employment, a new driver is considered to be on probationary status. If the driver has an at-fault accident during the probationary period, the company may place the driver in a non-driving position, if available, or terminate employment.
- (3) Employee must have a valid driver's license whenever operating any vehicle on Carolina Therapy Services, Inc. business.
- (4) If an MVR review for a current driver shows accrual of the following within the most recent 6 months the employee will be subject to a verbal warning or other disciplinary action.
  - Two (2) or more moving violations; or
  - One (1) at-fault accident and (1) moving violation; or
  - Three (3) or more seat belt violations
- (5) If an MVR review for a current driver shows accrual of the following violations within the most recent 6 months the employee will be subject to written disciplinary action ranging from probationary status up to, but not limited to, suspension of company driving privileges.
  - Three (3) or more moving violations or accidents (in any combination); both "at fault" and "not at fault" accidents are included.
- (6) All employees are subject to an MVR check at any time. If notification of a moving violation and/or at-fault occurs while on probationary status, the employee may be placed in a non-driving position or be subject to termination at the management's discretion.
- (7) Any employee who accumulates two or more at-fault driving accidents during a period of 12 months may have his/her company driving privileges suspended, and may be placed in a non-driving position depending upon availability. Such actions are subject to management's discretion.
- (8) Any employee convicted of the following citations may not be permitted to operate any vehicle on company business and may be placed in a non-driving position.

After management review, if it is determined that a non-driving position is not available, termination may result:

- Driving under the influence of drugs or alcohol
  - Failure to stop for an accident
  - Homicide, manslaughter or assault arising out of the operation of a motor vehicle
  - Driving with a revoked or suspended license
  - Possession of an opened container of alcohol in a vehicle
  - Speed Contests
  - Drag or highway racing
  - Attempting to elude a police/law enforcement officer
  - Hit and Run
  - Reckless Driving
- (9) Seatbelts are an essential element of our driver safety policy/procedures. To emphasize seatbelt awareness, two (2) seatbelt violations while on company business will equate to one (1) moving violation.
- (10) Driving non-employee passengers either during or after normal business hours can be a major liability to Carolina Therapy Services, Inc. Without prior management approval, no Carolina Therapy Services, Inc. employee is allowed to transport non-employees in a company vehicle or in a personally owned vehicle being used on company business. Transportation of patients is strictly prohibited.
- (11) For an employee who drives his/her own vehicle on company business, regardless of how incidental, Carolina Therapy Services, Inc. requires the following minimum auto liability insurance limits: 100/300/50; this means \$100K (limits for one person in an accident), \$300K (limits for all injuries in one accident), and \$50K (property damage liability for one accident). All such drivers shall provide Carolina Therapy services, Inc. with proof of auto liability insurance. At each renewal of this coverage, updated proof of coverage shall be provided to Carolina Therapy Services, Inc.

In the event of an accident, the employee's insurance coverage acts as the primary insurance. However, Carolina Therapy Services, Inc. is subject to "vicarious" liability in such situations.

- (12) Employees driving company owned vehicles or personally owned vehicles on company behalf are required to sign a driver responsibility agreement.
- (13) Distracted Driving – As a driver, an employee’s first responsibility is to pay attention to the road. When driving while conducting business on behalf of Carolina Therapy Services, the following applies:
- Cell phone Use – the use of cell phones while driving is strongly discouraged. Do not accept calls or texts while driving, unless you are using a hands-free device. All applicable driving laws must be obeyed.
  - Other Distractions – make an effort to avoid distractions such as eating, applying makeup, paying too much attention to our radio/CD player, or other distracting behavior. Laptop computers/Ipads should never be used at any time while driving.
- (14) Impaired Driving – Employees are not permitted, under any circumstances, to operate a company vehicle or personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle for company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication, or intoxication. No driver may have or permit possession of alcohol or other illegal drugs in any vehicle being used for business purposes.
- (15) Obey the Law – Carolina Therapy Services, Inc. is not responsible for any moving violations, parking tickets, or any other city ordinances or state/federal laws regarding your driving habits or operation/care of your personal vehicle or company owned vehicle. Any tickets issued are the employee’s responsibility, even if the ticket is issued while conducting business for Carolina Therapy Services, Inc.

## **8.6 OSHA COMPLIANCE (HAZARDOUS COMMUNICATIONS)**

The facility will maintain documentation concerning the composition and use of certain chemicals and supplies that could result in illness or injury, if improperly used. This information is listed on a Material Safety Data Sheet (MSDS) in each department. OSHA Education and Competency will be conducted annually by exam.

You are invited to inspect this information at any time.

## **8.7 STANDARD PRECAUTIONS/INJURIES REQUIRING FIRST AID**

Protective barriers (Personal protective equipment) reduce the risk of exposure to blood-borne pathogens from blood, body and other fluids to which Standard Precautions apply. Examples of protective barriers include latex gloves, gowns, masks, and protective eyewear.

Standard precautions are intended to supplement rather than replace recommendations for routine infection control (Universal precautions) practices such as hand washing and use of gloves to prevent gross microbial contamination of hands.

You should be aware of the location of the first aid kit in your work area. Call 911, the emergency phone number, if required. If the injury is serious someone will take you to the hospital emergency room.

**ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK  
AND UNDERSTANDING OF PERSONNEL, WAGE AND BENEFIT  
POLICIES AND PROGRAMS**

I acknowledge that I have received a copy of the Carolina Therapy Services, Inc. Employee Handbook and understand that it is my responsibility to read and comply with policies contained therein, with specific attention given to the policies governing employee work rules, disciplinary action and involuntary termination found in this handbook and revisions or modifications which may be published at a later date. I also acknowledge that I understand that this handbook is not an employment contract and that the Company or I may terminate my employment at any time, with or without cause or notice.

Further, I agree to abide by the personnel policies and work rules that are now or may be, put in place as a condition of my employment.

I understand that this Carolina Therapy Services, Inc. facility provides a drug and alcohol-free workplace and that I may be required to submit to drug and/or alcohol screening at the time of my employment, or if the Company has a reasonable suspicion of a violation of this policy or if I am involved in a work-related and/or on-the-job accident which results in injury or property damage or endangerment to the well being of employees, residents, visitors or the general public.

\_\_\_\_\_  
Employee Signature:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Employee Name:

\_\_\_\_\_  
Facility Name

\_\_\_\_\_  
Signature Witnessed By:

**PLEASE RETAIN THIS PAGE FOR YOUR RECORDS WITH  
YOUR EMPLOYEE HANDBOOK. SIGN, DATE AND RETURN  
THE HANDBOOK ACKNOWLEDGEMENT (SINGLE PAGE).**

Revised 01/01/2019