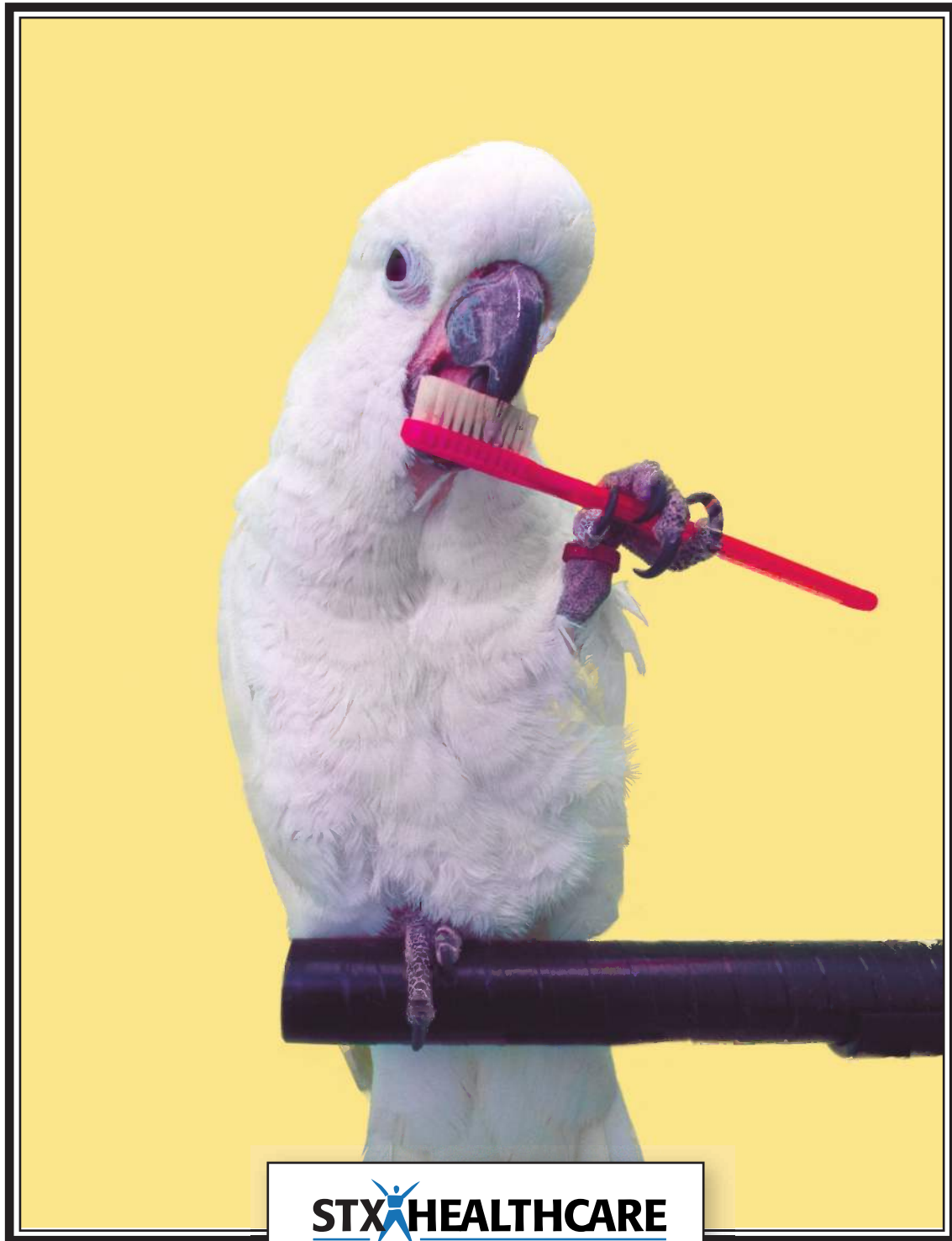


# Employee Handbook



**STX HEALTHCARE**  
MANAGEMENT SERVICES

March 2013

**STX Healthcare Management Services  
Employee Handbook  
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Acknowledgement Regarding Code of Ethical Conduct

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# STX Healthcare Management Services

## MISSION STATEMENT

We founded the company in 1993 with a commitment to be different. Affordable, high-quality family dentistry is provided in a fun, friendly atmosphere. Our dentists and staff will do everything we can to make your visit the best it can be.

## INTRODUCTION

Welcome to STX Healthcare Management Services (STX)! We want our organization to be better because you have joined our team. It is our sincere desire that you will grow, learn, and be rewarded as our organization continues to grow. The critical factors that will help you to do this are listed below.

Teamwork and Trustworthiness

Enthusiasm, Energy, and Ethical Behavior

Attitude and Accountability

Motivation and

Service with a Smile

This employee handbook is designed to provide you with an overview of the policies and procedures that relate to your employment at STX. This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Please read this handbook carefully for it will answer many questions about employment with STX.

## OPEN DOOR POLICY

STX encourages open communication. If you have a problem or concern, or believe that you have been treated unfairly, you should immediately present the situation to your manager. Experience has shown that most complaints can be solved by a frank discussion of the facts and your concerns. Your manager will respond to your problem during the initial discussion or submit an answer to you after that. If you do not feel comfortable discussing the situation with your manager or if no solution is reached, you should discuss the matter with the Director of Human Resources, who will investigate the situation in order to resolve all difficulties promptly and appropriately. STX cannot resolve problems or address concerns unless you communicate these problems or concerns to the appropriate person within the organization.

This Open Door Policy extends to concerns regarding suspected crimes, violations of state or federal law, or STX's own policies and procedures.

# **EMPLOYMENT GUIDELINES**

## **EMPLOYMENT AT - WILL**

Unless you have a written employment agreement with STX signed by the Chief Executive Officer that provides otherwise, your employment with STX is an “at-will” relationship. In an “at-will” employment relationship, either you or STX may end the employment relationship at any time, with or without cause or reason.

## **EQUAL EMPLOYMENT OPPORTUNITY**

STX affords equal employment opportunities to all qualified applicants and employees in compliance with federal, state and local laws. STX believes in equal employment opportunity. STX does not discriminate in recruitment, hiring, training, compensation, promotion, or any other aspect of employment on the basis of race, sex, color, religion, national origin, age, military and/or veteran status, genetic information, disability or any other characteristic protected by applicable federal, state and local laws.

Qualified individuals with disabilities are treated in a non-discriminatory manner in the hiring process as well as in all terms, conditions, and privileges of employment. STX provides reasonable accommodations for qualified individuals with disabilities, except where such accommodations would create an undue hardship on STX. If you believe you need an accommodation to perform the essential functions of your job, contact the Director of Human Resources.

### **Not a Contract**

While STX believes wholeheartedly in the policies and procedures discussed in this handbook, they are not the conditions of employment. This handbook is not a contract. STX may end or change any or all of these policies, at any time, with or without advance notice.

## **E-VERIFY COMPLIANCE**

STX complies with all state and federal employment laws, including the Beason-Hammon Alabama Taxpayer and Citizen Protection Act, which requires Alabama employers to use the federal E-Verify system to confirm the work eligibility status of new workers. If you have any questions about the E-Verify program, please direct those questions to Human Resources.

## **EMPLOYEE HANDBOOK DISTRIBUTION POLICY**

The purpose of this policy is to outline the policy for distribution of the Employee Handbook.

**The Employee Handbook is available online through [www.portal.ADP.com](http://www.portal.ADP.com)**

### **Policy**

1. Each employee shall be provided an Employee Handbook at the time of hire or within 30 days of the employee's start date.

2. Each employee is expected to read the Employee Handbook and retain a copy for future reference.

Each employee shall sign an acknowledgement that he/she has reviewed the Employee Handbook. Such acknowledgment shall be maintained in each employee's personnel file.

The Employee Handbook shall be updated and revised from time to time under the direction of the Director of Human Resources and the Compliance Officer.

When the Employee Handbook is revised, access to the revised Employee Handbooks shall be provided to all employees.

### **Prior Employee Handbooks or Policies No Longer in Effect**

This handbook takes the place of any prior employee handbooks or policies. This handbook contains the employment policies and practices of STX in effect at the time of publication.

### **Acknowledgment Forms**

STX requires all employees to read the STX Employee Handbook and, upon reading the Handbook, to sign the following forms included with the handbook and return the forms to the Human Resources department: (1) Policy Prohibiting Harassment and Discrimination in the Workplace Acknowledgment Form; (2) Drug and Alcohol Policy Acknowledgment and Release Form; (3) Employee Confidentiality and Conflict of Interest Agreement Form; (4) Acknowledgment of Receipt and Understanding of STX's Electronic and Telephonic Communications Policy; (5) Employee Handbook Acknowledgment Form; and (6) Acknowledgement Regarding Code of Ethical Conduct and Protocol for Reporting Non-Compliance.

## **POLICY PROHIBITING HARASSMENT AND DISCRIMINATION IN THE WORKPLACE**

### **Sexual Harassment is Strictly Prohibited**

Sexual harassment is prohibited by STX's Equal Employment Opportunity ("EEO") policy and state and federal law. STX will not tolerate sexual harassment of employees by any person who is associated with STX, employed by STX, or is on STX's premises, including patients.

Sexual harassment includes, but is not necessarily limited to, unwelcome and unsolicited sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature where:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment, or
- Submission to or rejection of the conduct is used as the basis for an adverse employment decision (e.g. demotion, promotion, or compensation); or
- The conduct or speech has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment (e.g. unwanted sexual jokes, vulgar language, sexual

gestures, physical assaults, sexual advances or displaying sexually oriented materials like publications, pictures, cartoons, or photographs).

**Other Discriminatory Harassment or Discrimination or Inappropriate Conduct is Strictly Prohibited**

Harassment or discrimination based on race, sex, color, religion, national origin, age, military and/or veteran status, disability or any other characteristic protected by applicable federal or state law, is also prohibited by STX's EEO Policy and state or federal law. Additionally, any inappropriate and unprofessional conduct is strictly prohibited. Harassment or discrimination based on race, sex, color, religion, national origin, age, military and/or veteran status, disability or any other characteristic protected by applicable federal or state law is unacceptable and will not be permitted at STX. Harassment, discrimination, inappropriate and/or unprofessional conduct includes harassing or discriminatory intimidation, insults, ridicule and comments where:

- The conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment; or
- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or
- The conduct otherwise adversely affects an individual's employment opportunities; or
- The conduct is deemed not to be in the best interests of STX.

**Responsibilities**

All employees, consultants, and all other individuals employed by or associated with STX are responsible for maintaining a workplace free of all prohibited harassment and/or discrimination. Any person may file a harassment and/or discrimination complaint regarding incidents experienced personally or observed on STX premises by STX and STX employees, persons associated with STX, or visitors, including patients. It is the responsibility of all personnel to bring complaints to STX's attention so that it can help resolve them. Never assume that STX is aware of inappropriate conduct that you have witnessed or experienced.



## **COMPLAINT PROCEDURE AND NON-RETALIATION POLICY**

Any person who feels that he or she has been or is being harassed and/or discriminated against in violation of the Policy should tell or otherwise inform, if feasible, the person engaging in the conduct that the conduct is unwelcome and must stop. In addition, the matter should immediately be brought to the attention of one or more of the following persons: Chief Executive Officer; Chief Financial Officer, the Partners; Director of Operations; or the Director of Human Resources in the corporate office. Finally, STX established an anonymous reporting mechanism which may be accessed 24 hours a day/7 days a week at 888-845-0813. All STX employees may call to report perceived compliance issues by leaving an anonymous message or they may choose to leave their name so that they may be contacted in the event that follow up information is needed.

1. There will be no retaliation against any person who initiates a complaint or who participates in the investigation of a complaint.
2. All reports of harassment or discrimination will be treated seriously and confidentially, to the extent possible.

All employee complaints which are not made in good faith and employee participation which is not in good faith may subject the employee to disciplinary action by STX. In determining whether alleged conduct constitutes a violation of this policy, the totality of the circumstances, the nature of the conduct complained of and the context in which the alleged conduct or incident occurred will be considered.

If it is determined that a violation of this policy has occurred, prompt and appropriate action will be taken, which may result in the discipline of the person engaging in the prohibited conduct up to and including termination.

### **Acknowledgment**

STX requires that all employees, upon reading the above Policy Prohibiting Harassment and Discrimination in the Workplace, including the Complaint Procedure, sign the Acknowledgment Form included with the employee handbook and return that form to STX.

## **AMERICANS WITH DISABILITY ACT (ADA)**

STX is committed to complying with the guidelines covered by the ADA which generally prohibits discrimination against "qualified individuals with disabilities." A qualified individual with a disability is an applicant or employee who can perform the essential functions of the job with or without reasonable accommodation.

## **COMPLIANCE**

STX is committed to complying with all applicable federal and state laws and regulations. All STX employees are expected to participate in STX's compliance efforts and comply with all applicable laws. A summary of the key laws used by the federal and Texas state government to enforce compliance with federal and state health care program requirements, including provisions in those laws that protect employees as whistleblowers, is included in the Appendix to this employee handbook.

In addition to the policies and procedures described elsewhere in this handbook, the following policies and procedures are used by STX to assist in preventing and detecting violations of federal and state health care program requirements and STX's compliance policies.

### **Compliance Policies Manual**

The STX Compliance Policies Manual restates STX's commitment to complying with the laws, regulations, and rules of the Medicare and Medicaid programs as well as those of other third party payers.

### **Training and Education**

STX provides training to all of its employees regarding the company's policies and procedures, with a focus on ethical conduct by all employees.

STX is committed to excellence in patient care and advancement in the dental health profession. It provides opportunities for the local and national education of employees who pursue continuing education as a requirement to their certification or licensing in their specific areas of interests and expertise.

Participation and attendance in training and development venues is encouraged and supported financially at the discretion of management.

The Human Resources office also provides training interventions upon request or on an ongoing basis, to promote teamwork and camaraderie, and facilitate problem solving and conflict resolution. New employee orientations are also conducted regularly to convey to new employees: STX's history, mission, values, expectations re: their job descriptions, company policies, benefits package and related employment concerns in order to set up employees for success. Other information sessions conducted annually are Preventing Harassment and Discrimination and OSHA and HIPAA requirements which comply with federal and state law.

Finally, STX employees whose responsibility includes billing the Texas Medicaid program and other third party payers receive additional training regarding compliance with program requirements.

### **Auditing**

STX conducts periodic audits of patient charts to ensure that the charts accurately reflect the services provided by STX and that STX only submits bills to patients and third party payers, including Texas Medicaid, for services that are appropriately documented in the patient's chart. In addition, charts are also reviewed to verify that the services provided were medically necessary and that the patient's chart supports the necessity of services provided. If, as a result of such an audit, STX determines that services billed by STX are not appropriately documented in a patient's chart, STX will issue a refund to the applicable payer consistent with that payer's policies.

### **Federal Exclusion Lists**

STX does not knowingly employ or contract with any individual or entity listed by the U.S. Department of Health and Human Services Office of Inspector General (OIG) as excluded from participation in federally funded health care programs. As part of its hiring process, all prospective STX employees must undergo background checks that include

a check against the list maintained by the OIG. Individuals or entities who have been excluded or who are otherwise ineligible to participate in federally funded health care programs are required to immediately disclose this status to STX management or the Compliance Officer.

### **Internal Reporting**

STX proactively promotes legal and ethical behavior. If an employee has knowledge of any STX -related conduct by employees or others associated with STX that the employee believes to be a crime or a violation of any law, the employee must promptly report the situation to the Chief Executive Officer, the Partners; Director of Operations; Chief Financial Officer; or the Director of Human Resources in the corporate office.

1. There will be no retaliation against any person who initiates a complaint or who participates in the investigation of a complaint.
2. Reports of violations of law will be treated seriously and confidentially, to the extent possible.

STX has established an anonymous reporting mechanism which may be accessed 24 hours a day/7 days a week at 888-845-0813.

### **PROTOCOL FOR REPORTING NON-COMPLIANCE**

All STX Healthcare Management Services colleagues are required to read and sign a statement indicating their reading and understanding of the STX Healthcare Management Services Code of Ethical Conduct and their responsibility to report non-compliance.

Colleagues are encouraged to address any concern first with their supervisor, unless due to circumstances, the colleague feels that interaction might be inappropriate. In the event that the colleague does discuss the issue with the supervisor and feels that it did not receive due consideration, he/she is encouraged to report to the Compliance Officer.

Colleagues will not be retaliated against for reporting fraud and abuse concerns and will remain anonymous, if at all possible. Colleagues will not always be privy to the results of investigative or corrective action. All reports will receive serious consideration and investigation, as warranted.

Reports may be submitted by:

1. Speaking with the colleague's supervisor or other management personnel.
2. Calling the Compliance Officer at 1-713-457-3438.
3. Emailing the Compliance Officer at [compliance@STXHealthcare.com](mailto:compliance@STXHealthcare.com)
4. Writing to the Compliance Officer at:  
6300 West Loop South, Suite 650  
Bellaire, Texas 77401

5. To file a report anonymously, call the ComplianceLine 24 hours a day /7 days a week at 1-888-845-0813.

## **PATIENT PRIVACY POLICY**

### **Purpose**

State law, the Federal Health Insurance Privacy and Affordability Act ("HIPAA"), and related regulations and guidance address the use and disclosure of individuals' health information. As a covered entity, STX is committed to protecting patient privacy. STX is in compliance with the Texas HB (House Bill) 300.

### **Policy**

1. Employees agree to follow standards instituted by STX or protect patient information, including administrative, physical and organization safeguards.
2. The Compliance Officer is responsible for instituting HIPAA-compliant safeguards for protected health information ("PHI").

### **"Minimum Necessary"**

3. Only employees with a legitimate need "to know" may access, use or disclose patient information.
4. Each employee may only access, use or disclose the minimum information necessary to perform his or her designated role regardless of the extent of access provided to him or her.

### **Business Associate Agreements**

5. STX will execute Business Agreements with third parties who may work with patient PHI.

### **Confidentiality**

6. Health information that is communicated in any form is to be treated as confidential and in a manner that reasonably protects the communication from being intentionally or unintentionally overheard or intercepted by those who do not have a need or right to know the information.

7. With the exception of purposes related to treatment, access to an individual's health information must be, to the extent practicable, limited to only that necessary to accomplish the approved use, disclosure or request.

### **Disclosures of PHI**

8. An individual's health information may be used by STX for treatment, payment, and healthcare operations (as defined by HIPAA) after STX has provided to the individual a copy of its HIPAA Notice of Privacy Practices and has made a good faith effort to obtain an acknowledgment of its receipt.

9. STX may use an individual's health information for other purposes or may disclose an individual's health information to external entities for other purposes upon obtaining a valid authorization from the individual giving permission for that stated use or disclosure.

### **Reporting a Breach of Patient Privacy**

10. An employee who knows or suspects that PHI has been disclosed in violation of HIPAA or an STX policy must immediately report the incident to the Compliance Officer.

### **Violations of the Patient Privacy Policy**

11. An employee who violates this policy or any applicable laws and regulations may be subject to disciplinary action.

12. Failure to make a required report or a suspended or actual breach of patient privacy may subject an individual to disciplinary action.

### **Requests by Patients for a Copy of Their Dental Record**

13. If a patient or guardian request a copy of his/her dental records, STX will provide a copy within 15 days upon the receipt of a properly executed records release form.

## **DRUG AND ALCOHOL POLICY**

### **Purpose**

It is STX's intent to provide a work environment conducive to attaining high work standards and as free as possible of safety and health hazards. This policy will be enforced in compliance with all applicable federal and state laws.

This statement is to notify and remind all STX 'S applicants and employees that illegal or unauthorized possession or use of drugs or alcohol is not permitted on any of STX's premises, while operating any STX vehicle or equipment, or while conducting STX business. Paraphernalia and equipment related to illegal or unauthorized drug use is also prohibited.

This policy applies to all contract workers to the extent that they perform services on STX's premises, operate STX vehicles or equipment, or conduct STX business.

### **Definitions**

1. "Drugs" are defined to include prescription drugs, inhalants, and other illegal, controlled, or unauthorized substances that may cause addiction and/or affect coordination or memory.
2. "STX premises" includes all land whether occupied or vacant, buildings, structures, installations, construction sites, desks, lockers, quarters, rooms, automobiles, trucks, and other vehicles, whether owned, leased, occupied, or used by STX or any employee of STX while conducting STX business.
3. "Possession" is defined as having any amount of drugs or alcohol on one's person or belongings, or in one's vehicles, rooms, automobiles, trucks, or quarters, baggage, desks, or lockers.
4. "Use" with regard to drugs is defined as having any trace amount of drugs in the applicants or employee's system, or physical consumption of alcohol or having an amount of alcohol in one's system that is in violation of this policy. "Use" with regard to drugs and alcohol is also defined as being under the influence of drugs or alcohol.

### **Policy**

All applicants and employees are reminded that the following actions are included as violations of the policy: (1) use, possession, sale or distribution of drugs on STX

premises, while operating any STX vehicle or equipment, or while conducting STX business; (2) use, possession, sale or distribution of alcohol on STX premises, while operating any STX vehicle or equipment, or while conducting STX business, with the exception that use and possession of alcohol during STX sponsored business or social functions, where the use of alcohol remains moderate, will not be considered a violation of the policy; (3) possession of prescribed drugs that are not in the correct container or are not prescribed to the person in possession; (4) use of any correctly prescribed drug which is unsafe to use while operating STX vehicles or equipment (an employee using these types of drugs should contact, before reporting to work, the office manager of the office to which the employee is scheduled to report that day); and (5) possession, sale or distribution of paraphernalia and equipment related to illegal or unauthorized drug use.

### **Employee Responsibilities**

Employee responsibilities under this policy include (1) abiding by STX's Drug and Alcohol Policy; (2) reporting any known use, possession, sale or distribution of drugs and alcohol on STX premises, in vehicles, or while conducting STX business; and (3) informing the office manager of the office at which the employee is working that day if the individual is using any prescribed medicine that could affect the individual's ability to safely perform any job-related duties. All prescribed personal medication should be stored in the employees' locker and not on their person while providing services to patients. Personal medication should not be shared with co-workers.

### **Searches and Tests**

STX reserves the right, at all times, to have authorized personnel conduct searches or inspections of personal effects, belongings, vehicles, quarters, rooms, lockers, baggage, offices and desks of employees and other personnel for the purpose of determining if they are in possession of any drugs, alcohol, or other items prohibited under this policy. These searches will be conducted from time to time without prior announcement.

STX also reserves the right, at all times, to have authorized personnel or third parties conduct urinalyses, blood tests, breathalyzer tests, or other types of tests of applicants, employees and/or employees of other companies doing business with STX, for the purpose of determining if any such persons are in violation of this policy. A urinalysis, blood test, breathalyzer test or other type of test may be used in the following situations: (a) pre-employment testing, (b) testing based on reasonable cause or suspicion, (c) random or periodic drug testing, (d) testing following an accident or incident involving injury, or property damage, and (e) testing that is consistent with the enforcement of this policy.

### **Treatment and Education Program**

While STX does not sponsor or endorse any specific drug treatment programs, such programs are available through public and private health care facilities in our area. Affected employees are encouraged to seek assistance for themselves and their dependents. The group health insurance offered to employees and their dependents provides limited coverage for expenses related to drug treatment programs. Please contact the Director of Human Resources at 713-663-7960 extension 121 or refer to the plan description for details.

Also, STX does not offer, nor require participation in, drug and/or alcohol abuse education and training programs. However, various public and private facilities in our area offer such programs and affected employees are encouraged to seek assistance.

### **Acknowledgment and Release Form**

STX requires all employees, upon reading the above Drug and Alcohol Policy, to sign the Acknowledgment and Release included with the STX Employee Handbook and return the form to Human Resources.

## **CONFIDENTIAL INFORMATION**

### **Statement**

STX has developed and will continue to develop confidential marketing, pricing and patient service plans including forms, brochures, patient relations procedures, practice development resources and methods, patient lists, customer lists, product knowledge, strategic plans, business policies, financial information, intellectual property, methods of operation, implementation strategies, acquisition strategies, promotional information and techniques, marketing presentations, marketing programs, marketing strategies, pricing and pricing strategies, all of which individually and collectively constitute trade secrets and confidential and/or proprietary information (hereafter collectively referred to as "STX's confidential and/or proprietary information").

STX's confidential and/or proprietary information is not readily available to the public or its competitors and secrecy of STX's confidential and/or proprietary information is of paramount concern to STX to protect its competitive edge in the market place and better serve its patients' needs. All of STX's confidential and/or proprietary information is owned by STX. During an employee's employment at STX, the employee will be working with and granted access to STX's confidential and/or proprietary information to enable the employee to effectively perform his work on STX's behalf. It is a condition of every employee's initial and continued employment that the employee agree to (a) maintain the confidentiality of STX's confidential and/or proprietary information; (b) refrain from using such information other than in the furtherance and accomplishment of the employee's duties on behalf of STX; (c) during the employment and thereafter, refrain from disclosing STX's confidential and/or proprietary information to any unauthorized person whatsoever; (d) disclose such information to other STX personnel on a need-to-know basis only; (e) during the employment and thereafter, refrain from using for himself or herself or others or any of STX's confidential or proprietary information; and (f) upon cessation of his or her employment, return to STX all of STX's confidential and/or proprietary information which is tangible and in his or her possession.

During an employee's employment, a violation of this policy will result in termination and any other legal redress STX deems appropriate to protect STX's confidential and/or proprietary information. STX will vigorously enforce its rights against any employee who uses or discloses STX's confidential and/or proprietary information at any time.

An employee shall not at any time during his or her employment or after the termination of his or her employment use for himself or herself, or others, any of STX's confidential and/or proprietary information. An employee shall not at any time during his or her employment or after termination of his or her employment divulge to unauthorized personnel any of STX's confidential and/or proprietary information. Upon cessation of an employee's employment with STX, an employee must return all of STX's confidential and/or proprietary information.

STX employees will come into contact with confidential patient information including, but not limited to Social Security data and credit card data. This data must be reasonably secured against disclosure and modification. All patient records must be properly secured. Complete Social Security numbers and/or credit card data should not be included in e-mails, faxes, or phone messages. All personal customer data is considered confidential and subject to STX's Confidentiality policy.

If you have reason to believe there an improper disclosure of a Social Security number, credit card data or other sensitive data has occurred, please promptly report such disclosure to Human Resources.

## **CONFLICTS OF INTEREST POLICY**

### **Purpose**

The purpose of this policy is to outline the STX position on conflicts of interest.

### **Definitions**

**Conflict of Interest:** An actual, potential or perceived Conflict of Interest occurs in those circumstances where a person's judgment could be affected because the person has a personal financial interest in the outcome over which the person had control or influence. A personal interest exists when a colleague or a member of this or her family stands to directly or indirectly gain as a result of a decision.

**Financial Interest:** A financial interest includes income or other remuneration, as well as investment and ownership interests in excess of 5% of the total interest. It does not include: stocks, bonds, and other securities sold on a national exchange; mutual funds; or certificates of deposit and other depository accounts at financial institutions.

### **Policy**

Employees shall not enter into any employment, transaction or other arrangement that may cause or be perceived to cause a conflict of Interest, unless such conflict is disclosed and approved by appropriate management personnel.

Potential Conflicts of Interest should be disclosed by employees to their supervisor who shall seek approval from the Regional Chief Operating Officer. The Compliance Officer may be consulted by the Regional Chief Operating Officer regarding such matters.

Employees found to be involved in Conflicts of Interest that have not been disclosed shall be subject to disciplinary action, including termination.

## **CONFIDENTIALITY AND CONFLICTS OF INTEREST POLICY ACKNOWLEDGMENT**

STX requires all employees, upon reading the above Confidentiality and Conflicts of Interest Policy, to sign the Confidentiality and Conflicts of Interest Policy Acknowledgment Form included with the employee handbook and return that form to Human Resources.

## **HIRING OF RELATIVES**

STX permits the employment of qualified relatives of employees as long as such employment does not, in the opinion of STX, create actual or perceived conflicts of



interest. STX will exercise sound business judgment in the placement of related employees.

The Director of Human Resources must be notified that a family or other personal relationship exists in advance of hire or, if the relationship is created under employment, as soon as practicable.

### **GIFTS**

STX is committed to maintaining a high standard of business ethics. This means that STX's business dealings are conducted with honesty, integrity, and fairness to our vendors, suppliers, and patients. As an employee of STX, it is your obligation to safeguard STX's reputation. You are expected to conform to the highest ethical and legal standards, and to refrain from engaging in any activities that create a conflict or the appearance of a conflict of interest.

Examples of conduct and behavior that would violate this policy include, but are not limited to, the following:

- Giving any gifts or favors to, or receiving any gifts or favors from, any competitor, customers, or supplier, other than a gift or favor of nominal value (e.g., \$25 or less) to or from a customer or supplier. Any gifts or discounts of over \$25 must be reported to the Director of Human Resources.
- Requesting or soliciting gifts is strictly prohibited.

### **DENTAL PRACTICE ACT**

STX is actively engaged in the practice of dentistry. Compliance with all applicable state laws requires the involvement of all employees.

It is the policy of STX to comply with all applicable laws, rules, and regulations, particularly those governing the performance of dentistry services. Strict adherence to the applicable laws and the Rules and Regulations promulgated hereunder is required of every employee, especially those that pertain to advertising, non-solicitation of patients, and the prohibition of granting incentives to prospective patients. Each employee must meet the highest standards of strict compliance and fully support the compliance process.

### **MARKETING POLICY**

#### **Purpose:**

STX is committed to legal and ethical marketing practices that comply with Texas State Board regulations as well as other state and federal regulations. STX policy supports this objective.

#### **Policy:**

1. STX printed marketing materials such as brochures, websites, etc. shall comply with Texas State Dental Board requirements. Marketing materials will:
  - Communicate truthfully and without deception to the public;

- Not represent dentist training or competence in any way that would be false
- or misleading;
- Not misrepresent or omit materials facts;
- Not create unjustified patient expectations about dental outcomes or guarantee patient satisfaction;
- Not contain unverified representations that STX services are superior in quality to competitor's services;
- Not refer to a fee or offer a discount without disclosing that additional fees may be involved ; and
- Not offer testimonials as to a dentist's competency.

2. STX will not offer anything of meaningful value (in excess of \$10) to patients or others who refer patients that could be construed as an inducement for referrals of patients.

3. STX will not offer pricing for any service covered by Medicaid that has a lower price than the then current Medicaid fee schedule.

### **ADVERTISING**

All of the decisions concerning advertising media must be approved by the Regional COO or CEO.

### **PERFORMANCE EVALUATION**

Performance evaluations are vital tools in maintaining the EXCELLENT PERFORMANCE of our staff. Employee evaluations provide opportunities for staff and supervisors to document work related expectations and goals. The evaluations should also provide you with feedback concerning your performance and work ethic.

Although the performance of every STX employee is assessed informally on a regular basis, formal evaluations will be held approximately every 12 months for all employees and conducted by their managers. Performance evaluations may be used to determine if you should be considered for promotion, transfer and other personnel decisions. Your participation in the evaluation process is strongly encouraged. We want your feedback on how you feel you are performing, what areas you feel may need improvement, and what career goals we can help you accomplish. Merit raises may be granted during annual evaluations but are not guaranteed.

### **DENTAL ASSISTANT POLICY**

#### **Purpose**

The purpose of this policy is to outline specific compliance guidelines for STX.

## **Policy**

1. Dental Assistants may not perform any procedure that they are not licensed or certified to perform, including:
  - a. Prophylactic dental cleanings;
  - b. Sealants, unless certified to apply sealants and then only on Medicaid patients; and
  - c. Cementation of a permanent restoration.
2. Dental Assistants shall follow the Dental Practice Act - Chapter 265 and the Texas State Board of Dental Examiners rules and regulations pertaining to Dental Assistants.

## **PROMOTION OPPORTUNITIES**

STX provides its employees with opportunities for advancement into other positions within the organization. As with any other employment decision, promotions are not based on an employee's race, color, religion, sex, national origin, genetic information, and/or disability. When it comes to promotion decisions we are interested in your job knowledge, attitude, training, experience, and overall performance. As an employee of STX, you are strongly encouraged to discuss your career goals and desire to advance within the organization.

## **PERFORMANCE IMPROVEMENT PROCESS**

At STX, we strive to create an environment where performance management is more than just an annual evaluation meeting. We consider performance improvement to be a constructive process, but more of an ongoing awareness of and attention to individual employee performance. It is an opportunity to improve. Frequent communication between management and employees regarding performance and expectations is an **integral part of our success!**

Work performance encompasses many factors at STX, including but not limited to **great patient service, a positive attitude, exemplary personal conduct**, and general compliance with policies and procedures. Work performance is also your ability to take and apply constructive feedback correctly. Our expectation is for you to come to work each day willingly displaying these attributes.

## **TERMINATION OF EMPLOYMENT**

Your decision to leave STX of your own accord is called a voluntary termination. Under some circumstances, you may be asked or instructed to leave, and this is called an involuntary termination. Circumstances involving both kinds of terminations are described below.

### **Voluntary Termination**

Although we hope the employment relationship with STX is a beneficial one, we recognize that the nature of employment may call for you to separate your employment, either voluntarily or involuntarily. Since employment with us is based upon continuing mutual consent, either you or the employer is privileged to separate employment at any time with or without cause or notice.

If for personal or professional reasons you elect to resign, proper notice should be submitted in writing. Written resignations should be addressed to your supervisor and include the following:

- Reason for leaving;
- Last day the employee will be at work;
- Forwarding address if the employee plans to relocate;
- The employee's signature and date;
- Any other pertinent information the employee wishes to include.

We request you provide a minimum of a two (2) week notice. During your pending resignation period, you are expected to fulfill the same requirements of attendance, punctuality, and performance as other members of the staff. Should you fail to meet these requirements, or for any reason deemed sufficient in our judgment, the effective date of the resignation may be advanced. No PTO may be taken during this period, nor will it be paid out without a two (2) week notice. Any compensation payment made in lieu of notice is done so at the discretion of STD, in consideration of the particular circumstances. Unused PTO will be paid to the employee in the final paycheck according to the PTO upon Termination Policy as long as the employee provided two weeks written notice of resignation to his/her Office Manager.

#### **Involuntary Termination**

Your employment relationship with STX is an at-will relationship and just as you are free to resign anytime, STX is free to terminate your employment for any reason, at any time, with or without notice.

Listed below are some types of behavior and conduct which STX deems inappropriate. This list should not be viewed as being all-inclusive or as limiting in any way STX's right to terminate any employee's employment. Types of behavior and conduct that STX considers inappropriate and which could lead to disciplinary action up to and including immediate termination include, but are not limited to, the following:

- a. Creating, promoting, or encouraging the communication of information or rumors damaging to the reputation of STX;
- b. Theft;
- c. Unauthorized disclosure of confidential or private patient information to any person;
- d. Unprovoked threats to anyone during working hours or on STX's premises;
- e. Fighting;
- f. Refusal to follow management's directions;
- g. Damaging STX 's property;

- h. Proof or admission of any crime that presents a substantial risk of injury to any person or to STX ;
- i. Falsely or inaccurately filling out pre-employment, employment form, or any STX record, or providing false or inaccurate information in the hiring process or during employment;
- j. Proof or admission of any crime involving theft or dishonesty;
- k. Misinforming management about the reason for an absence;
- l. Falsification of STX 's records;
- m. Violation of Smoking Policy;
- n. Violation of Drug and Alcohol Policy;
- o. Violation of the Policy Prohibiting Harassment and Discrimination in the Workplace;
- p. Violation of Confidential Information and Conflicts of Interest Policy;
- q. Violation of any policy, rule or directive of STX ;
- r. Conduct, which, in the judgment of management, is not in the best interest of STX; and
- s. Poor work performance.

### **REEMPLOYMENT**

We may consider former employees who left the company in good standing to apply for reemployment. A former employee will be reemployed subject to the same conditions as a new employee. Employees will be notified upon reemployment of any benefits that may be taken into consideration from previous service years. Former employees are not eligible for reemployment if their prior employment was terminated because of a policy violation or performance deficiency or if they resigned and failed to give a two (2) week notice prior to the date of departure.

### **NEUTRAL REFERENCE POLICY**

Any inquiries which are received either verbally or in writing regarding a present or former employee are to be referred to Payroll at the corporate office at 713-457-3474.

In response to a reference inquiry, STX will state only that a person is (was) employed with STX, the dates of employment, confirmation of the rate of pay, and the employee's title or position. No statements will be made regarding eligibility for rehire.

# **EMPLOYEE CONDUCT**

## **CODE OF ETHICAL CONDUCT**

### **Purpose:**

The purpose of this policy is to outline the policy for a Code of Ethical Conduct at STX.

### **Policy**

1. STX shall maintain a code of ethical conduct that provides guidance to employees.
2. The code of ethical conduct shall be provided to all employees and all employees shall sign an acknowledgement that they have read and understand the code of ethical conduct.

### **Code of Ethical Conduct**

- Always follow the "Golden Rule" - treat your colleagues, patients, their families and others in a manner in which you would desire to be treated.
- Always adhere to the STX Service Commitment for providing excellent customer service and dental services to our patients.
- Always comply with state and federal laws and Medicaid regulations.
- Never take action that could result in billing for dental services that were not provided.
- Never take action that could result in billing for a service not warranted by the patient's current documented dental condition.
- Never take action that can result in billing at a higher payment rate than the billing codes that reflect the service(s) provided.
- Never pay money nor give anything of value to any person in exchange for referrals of patients.
- Never accept money or anything of value in return for referring business to another provider.
- If you are unsure as to whether your actions may violate the Code of Ethical Conduct, ask before you act.
- You have a responsibility to report any activity you encounter that is inconsistent with the guidelines presented in this Code. You should report any concern to your supervisor, Regional Manager or the Compliance Officer at 713-457-3438 or if you prefer you can report a concern anonymously to the Compliance Line at 888-845-0813.

## **STX CUSTOMER SERVICE COMMITMENT**

1. We will greet patients warmly and enthusiastically when they visit or call our offices:
  - We will always greet patients/parents enthusiastically and welcome them to STX Healthcare Management Services upon entering the office.
  - We will always use the standard greeting when answering the phone: "Gracias, thank you for calling South Texas Dental at \_\_\_\_\_ (location). This is \_\_\_\_\_ (name), how can I help you?"
  - We will provide excellent phone service by being pleasant and smiling when we speak and by assisting the caller in achieving their desired objective.
  - We will not put a caller on hold without first asking "May I put you on hold?" and receiving a "yes" response.
  - We will always offer to assist patient/parents in filling out required forms.
2. We will inform and educate our patients/parents at every opportunity and will communicate appropriate expectations for:
  - Wait times
  - Treatment Plan
  - Post op Instructions
3. We will address patients/parents by name at every opportunity.
4. We will lead patients/parents to and from operatories and will introduce ourselves and our dentists by name.
5. We will "finish strong" by thanking the patient/parent for choosing STX and ensuring the patient receives post op instructions and a scheduled time and date for the next follow-up appointment.
6. We will strive to provide a dental experience that exceeds the expectations of our customers.

## **GENERAL CONDUCT**

Courteous and business-like conduct toward patients, associates, and other business relations in the office and on the telephones is expected at all times. All STX employees are expected to behave with decency, respect and in accordance with all

applicable federal, state and local laws and regulations. Any conduct deemed unacceptable to management may result in discipline, up to and including termination.

### **EMPLOYEE CONDUCT AT COMPANY-SPONSORED FUNCTIONS**

STX periodically hosts company functions. The Regional COO or Chief Executive Officer must approve any and every function, event, or activity sponsored by or conducted in the name of STX in advance. Employees are prohibited from organizing functions, events, or activities, which are not company-sponsored during work hours unless approval has been given by the Regional COO. If a function is not sponsored by STX, the company name shall not be associated with the function.

Employees are reminded that established STX policies, including, but not limited to, STX's Policy Prohibiting Harassment and Discrimination in the Workplace, Dress Code, Drug and Alcohol Policy, Workplace Violence Policy, apply to employee conduct at such company-sponsored functions. Accordingly, employees are reminded to govern their conduct accordingly by acting in a professional manner at all times. Employees violating the above-referenced policies or any other STX policies (other than the moderate consumption of alcohol if provided at the event) will be subject to disciplinary action, in STX's discretion, up to and including termination.

### **EMPLOYMENT STANDARDS**

The following are standards of conduct and behavior that employees are expected to adhere to on a daily basis.

- Report to work on time.
- Comply with all safety and health regulations.
- Comply with all policies and procedures outlined in the employee handbook.
- Perform work efficiently and accurately.
- Remain productive during business hours; abstain from personal emails & personal phone usage.
- Ask for and accept guidance when necessary.
- Treat all patients, associates and other business relations with respect.
- Maintain a positive work atmosphere by acting and communicating in a manner so that you get along with patients, co-workers, and management.
- Maintain a clean and orderly workplace.
- Maintain clear communication with the patient, associates and other business relations, whether by phone or in person.
- Resolve complaints – any employee who receives a complaint “owns” that complaint and should see that it is resolved.
- Maintain a neat personal appearance.
- Minimize unscheduled interruptions of other employees while they are working.
- Be conscious of how your voice travels and try to lower the volume of your voice when talking on the phone or in open areas.
- Keep socializing to a minimum and conduct conversations in areas where the noise will not be distracting to others; do not discuss your personal life in front of patients and their families.
- Refrain from using inappropriate language (swearing).
- Monitor the volume when listening to music.



- Clean up after yourself.
- Return copy machine and printer settings to their default settings after changing them.
- Replace paper in the copy machine and printer paper trays when they are empty.

### **Dress Code Policy**

It is the belief of STX that dress, grooming, and personal cleanliness of employees promotes a POSITIVE, PROFESSIONAL IMAGE to our patients, suppliers and visitors. All employees are expected to comply with these dress code standards.

#### **Dress:**

- Scrub attire shall be worn in all dental offices by those employees working in patient treatment areas; no blue jeans are permitted (unless authorized to do so);
- No jogging suits or leggings or other sports attire;
- No short shirts displaying the midriff; no pants that sit lower than the waist;
- Undergarments shall be worn, but not visible;
- Shoes shall be clean and appropriate to the work environment;
- No sandals allowed;
- Caps, hats and bandanas shall not be worn (unless for religious observation);

#### **Jewelry:**

- No facial jewelry is permitted;
- Earrings may be worn in the earlobe no bars or piercing type jewelry;
- No large or dangling earrings, bracelets, necklaces or other jewelry for employees working in patient treatment area that could interfere with dental equipment or is prone to become entangled in patients' hair.

#### **Grooming:**

- Employees are expected to maintain acceptable levels of personal hygiene;
- Nails should be kept clean, neat and at a professional length (no longer than ½ inch from the finger). Employees in patient care areas shall limit their nail length to ¼ inch from the finger to avoid harming the patient. Wrapped, overlays and/or artificial nails are not permitted in patient treatment areas. Clear nail polish and/or a French manicure may be worn as long as nail polish is not chipped or peeling.
- Hair, including facial hair, shall be kept clean and neat. Employees working in patient treatment areas shall pull their hair off the shoulders and back away from the face.
- A minimum amount of perfume, cologne or other scented products may be worn outside of patient treatment areas.

Employees who violate the dress code policy may be sent home without pay to change clothes and are expected to return to work immediately.

### **HIRING POLICY**

All qualified applicants will be considered for employment with STX . Decisions regarding the recruitment, selection and placement of employees are made solely on the basis of qualifications for a specific job without regard to race, color, religion, marital status, national origin, genetic information, sex, age or presence of any disability except where

such is a bona fide occupational qualification (See Equal Employment Opportunity section). STX considers many factors in selecting new employees. These factors include: experience, the type of past companies, expertise, education, job knowledge, past employment record, salary considerations, reference checks, performance factors (such as initiative, flexibility), and personality traits. Every effort is made to place new employees in positions which best utilize their abilities.

### **INTRODUCTORY PERIOD**

Upon each employee's start of employment with STX, there will be a 90-day introductory period of careful evaluation and assessment of the new employee's work performance. STX invites you to make your own careful evaluation and assessment of STX. Employees will not be eligible for certain benefits such as holiday pay until this 90-day period has expired. (Please reference the benefits policies included in this handbook to determine eligibility for each type of benefit.) However, unless you have a written employment agreement signed by the CEO or the Partners that provides otherwise, the expiration of this 90-day period does not alter the at-will employment status of employees of STX.

During the introductory period, you will learn what your job duties require and you will be trained on company policies and procedures. It is important that you arrive to work daily and on time. In order to maximize your training and development, your attendance should remain satisfactory with a minimum of absences.

### **EMPLOYMENT STATUS**

#### **EMPLOYEE CLASSIFICATION POLICY**

##### **Purpose**

It is the intent of STX to clarify the definitions of employment classifications so that employees understand their employment status and benefits eligibility under the provisions of the Federal Fair Labor Standards Act. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and STX.

##### **Definitions**

Each employee is designated as either NONEXEMPT or EXEMPT from Local, State and Federal Labor Laws wage and hour laws.

**Non-exempt Employees** – Employees who are required to document time worked and be paid overtime (i.e. time and one-half their regular rate of pay for hours worked in excess of 40 in a workweek) in accordance with applicable state and federal law.

**Exempt Employees** – Employees who are not required to be paid overtime, in accordance with applicable federal and state wage and hour laws, for work performed beyond 40 hours in a workweek. Executives, managers, professional employees, outside sales representatives, and certain employees in administrative positions are exempt.

**Regular Full-Time** employees are those who are not in a temporary status and who are regularly scheduled to work 32 (+) hours a week. They are eligible for STX 's benefit package, subject to the terms, conditions, and limitations of each benefit program.

**Regular Part-Time** employees are those who are not assigned to a temporary status and who are regularly scheduled to work up to but not more than 32 hours a week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are only eligible for STX's 401K Plan. Regular Part-Time employees are not eligible for medical, dental, EAP or PTO benefits.

**Temporary** employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of STX's other benefit programs..

**Rehired** employees are former employees who have left the company in good standing and are eligible to be rehired at STX on a later date.

### **OFFICE HOURS AND WORK WEEK**

All STX employees should report to work at the work hours required for their location. The STX work week begins at 12:00 a.m. on Sunday and runs through 11:59 p.m. on Saturday. Employees are allowed up to an hour for lunch on workdays.

Different schedules may be maintained for certain offices/departments at the location where services or other operational demands exist.

### **ATTENDANCE**

Employees are expected to be prompt and consistent in their attendance. Personal appointments should be scheduled before or after normal workday hours, whenever possible.

As a dental office employee, you are expected to be clocked-in and at your work station 1/2 hour before the office is scheduled to open.

Unless patient demands dictate, employees are expected to clock out for lunch and clock back in from lunch. Once clocked in, employees should report directly to their work stations. All personal business should be completed prior to clocking in for your shift. This includes clocking in during the morning and after lunch.

If you are unable to report to work due to illness or emergency, you must contact your supervisor before 9:00 AM. Employees are expected to speak with their supervisor directly when they are unable to report to work. If you are absent for two or more consecutive work days, you will need to provide a written doctor's excuse within two business days of returning to work. STX reserves the right to authorize or refuse your absence request, investigate an absence or deny pay for an absence in violation of this policy, in accordance

with applicable federal or state law. If an employee does not report to work and does not contact his/her supervisor after 3 consecutive days, you are considered to have voluntarily resigned.

Excessive tardiness, absence, or failure to clock in or out may result in termination of employment.

### **ABSENTEEISM**

Unexcused absence or unexcused tardiness is defined as an absence, late arrival, or early departure that is not justified by illness or personal emergency. In the event of an absence, an employee must call in and report his or her absence by 9:00 am to an appropriate manager or supervisor. Leaving messages with the answering service is unacceptable. No employee is expected to work when ill or when a true emergency arises. However, employees are expected to maintain a record of prompt and regular attendance. Any employee who has, in the sole discretion of STX, excessive unexcused absences or unexcused tardiness will be subject to disciplinary action up to and including termination. Any employee who fails to report to work or call in for 3 or more consecutive business days will be considered to have voluntarily terminated his or her employment with STX.

### **CELL PHONE USE**

The purpose of this policy is to promote a safe and productive work environment and increase public safety. This policy applies to both incoming and outgoing cellular calls and texting for all employees. Cell phones shall be turned off or set to silent or vibrate mode during work hours. Cell phone calls and texting should be kept to a minimum and employees are encouraged to wait until they are on a break or at lunch to text or return cell phone calls. If employee use of a personal cell phone causes disruptions or loss in productivity, the employee may become subject to disciplinary action per company policy.

While at work employees are expected to exercise the same discretion in using personal cellular phones as is expected for the use of company phones. Excessive personal calls and texting during the work day, regardless of the phone used, can interfere with employee productivity and be distracting to others.

As with any policy, management staff is expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying with this policy.

Violations of this policy will be subject to the highest forms of discipline, including termination.

### **REIMBURSEMENT OF EXPENSES**

Employees must obtain approval from their manager in advance for all expenditures made on behalf of STX. Original receipts for out-of-pocket expenses, or for company credit card charges, must be submitted promptly, but no more than 1 month after the expense was incurred (unless travel requirements make this unreasonable), to be considered for reimbursement.

With regard to all reimbursements, the following rules apply:

- STX expects employees to use good judgment and make efforts to insure that travel and entertainment expenses are reasonable.
- Completed and signed expense reports must be submitted promptly but no more than 1 week after travel to be considered for reimbursement. Original receipts and used airline tickets or boarding passes must be attached to the expense report. Food, entertainment, and travel receipts should include the names and titles of participating individuals as well as an explanation of the purpose of the expense.
- STX will not reimburse employees for personal expenses including, but not limited to, health spas, personal grooming, and in-room movie rentals. STX may reimburse employees for laundry expenses if the length of travel is at least 1 week and the expenses are not incurred at the end of travel.
- Employees traveling overnight should stay in company approved hotels where the company may have a negotiated discount rate. A list of preferred hotels can be obtained from Human Resources.

STX will reimburse employees for the use of personal vehicles at \$.50 a mile when used for approved STX business, which includes the cost of fuel, and other costs associated with the operation of a personal vehicle. Employees must provide documentation of destinations and mileage to be reimbursed.

### **PERSONNEL FILES**

STX maintains personnel and benefit files on each employee. An employee's personnel file contains documentation regarding all aspects of the employee's tenure with STX, including performance appraisals, disciplinary warning-notices, and letters of commendation. Your benefit file contains all beneficiary designation forms. You may review your personnel file or benefit file during your employment with STX on an annual basis, but you must schedule an appointment with Department of Human Resources to do so.

To ensure that your personnel file is accurate and current at all times, employees are encouraged to use the Human Resources Benefits (HRB) Portal, [www.portal.adp.com](http://www.portal.adp.com), to change the following:

name, telephone number, home address, marital status, number of dependents, beneficiary designation, scholastic achievements, individuals to notify in case of an emergency, and any other significant changes in status.

### **SOLICITATION AND DISTRIBUTION OF LITERATURE**

In the interest of maintaining efficiency, order and discipline in our facilities, it is STX's policy to prohibit the solicitation of financial contributions, the selling of merchandise and the conducting of any other solicitation during an employee's work time or at any time in any patient care areas, without the express written authorization from executive management. For purposes of this section, work time shall include any time other than before and after working hours, breaks, and lunch.

In addition, the distribution of literature or printed matter of any kind during working time or in any work area or patient care area, and posting notices, signs, or writing in any form anywhere on STX property (inside or outside of STX facilities) is prohibited. Non-employees are prohibited from soliciting employees or distributing literature on STX's premises at any time.

STX resources, including its internal mail system, email system, telephone system, and other communications resources may not be used to solicit or distribute materials for purposes not in furtherance of the business functions of STX.

### **PERSONAL PROPERTY**

You are responsible for any personal property that you bring to work. STX cannot assume responsibility for your personal property, such as money and other valuables that may be damaged, lost or stolen. Valuable items should not be left where others will have access to them. All prescribed personal medication should be stored in the employee's locker and not on their person while providing services to patients. Personal medication should not be shared with co-workers.

## **EMPLOYEE BENEFITS**

### **Overview**

STX has established a variety of employee benefits programs. This section of the Employee Handbook highlights some features of our employee benefits programs. These employee benefits programs are described more fully in summary plan descriptions, master plan documents, and master insurance contracts, which are available for review in the office of the Director of Human Resources. If information in this Employee Handbook and summary plan descriptions is inconsistent with information in the master plan documents/insurance contracts, the master plan documents/insurance contracts shall govern in all cases.

STX reserves the right to amend or terminate any of its benefit programs or to require or increase employee premium contributions toward any benefits with or without advance notice at its discretion.

If you are denied any benefit to which you believe you are entitled, it is your responsibility to notify the Plan Administrator in writing and follow the claims procedures. These procedures are included in the summary plan descriptions and/or plan documents, which are available for review at the office of the Director of Human Resources.

### **Holidays**

On an annual basis, STX designates certain company-observed holidays. The following 6 days are observed as paid holidays:

|                  |                  |
|------------------|------------------|
| New Year's Day   | Labor Day        |
| Memorial Day     | Thanksgiving Day |
| Independence Day | Christmas Day    |

STX employees must work the day before and the day after the holiday in order to be paid for the holiday. During a work week that includes a holiday, the employee must supply a doctor's note if/when requesting PTO/sick pay within 5 days before or after the holiday. If a full-time employee is required to work on an observed holiday, the employee will be paid his or her regular rate of pay for time worked. In addition, the full-time employee will receive one day's pay as holiday pay. In the case of non-exempt employees, one day's pay is the equivalent of an eight-hour day paid at the employee's regular straight time hourly rate of pay. In the case of exempt employees, one day's pay is equivalent to one-fifth of the employee's weekly salary. Employees with less than 90 days tenure at STX and part-time employees who work less than 32 hours a week are not eligible for holiday pay. Also, employees do not receive holiday pay during any unpaid period of any absence.

For the clinic locations, there are three (3) scenarios which may apply to a specific location.

1. Your office is closed for the holiday and is observing the holiday as scheduled on the calendar. Staff will be scheduled to work 32 hours for that week with 8 hours of holiday pay (straight-time).
2. Your office is normally closed on the day the holiday is being observed. Employees who work 40 hours that week will receive an additional 8 hours holiday pay (straight time). In that situation, the employees would be receiving 48 hours of pay for that holiday week. If employees work 32 hours that week, they would receive an additional day off that would be paid at 8 hours holiday pay (straight time). In that situation, the employees would receive 40 hours of pay for the holiday week.
3. Your office is open during the holiday. Employees will be paid an additional 8 hours of straight-time holiday pay for that workweek.

### **PAID TIME OFF (PTO) PLAN FOR VACATION, SICK LEAVE, AND FLOATING HOLIDAY**

All full-time regular employees (defined in this Handbook as employees regularly scheduled to work at least 32 hours per week) earn an hourly equivalent of PTO time over the course of a calendar year, in an individual PTO account accrued on a per pay-period basis. The part-time employees regularly scheduled to work less than 32 hours per week and temporary employees are not eligible to earn PTO. All eligible STX employees are allowed to carry over the maximum amount of PTO according to their length of service. Employees may have existing PTO credited to new PTO accounts in related companies. Unused PTO will be paid to the employee in the final paycheck according to the PTO upon Termination Policy as long as the employee provided two weeks written notice of resignation to his/her Office Manager.

Paid Time Off (PTO) Request Forms may be obtained from the Office Manager. Approved PTO forms should be forwarded to the Payroll/ Human Resources Department for processing as soon as possible so that payroll can audit the employee's PTO balance. Do not wait until the pay period that includes the PTO.

STX employees are discouraged from taking PTO during Spring Break, the months of summer vacation and from the middle of December until January 3 because of the high volume of patient flow.

All PTO must be scheduled and approved by the employee's immediate manager. The PTO should not exceed more than one week at a time without special approval from the manager. All requests for PTO should be submitted with a Time - off Request Form and scheduled with your manager at least 30 days in advance for 3 or more consecutive days of PTO and 1 week in advance for less than 3 consecutive days or 1-2 days of PTO. Exceptions can be considered during unusual or unforeseen circumstances such as personal emergency, etc. which must be approved by your manager. The PTO will be approved based on seniority, the needs of the office and conflicts with previously scheduled PTO by other employees. When an employee exhausts his/her PTO allowance, any unexcused time missed, thereafter, will be reason for disciplinary action up to and including termination. Once PTO is scheduled and approved by STX, changes may only be made where open dates are available, and must be requested at least 30 days in advance. Unused PTO will be paid to the employee in the final paycheck according the PTO upon Termination Policy as long as the employee provided two weeks written notice of resignation to his/her Office Manager.

**PTO Replaces Vacation, Sick & Floating Holiday**

| <b>Length of Service</b>    | <b>Total Annual PTO Days (based on 40 hr employee)</b> | <b>Hours</b> | <b>Accrual Rate Per Hour Worked</b> | <b>Percentage of Balance Paid out at termination (up to Max of 120 hours)</b> | <b>*Maximum Accrued Hours</b> |
|-----------------------------|--|--------------|-------------------------------------|---|-------------------------------|
| <b>First Day to 1 year</b>  | <b>5</b>   | <b>40</b>    | <b>0.019230769</b>                  | <b>0%</b>   | <b>40</b>                     |
|                             |  |              |                                     |   |                               |
| <b>1+ year to 2 years</b>   | <b>10</b>  | <b>80</b>    | <b>0.038461538</b>                  | <b>50%</b>  | <b>80</b>                     |
| <b>2+ years to 3 years</b>  | <b>12</b>  | <b>96</b>    | <b>0.046153846</b>                  | <b>50%</b>  | <b>96</b>                     |
| <b>3+ years to 5 years</b>  | <b>15</b>  | <b>120</b>   | <b>0.057692308</b>                  | <b>75%</b>  | <b>120</b>                    |
| <b>5+ years to 8 years</b>  | <b>17</b>  | <b>136</b>   | <b>0.065384615</b>                  | <b>75%</b>  | <b>136</b>                    |
| <b>8+ years to 15 years</b> | <b>19</b>  | <b>152</b>   | <b>0.073076923</b>                  | <b>100%</b>   | <b>152</b>                    |
| <b>15+ years</b>            | <b>20</b>  | <b>160</b>   | <b>0.076923077</b>                  | <b>100%</b>   | <b>160</b>                    |



**\*Effective 1/1/2013**

**Paid Time Off (PTO)**

The Paid Time Off Policy (PTO) allows flexibility for employees in determining how to use their available PTO. Paid Time Off includes vacation, sick leave, and floating holiday but does not include company observed holidays, jury duty, military duty, or bereavement days. Except in cases of approved leave of absence or official office closings, employees are required to charge all absences to PTO. All accrued PTO must be utilized before an employee is allowed to use leave without pay. Employees will not be approved to take discretionary time off with pay, if there is not sufficient accrued PTO to cover the requested time off. The term “discretionary” in this instance refers to non-medical, non-FMLA or non-emergency related time off. Absence without pay may be viewed as excessive absenteeism and is grounds for disciplinary action up to, and including, immediate termination of employment. PTO request forms should be submitted to your supervisor no later than 2 weeks prior to the desired time off (if possible). PTO will typically be granted as requested, unless granting such PTO would jeopardize the operational requirements of the business. Under such circumstances, PTO will be granted on a first come first serve basis. Employees must receive a signed PTO request from back from their supervisor prior to taking PTO.

**PTO Accrual**

Immediately upon hire, full-time regular employees begin earning PTO in proportion to the number of regular scheduled hours worked in a week based upon length of service. PTO is posted to the employee’s record on the pay date that follows the pay period in which accrued hours are based. PTO becomes available for use after the completion of the 90 – day introductory period. Part-Time and Temporary employees are not eligible for PTO.

**WORKERS COMPENSATION LEAVE** - Employees on Workers' Compensation Leave, shall NOT accrue PTO during their absence. Previously accrued PTO shall remain in place until either the employee returns to work (at which time accruals will be reinstated) or the employee leaves STX.

**FAMILY MEDICAL LEAVE (FMLA)** - Employees on Family Medical Leave shall NOT accrue PTO during their absence.

**MANDATED LEAVES OF ABSENCE** – STX will meet all applicable Federal, State, and local laws regarding leaves of absence.

**PTO Accrual Maximum**

Beginning effective 1/1/2013, to encourage staff to use their PTO, balances will accrue only to the Maximum Hours Accrued for your length of service. Please refer to the table on page 30. Once the maximum hours accrued is reached, PTO will no longer accrue until PTO hours are used. It is the employee’s responsibility to monitor his/her PTO accrual balance and its use. During periods of slow activity, Office Managers and other members of management should encourage staff to utilize PTO.

**PTO Upon Termination**

If an employee terminates employment due to violation of a STX policy or without sufficient notice of resignation, he/she forfeits payment for unused, accrued PTO. For

purposes of this policy, sufficient notice is defined as time worked after the STX has been notified in writing of an employee's intent to terminate a position at STX. Exempt

personnel are expected to work a minimum of one month's notice of termination and nonexempt personnel are expected to work two weeks' notice of termination.

If employee fails to give a proper 2 week written notice of resignation, no accrued and unused PTO will be paid to the employee. Further, upon termination of employment, employees will be paid for any accrued an unused PTO, subject to the following:

- Upon giving notice of resignation, unused PTO cannot be used during the period from the date of notice to the date of termination (The length of notice required for dentists and other employees under employment contracts will be governed by the applicable contract.)
- After submitting the 2-week written notice of resignation, employees must work the full 2-week notice period in order to receive the unused PTO.
- Employee must be under continuous employment for a period of 12 months before being considered vested in the balance of accrued and unused PTO for purposes of a payout upon resignation.
- If contrary to the above, all applicable federal, state and local laws will apply.

### **PTO Compensation**

Subject to the Handbook's "Voluntary Termination" policy, employees will not be able to "cash-out" their accrued but unused PTO time. Hours worked in excess of 40 hours per week do not count toward additional accrual of PTO. PTO hours are not counted as time worked when calculating overtime pay. PTO will begin accrual on a calendar basis (January 1 – to December 31). Employees may take only earned PTO time and are not allowed to take PTO based on future, anticipated and unearned PTO time.

### **Change in Eligibility for PTO and other Benefits**

If you are a full-time employee who changes to a limited part-time status working fewer than 32 hours per week, you will no longer be eligible for company benefits. This includes health coverage, PTO, holidays and any other company benefits. Any PTO account balance accrued, but not yet taken will be granted at the rate of pay for hours worked in the new schedule, but must be used within the calendar year of the transfer to part-time status.

## **HEALTH INSURANCE POLICY**

All full time employees who have been employed for more than 90 days are eligible to be covered under STX's health insurance plan. Under the terms of the plan, STX will pay a portion of the employee's monthly premium of the basic plan; employees are responsible for the cost of coverage of their spouses and children. The total cost payable by an employee will be deducted from net pay on regular payroll payment dates.

## **LIFE INSURANCE**

STX provides all eligible employees with a basic life insurance policy. Life insurance offers employees and their family's important financial protection. Contact the Human Resources department for further details of the current life insurance plan.

## **401 (K) PLAN**

STX has established a 401 (k) Plan to help its full time and part time employees save for retirement. STX employees must be at least 21 years old in order to participate in the 401(k). Eligibility commences for all employees on the first day of the first calendar month following 90 days of employment. Participant's pre-tax contributions will be deducted from each paycheck. In addition, STX reserves the right to contribute to the plan on employees' behalf via a discretionary match as deemed appropriate. Employees who are not participating in the 401 (k) Plan will not be eligible to receive the benefit of such employer contributions.

All eligible employees must sign the 401(k) election or declination form or automatic enrollment for a 2.5% contribution to the 401(k) plan from the employee's payroll will occur by default.

## **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

Today, more working individuals are simultaneously managing their job responsibilities and their personal life issues at an unprecedented pace. Concerns over childcare, aging parents, legal issues, financial worries and other personal issues are interrupting employee's abilities to be as organized, productive and efficient as they are expected to be on the job. For this reason, STX offers its employees access to Interface Employee Assistance Program (EAP) which is administered by a third party provider. For access and more information on this program, please contact Interface EAP at 800-324-4327 or on their website at [www.4eap.com](http://www.4eap.com).

## **FAMILY AND MEDICAL LEAVE POLICY**

STX has adopted this Family and Medical Leave Policy in accordance with the Family and Medical Leave Act of 1993, as amended ("the Act"). In the event of any discrepancy between any provisions of this Policy and the Act, the Act shall govern.

### **Eligibility**

To be eligible for leave under the FMLA, an employee must have been employed by STX for at least one year, and must have worked at least 1,250 hours during the 12-month period preceding the commencement of the requested leave. In addition, employees must work at a worksite that has at least 50 employees employed within 75 miles of their worksite.

### **Reasons for Leave**

Eligible employees may take up to twelve weeks of unpaid leave under FMLA for the following reasons:

1. for prenatal care, incapacity due to pregnancy, the birth of a child, and to care for the newborn child;
2. for placement of a son or daughter for adoption or foster care;
3. when the employee is needed to care for an immediate family member (*i.e.*, spouse, son or daughter, or parent) with a serious health condition;
4. when the employee is unable to perform the functions of his or her position because of the employee's own serious health condition; or
5. for a "qualifying exigency" of a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation.

Covered Service member leave: Eligible employees can take up to 26 workweeks of FMLA leave during a single 12-month period to care for a service member who is employee's spouse, child, parent, or next of kin with a serious illness or injury incurred in the line of duty while on active duty (or existed before the beginning of active duty and was aggravated by service in the line of duty on active duty) as a member of the Armed Forces, including the National Guard or Reserves, and who is undergoing medical treatment, recuperation, or therapy; in outpatient status; or on the temporary disability retired list. They also can take such leave to care for a service member who is employee's spouse, child, parent, or next of kin and a veteran with a serious injury or illness (as defined by the Secretary of Labor) that was incurred in the line of duty while on active duty in the Armed Forces (or existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty in the Armed Forces ) and manifested itself before or after the service member became a veteran. The veteran must have been a member of the Armed Forces (including the National Guard or Reserves) at anytime during the five-year period preceding the date of the serious injury or illness for which they are undergoing medical treatment, recuperation, or therapy.

Terms used in this policy have the following meanings:

- "Spouse" means husband or wife as recognized under State law including common law marriage.
- "Parent" means a biological parent or an individual who acted as a parent to the employee when the employee was a child. To "act as a parent" means having day-to-day responsibilities to care for and financially support a child. "Parent" does not include parents "in-law."
- "A child of a service member" is a biological child, adopted child, or foster child; a stepchild; a legal ward; or a child for whom a service member has day-to-day responsibilities to care for and financially support. The child can be any age.
- "Son or daughter" means biological, adopted, or foster child, a stepchild, a legal ward, or a child for whom the employee acts as a parent if the child is under 18 years of age, or a child over 18 years of age for whom the employee acts as a parent if the child is incapable of self-care because of a mental or physical disability.

- “Next of kin of a service member” is the nearest blood relative other than the service member’s spouse, parent, son, or daughter in the following order of priority: blood relatives who have legal custody of service members; brothers and sisters; grandparents; aunts and uncles; and first cousins, unless service members have specifically designated in writing another blood relative as their nearest blood relative. If no designation is made and there are multiple family members with similar levels of relationship to service members, all such family members are considered to be next of kin.
- “Foster care” means 24-hour care for a child in substitution for, and away from, the child’s parents or guardian. Foster care involves an agreement between the State and the foster family that the foster family will take care of the child.
- “Serious illness or injury” for service members who are not veterans is one that is received while in the line of duty on active duty (or existed before the beginning of active duty and was aggravated by service in the line of duty on active duty) and makes such service members medically unfit to perform the duties of their office, grade, rank, or rating.
- “A veteran” is anyone who served, according to federal law, in the active military, naval, or air service, and who was discharged or released from such service under conditions other than dishonorable.
- “Serious health condition” means any illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities.

The term “serious health condition” generally does not include:

- (1) “Continuing treatment” such as routine physical examinations, eye examinations, or dental examinations.
  - (2) “Continuing treatment” involving only a regimen of taking over-the-counter medications, bed-rest, drinking fluids, or other similar activities that can be initiated without a visit to a health care provider.
  - (3) Conditions for which cosmetic treatments are administered (*e.g.*, acne or plastic surgery) unless inpatient care is required or complications develop.
  - (4) Conditions such as the common cold, the flu, earaches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, *etc.*, unless complications develop.
- “Key employees” means a salaried FMLA-eligible employee who is among the highest paid 10 percent of all the employees employed by STX
  - “Qualifying exigency” may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

### **How Leave Is Calculated and Maximum Amount of Leave Allowed**

For all leaves other than the Covered Service member Leave, an employee may take a maximum of 12 weeks leave within a 12-month period of time. The 12-month period is a “rolling” period, measured backward from the date an employee uses FMLA leave. Each time an employee takes FMLA leave, the employee’s remaining leave allotment would be any balance of the 12 weeks that has not been used during the immediately preceding 12 months. For example, if an employee has taken eight weeks of leave during the past 12 months, the employee would be able to take an additional four weeks of leave.

Leave taken for the birth or placement of a child must be completed within the 12-month period beginning on the date of the birth or placement.

Employees taking a Covered Service member Leave are entitled to take 26 weeks of leave during a single 12-month period. The single 12-month period begins on the first day of FMLA leave and ends 12 months after that date, regardless of the amount of leave actually taken. All leave not taken at the end of the single 12-month period is forfeited.

Spouses who are both working for STX are limited to a combined total of 12 (or in the case of Covered Service member Leave, 26) weeks of leave during any 12-month period, when the leave is due to the birth or placement of a child, or to care for a parent with a serious health condition.

For employees who take a Covered Service Member Leave and FMLA leave for any other reason, the total amount of time which the employee may take is 26 weeks in a single 12-month period.

### **Intermittent or Reduced Schedule Leave**

FMLA leave can be taken all at once or, under certain circumstances, on an intermittent or reduced leave schedule. *Intermittent leave* is leave taken in separate blocks of time for a single FMLA-qualifying reason. An FMLA *reduced leave schedule* is a work schedule that reduces employee’s usual number of working hours per workday or workweek. Employees will be informed whether they can take intermittent leave or a reduced leave schedule when they apply for FMLA leave. When it is physically impossible for employees using intermittent leave or working on a reduced schedule leave to begin or end their work midway through a shift, the entire time that employees are absent will be designated as FMLA leave.

Employees who request intermittent leave or a reduced leave schedule because employee’s circumstances qualify for leave due to a spouse, child, or parent who is a service member of the Armed Forces’ Reserve components or National Guard or retired service member of the Armed Forces or Reserves and is on active duty or called to active duty status in support of a contingency operation must provide proper notice and required certification.

Employees who request intermittent leave or a reduced leave schedule must arrange medical treatments and appointments to minimize work disruptions. STX can transfer such employees temporarily to positions that permit them to take intermittent leaves or reduced leave schedules with limited work interruptions.

### **Notice of Leave**

If the need for the FMLA leave is foreseeable, the employee must give STX at least 30 days advance written notice of the need for leave. This notice should be provided by completing STX's Request for Leave form, which is available from the Human Resources Representative.

If it is not possible to give 30 days' notice of foreseeable leave, or if the need for the leave was not foreseeable, employees must notify STX of the need for leave as soon as practicable under the circumstances. Ordinarily this would mean at least verbal notice to the employee's supervisor or Human Resources Representative on the same or next day of when the need for the leave becomes known to the employee. This verbal notice should, at a minimum, state the reason for the leave and its anticipated timing and duration. The employee should complete a Request for Leave form as soon as practicable.

When planning leave, the employee should consult with the employee's supervisor and make a reasonable effort to schedule the leave so as not to disrupt unduly STX's operations, subject to the approval of the health care provider.

### **Medical Certification**

If FMLA leave is taken because of employee's or their family members' serious health condition, employees will receive a Certification of Health Care Provider form within five business days after leave requests are received. If employees do not provide advance notice of the need for leave, they will receive a Certification of Health Care Provider form within five business days after leave begins. Employees also receive notice of anticipated consequences for failing to provide adequate certification.

Employees must complete and submit medical certifications to STX within 15 calendar days from the date certifications are provided.

If employees provide STX with incomplete or insufficient medical certifications, they will be advised in writing of what additional information is necessary to make certifications complete and sufficient. Employees must return revised medical certifications to STX within seven calendar days. With employee's or their family members' permission, STX can contact employee's health care provider for clarification or authentication of medical certifications after employees have the opportunity to revise insufficient or incomplete certifications; employee's direct supervisor does not contact employee's health care provider for such information.

STX can require employees to obtain a second medical certification from a health care provider that is selected and paid for by STX. If STX receives a medical opinion from the second health care provider that is different from employee's health care provider, STX can require employees to obtain a third medical certification from a third health care provider. STX and employee will discuss and agree upon the selection of the third health care provider, and STX will pay for the third health care provider. The third health care provider's medical opinion is considered to be the final medical opinion. STX provides employees with copies of second and third medical certifications, if requested, within five business days.

### **Certification for Active Duty Leave**

Employees who request leave due to a spouse, child, or parent being deployed to a foreign country as a member of the regular Armed Forces or as a member of the Armed Forces reserves under a certain call or order to active duty must provide STX with a copy of service members' active military orders and other certification.

STX does not request additional information from employees who submit complete and sufficient certifications. If leave involves a meeting with a third party, STX can contact the third party to verify the schedule and nature of the meeting without employee's permission. STX s also can contact an appropriate unit of the federal Department of Defense to verify that service members are on active duty or call to active duty status without employee's permission.

For more information on proper certification for Active Duty Leave please contact the Human Resources Department.

### **Certification for Leave to Care for Service Members with a Serious Illness or Injury**

Employees who request leave to care for a military service member with a serious illness or injury must obtain certification completed by authorized health care providers. Health care providers from the federal Department of Veterans Affairs, federal Department of Defense, and DOD TRICARE network and non-network private health care providers are authorized to complete certification for such leave.

In addition to requesting certification information from authorized health care providers, STX can request certification information from employees or service members.

Whenever certification is requested, employees must provide STX with complete and sufficient certification. STX can request clarification or authentication of information in certifications.

STX can require employees to provide confirmation of their family relationship to seriously injured or ill service members.

For more information on proper certification for Leave to Care for Service members please contact the Human Resources Department.

### **During FMLA**

During FMLA leave, employees must keep their supervisors informed of the estimated duration of leave and their intended date to return from leave.

If employees need to take more or less FMLA leave than originally anticipated while on leave, they must notify STX within two business days.

### **Exhaustion of Paid Leave and Designation of Leave as FMLA Leave**

Family or medical leave will consist of appropriate accrued PTO and unpaid leave. The employee must first use all of his or her accrued paid vacation leave and sick leave. The remainder of the leave period will then consist of unpaid leave.

Time off from work for an FMLA-qualifying event will be designated as FMLA absence. All injuries covered by worker's compensation, which also constitute "serious health conditions", will also be designated as FMLA leave. FMLA leave in these instances will



run concurrently with workers' compensation leave. Whether the employee is receiving vacation pay, sick pay, workers' compensation, or the leave is unpaid, once the designation is made by STX that leave qualifies for FMLA leave, all time taken under FMLA guidelines will count toward the leave period.

Employees receiving workers' compensation during an FMLA leave will not be permitted to supplement the workers' compensation benefits with paid leave benefits, such as vacation or sick pay. However, if the FMLA leave period extends beyond the period of time that the employee is receiving workers' compensation benefits, the substitution provision of this Policy will apply as soon as these benefits cease.

### **Benefits Coverage During Leave**

During a period of family or medical leave, your health benefits will continue to be offered through STX; however, you will become responsible for 100% of the costs. However, benefits such as PTO do not continue to accumulate. Failure of the employee to pay his or her share of the health insurance premium may result in loss of coverage.

An employee is not entitled to the accrual of any seniority or employment benefits during any portion of unpaid leave. An employee who takes family or medical leave will not lose any employment benefits that accrued before the date leave began.

If the employee fails to return to work after the expiration of the leave, the employee will be required to reimburse STX for payment of health insurance premiums during the family and medical leave, unless the employee fails to return due to a serious health condition which prevents the employee from performing his or her job, or due to other circumstances beyond the employee's control.

Employees not returning to work at the end of the leave period will be offered continued health coverage through COBRA.

### **Return From FMLA Leave**

Employees who return from FMLA leave will be reinstated to their former positions or to positions with equivalent pay, benefits, and other employment terms and conditions. If employees are no longer qualified for their former positions because of their inability to attend certain work-related functions or classes as a result of leave, STX will provide them with a reasonable opportunity to fulfill those conditions upon returning to work.

Certain "key" employees, who are among the highest paid employees at STX might not be reinstated to any position. "Key" employees will be notified of their status in writing when they apply for FMLA leave and will receive notice at that time of the potential consequences with respect to reinstatement and maintenance of health benefits if they are not reinstated. STX will notify "key" employees in writing the reasons for denying reinstatement when such decision is made. STX will make a final determination whether to reinstate "key" employees if they request job restoration; such employees will be notified in writing of STX's final determination.

Employees who return from FMLA leave retain all benefits they accrued prior to the start of leave.

Taking FMLA leave does not count as a break in service for pension or retirement plan purposes.

If employee's original worksite closes during FMLA leave, employees taking FMLA leave have the same rights as employees who did not take FMLA leave.

### **FMLA Violations and Enforcement**

FMLA makes it unlawful for any employer to (1) interfere with, restrain, or deny the exercise of any right provided under the FMLA; or (2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA. An employee may file a complaint with the U.S. Department of Labor or pursue private action against an employer. FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

### **LEAVE OF ABSENCE ("LOA") / NON-FMLA**

In STX's discretion, it may grant an unpaid leave of absence for medical reasons beyond the leave permitted by STX's FMLA and Paid Time Off policies ("LOA"). Only employees who have one year or more of continuous service with STX as full-time employees are eligible to apply for leave under this policy. You must exhaust all available Paid Time Off at the outset of any such leave.

### **Length of Leave**

The combined amount of FMLA and any LOA granted by STX will not exceed 6 months in any 12-month period.

### **Applying for Leave**

An LOA can be granted with the approval of the Human Resources Department. The need for leave must be certified by a physician and will be reviewed every 30 days to determine the necessity for continuation. Other than as required by law, STX cannot secure or guarantee your job, pay, benefits or other terms of employment during an LOA or upon your return from an LOA.

### **Benefits during a LOA**

During an employee's LOA, Paid Time Off benefits do not continue to accumulate. Eligibility for benefits automatically resumes upon an employee's return to work. Ceasing active work, i.e., beginning an LOA, is deemed as an event causing termination of benefits under STX's Employee Health Benefits Plan. The medical benefits available to active employees cannot be continued by the employee beyond the 12 weeks of coverage required under FMLA.

### **BEREAVEMENT LEAVE**

Regular, full-time employees are eligible for bereavement leave. You are allowed to use five (5) PTO days from your vacation or sick leave accruals in the event of the death of a member of your immediate family. "Immediate family" is defined as spouse, child, sibling, parent, grandparent, or these same members of your spouse's family.

You should notify your manager as soon as possible of your need for bereavement leave. Your manager may request documentation of an immediate family member's death to grant your request.

## **JURY DUTY AND WITNESS DUTY LEAVE**

STX encourages employees to fulfill their obligation to the community when called to serve on a jury. If you receive notice of jury duty, you should immediately report it to your manager to allow for scheduling adjustments. Jury duty is not compensated by the employer unless statutorily required. If you are dismissed early from jury duty service, you are expected to report back to work during the regularly scheduled hours of work. If a jury service time report is available, it should be presented to your manager for verification of time served on jury duty.

If you are called as a witness in legal proceedings on behalf of STX, you will be paid at your rate of pay for time spent as a witness. If you are called to appear as a witness in non-STX legal proceedings, you may be given time off to appear but are not eligible for compensation for that time unless you choose to use PTO for the absence.

## **MILITARY LEAVE**

Leaves of absence without pay for military or reserve duty are granted to full-time regular and part-time regular employees. If you are called to active military duty or to Reserve or National Guard training, or if you volunteer for the same, you should notify your manager and submit copies of your military orders to him or her as soon as possible. A military leave of absence without pay will be granted for the period of military service in accordance with applicable federal and state laws. This includes leave for reservists and/or members of the National Guard for required military training. Your eligibility for reinstatement after your military duty or training is completed will be determined in accordance with applicable federal and state laws.

## **BONUSES**

In an effort to promote teamwork and cooperation within the office environment, an employee bonus plan has been devised based on specific goals established on an office-by-office basis. For months when production activity for an office has surpassed the goal, a bonus may be paid, subject to management's sole discretion and approval, to some or all employees of that office. The factors to be applied in determining whether an employee receives a bonus include, but are not limited to: company performance, local office performance, individual performance, and the absence of any disciplinary action.

## **EMPLOYEE REFERRAL PROGRAM**

Employees who refer friends for full-time positions in the Front Office, Dental Assistant or Office Manager capacities are eligible to receive \$400.00 (subject to applicable taxes) after the referred employee successfully completes 90 days of full-time employment.

Employees who refer friends for: 1.) full-time positions as Dentists are eligible to receive \$2,500.00 (\$500 – start; \$1000 – after 90 days; \$1000 – after 6 months) or 2.) part-time positions as Dentists are eligible to receive a referral bonus which is prorated by the amount of days worked. The Employee Referral Form may be obtained from the Department of Human Resources.

## **VOTING LEAVE**

STX encourages its employees to fulfill their civil responsibility by voting in general elections. STX will comply with all requirements of state law regarding employees' voting privileges.

## **WORKERS' COMPENSATION**

As an employee of STX, you are covered against certain loss of earnings due to injuries on the job by a Worker's Compensation insurance policy furnished by STX. No compensation will be allowed for an injury, illness or death due to willful misconduct, intentional self-inflicted injury, intoxication, or willful failure or refusal to use safety devices or lack of compliance with prescribed safety procedures. The payment of medical bills and compensation payments will be in accordance with all applicable workers' compensation laws.

If you suffer an occupational injury or illness, the following steps should be taken:

- a. Any necessary first-aid treatment should be administered.
- b. When physically able, you should immediately report the injury or illness to your supervisor.
- c. A First Report of Accident/Injury form must be completed within 24 hours of the injury. The form must be signed by you and the manager and forwarded to the insurance carrier as soon as possible.
- d. If medical attention is required, you must be seen by a medical doctor or facility approved by the company, unless in an emergency.

STX provides workers' compensation insurance to employees. The law was designed to provide you with benefits for an injury, which you may suffer in connection with your employment. Under the provisions of the law, if you are injured while performing job duties or you sustain an occupational illness at work, you are eligible to apply for Workers' Compensation benefits.

You may elect to retain your common law right of action, if not later than five days after beginning employment, you notify the Director of Human Resources of STX in writing that you wish to retain your common law right of action, you cannot obtain workers' compensation income or medical benefits if you are injured.

## **EMPLOYEE LOANS/ADVANCES**

STX does not loan money or provide advances to employees.

## **COBRA NOTICE**

Discharged employees will be notified by mail of their right to continue health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Details regarding continuation of coverage under COBRA can be obtained from the Human Resources Department.

# **PAYROLL POLICIES AND PROCEDURES**

## **Pay Periods and Time Clocks**

Federal and state laws require employers to keep accurate detailed records of the hours worked by each employee. All non-exempt employees are required to clock in and out at scheduled times each work day (arrival, lunch, and departure) during the work week. At most locations, employees are expected to be clocked in and at their work stations at least ½ hour before the office is scheduled to open. Once an employee clocks in, they should be ready to begin working. You should report directly to your work station. Some locations and employees may have earlier clock in times. Non-exempt employees are also required to take a one-hour lunch break each day. Failure to clock in and out during the lunch break will result in discipline, up to and including termination of employment. In addition, employees will not be paid for the lunch hour unless they have actually worked during that hour. Any work done during the lunch hour must have been specifically authorized by an employee's supervisor. Unless authorized, performing work during lunch or outside of normal working hours will result in discipline, up to and including termination of employment. Non-exempt employees are prohibited from otherwise working "off the clock"—that is, working for STX but not reporting the time worked. Working "off the clock" or failing to report time worked will be grounds for disciplinary action. Any deliberate misstatement of such hours worked, either in favor of the employee or employer, may be considered a violation of law and may result in discipline up to and including termination.

The exempt employees may be required to clock in based on management discretion.

STX is committed to paying the employees properly, correcting any improper management practices and reimbursing employees for any errors in their paycheck. If you feel there has been an improper deduction or other error, please notify your direct supervisor and/or payroll/HR.

## **PAYROLL POLICY & PROCEDURES**

The purpose of this policy is to educate STX employees on payroll procedures. All policies and procedures are in compliance with Local, State and Federal Labor Laws wage and hours laws.

As the STX continues to grow, it becomes more crucial for each office to be in continual compliance with the payroll procedures, as they are written. Complete and accurate paperwork, submitted within the specified time lines, will allow the Corporate Payroll Department to maintain its efficiency and productivity.

Personnel Change Notifications (PCN) forms are used by employees and managers to notify Human Resources of valid changes to an employee's personnel record. PCNs notify HR of changes in pay rate, job title, etc. The effective date of the changes will be the date the PCN is received or, if requested, any date during the current pay period of the time the PCN is received. Changes related to compensation will be effective at the beginning of the next payroll period following receipt of the PCN. In an effort to reduce the confusion to employees or the potential for incorrect payroll calculations, effective dates of compensation changes will be at the beginning of a payroll period. No changes to employee compensation will be made to dates other than the Monday that starts a new pay period.

All employees are encouraged to use the HR Benefits portal at [www.portal.adp.com](http://www.portal.adp.com) to change their addresses, W-4 elections, dependents, beneficiaries, etc.

Payroll is broken up separately for the doctors and other employees.

**FOR DOCTORS:**

Payroll is on a bi-monthly cycle. This means that the first monthly payroll period begins on the first of the month and ends on the 15<sup>th</sup>. The second monthly payroll period then begins on the 16<sup>th</sup> and ends on the last day of the month. Doctors receive their paychecks on the 5<sup>th</sup> and 20<sup>th</sup> of every month.

**FOR ALL OTHER EMPLOYEES:**

Payroll is on a bi-weekly cycle. The pay period begins on Sunday and ends, following two weeks, on Saturday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

**\*\*Any and all Time Correction Sheets and Time-Off Request Forms are due no later than the Monday after the two week payroll period. This will ensure that each paycheck includes wages for time worked through the end of the previous payroll period.\*\***

The Corporate Human Resources Department must receive all New Hire paperwork, payroll changes, and Temporary Time Sheets *no later* than noon on the Monday following the two week payroll period to ensure it is processed accordingly. **Any employee/temporary worker payroll or information changes which are received later than 12:01 on the Monday after the two week payroll period will be held for the next payroll.**

In the event a scheduled payday falls on a weekend or STX holiday, paychecks will be distributed on the immediately preceding non-holiday weekday or next non-holiday weekday.

Written consent from the employee is necessary to release employee's paycheck to another individual.

Managers should send in their employee's requests for PTO as early as possible to allow the payroll department the time to audit the employee's PTO balance. Do not wait until the pay period for which the PTO has been requested to send in the PTO request.

STX will comply with requirements of the Fair Labor Standards Act. Non-exempt employees, as defined in that Act, will be paid overtime at one and one-half times their regular hourly rate for hours worked over 40. The standard workweek is 40 hours (Monday, 12:01 a.m. to Sunday, 12:00 midnight). Exempt employees as defined by the Fair Labor Standards Act are not entitled to overtime pay.

STX has devised a comprehensive and fair pay scale for each classification of employees, which will be monitored and updated continuously. Salary and other compensation information shall be held entirely confidential. Periodic reviews will be conducted by STX for each employee. Office Managers are required to maintain accurate records of each employee on a payroll record sheet.

No personal draws against future advances or loans will be given to any employee.

In accordance with federal law, only non-exempt employees are eligible to receive overtime pay. Overtime will be paid at the rate of one-and-one-half times the non-exempt employee's regular straight-time hourly rate of pay for every hour worked by such employee over forty hours in a workweek (defined as Sunday through Saturday).

Only hours actually worked during the workweek will be considered for purposes of determining whether overtime pay is due. Time paid but not worked, such as time charged to paid time off, *etc.*, will not be included in calculating the number of hours worked in a workweek for purposes of determining whether overtime is due.

Overtime shall be assigned only when an employee's supervisor determines that overtime is necessary to meet STX's operating needs. Employees should not work overtime unless assigned to do so by a supervisor. However, any employee who does in fact work overtime, whether assigned by a supervisor or not, must report the amount of overtime he or she worked and such employee will be paid for such overtime.

Employees who work unassigned overtime or who fail to report overtime worked, whether assigned by a supervisor or not, may be subject to disciplinary action, up to and including discharge. Any employee who believes he or she cannot complete the requirements of his or her position without working overtime should discuss the situation with his or her supervisor.

## **FINAL PAY**

### **Voluntary**

Final paychecks for employees who have voluntarily resigned will be distributed to the employee on the Friday after the current payroll period ends unless mandated otherwise by state law. Final checks **will not** be direct deposited.

### **Involuntary**

Employees who are leaving involuntarily will receive final wages in accordance with state law in which the employee resides. Final checks will not be direct deposited. Severance pay and/or pay in lieu of notice will be paid at the discretion of management.

## **Working Conditions**

### **SAFETY**

STX is committed to providing a safe and healthful working environment. In this connection, STX makes every effort to comply with relevant federal and state occupational and safety laws to develop the best feasible operations, procedures, technologies, and programs conducive to such an environment.

As a representative of STX, you are responsible for observing the office, taking note of any potential hazards and immediately reporting them to your supervisor. You are also responsible for immediately reporting all accidents and injuries to your supervisor, regardless of how minor the occurrences may seem at the time. If you notice a patient or

visitor displaying unsafe behavior, you should politely ask the individual to stop that behavior.

Retaliation will not be permitted against any employee who reports a workplace hazard or injury.

The following is a list of general safety rules that you are expected to follow to reduce workplace hazards:

1. All unsafe working conditions must be immediately reported to your supervisor.
2. All accidents, injuries and illnesses must be reported to your supervisor immediately.
3. Your supervisor will document and forward to the managing dentist and Compliance Officer as appropriate.
4. Fighting and horseplay within the facility is prohibited.
5. Intoxicating or illegal substances are prohibited in the facility.
6. All work areas will be clean, properly illuminated and clear of debris.
7. Sinks, toilets, and kitchen facilities will be in good working order.
8. Trash receptacles designated for OPIM (Other Potentially Infectious Materials) will be covered, plastic lined and labeled when required. Trash receptacles for non-contaminated solid waste or food products will be plastic lined.
9. Personal Protective Equipment (PPE) will be worn by all employees that have potential occupational exposure to hazards.
10. You are expected to know the location of first aid kits, emergency eyewash stations and fire extinguishers.

You are also expected to be knowledgeable of other workplace hazards relating to fire and emergency evacuation procedures, blood borne pathogen exposure, instrument sterilization, radiograph procedures, patient treatment protocol, hazard communications, and treatment room sterilization, and the preventive measures associated with each.

It is the responsibility of every employee to maintain a safe work environment at all STX locations and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses.

### **PREVENTIVE MEASURES - HEPATITIS B AND CPR**

Immunization from Hepatitis B will be provided to all employees at no cost to the employee. Participation in this program is at the sole option of the employee.

STX will provide, at no cost to the employee, cardiopulmonary resuscitation courses to any employee at least once a year, at such employee's request. It is the recommendation of the American Heart Association that such courses be attended at least once every 2 years.

### **SMOKING POLICY**

STX provides employees with a smoke-free environment. Smoking is prohibited at all times inside and on STX premises.



## **PARKING POLICY**

Each facility has a designated area for employee parking. You are expected to use this area to park and not use patient/visitor parking. It is essential that all patients, parents and visitors have adequate parking that is easily accessible to the dental office. This is another example of the GREAT CUSTOMER SERVICE we want to provide to our patients and guests. Please keep this in mind when parking your vehicle.

## **MEAL PERIODS**

STX will make an effort to provide employees up to an hour for their meal break. During this meal period, you will be relieved of your work responsibilities. You are expected to clock-out and in for lunch at the time designated by your supervisor.

## **FOOD AND DRINK POLICY**

Each dental office has a staff break room which is the designated area where all food and drink are permitted. Food and drinks are not permitted in the patient treatment areas or in the lobby.

## **ELECTRONIC AND TELEPHONIC COMMUNICATIONS POLICY**

All electronic and telephonic communication systems (including STX 's telephones, voice mail systems, computers, e-mail and internet access systems) and all communications and information transmitted by, received from, or stored in these systems are the property of STX , and are supplied to employees to conduct STX 's business. Accordingly, these systems should be used in a professional manner and for work-related purposes.

The use of passwords is intended to protect confidential and sensitive information concerning STX's business and operations; therefore, all passwords issued to employees to gain access to any electronic or telephonic communications also are the property of STX.

None of STX's electronic or telephonic communication systems may be used to generate, send, retrieve, forward, or access material (including jokes, chain letters, images, recordings, messages and stories) of a sexual, offensive, or inappropriate nature or any other materials that may violate STX's policy against harassment and discrimination in the workplace. If you receive such an email from outside the organization, you should delete it. If you receive such an email from an employee or contractor of STX, you should report it to your supervisor.

To ensure that the use of electronic and telephonic communication systems and business equipment is consistent with STX's legitimate business interests, authorized representatives of STX may monitor the use of its systems and equipment from time to time. Even communications that can be accessed only by password may be monitored. Accordingly, employees should not use STX's electronic and telephonic communications systems to communicate, receive or store information that is deemed personal or private to employees.

Employees who violate STX's Electronic and Telephonic Communications Policy may be subject to disciplinary action, up to and including termination.

### **INTERNET POLICY**

STX provides Internet access to employees for use in connection with business purposes only; use of STX's Internet access for informal or personal reasons is permissible only within reasonable limits. All downloaded Internet files are considered company records and are subject to review by STX and/or disclosure to third parties. STX reserves the right to review employee Internet usage and to disclose information about an employee's Internet usage to others without notification to or permission from the employee. As a condition of continued employment, all employees consent to STX's review and disclosure of any Internet usage which involves STX's Information Resources or other property. Use of STX's Information Resources, including its computer network and Internet connection, to access inappropriate or offensive material, including material found on Internet sites, is prohibited. Abuse of STX's Information Resources, including its Internet connection, through excessive personal use, or use in violation of law or STX's policies, will result in disciplinary action, up to and including termination.

All employees are expected to use common sense and professional ethics when using the Internet. The Internet access provided to each employee is a company resource and should be used in accordance with all STX policies. Offensive, derogatory, defamatory, discriminatory or otherwise inappropriate messages transmitted using STX's Internet access are prohibited. Communications, including communications involving STX's Internet connection or other Information Resources, which violate this policy or any other STX policy is made without the consent or approval of STX.

### **COMPUTER POLICY**

#### **Appropriate Use of Computer and the Internet**

General guidelines for appropriately using STX's computers and Internet connection appear below. These guidelines are not exhaustive and are not intended to substitute for professional judgment, which must be used whenever STX 's Internet connection is being used, and are not intended to displace STX 's other policies, which must be followed whenever STX 's Internet connection is being used.

- Do not make derogatory, discriminatory, defamatory, or otherwise offensive statements in any communication (including E-mail, FTP, Usenet, WWW, IRC, *etc.*);
- Do not post or otherwise divulge STX confidential or proprietary information on the Internet (including E-mail, FTP, Usenet, WWW, IRC, *etc.*);
- Do not access web sites that may contain offensive material or pictures; do not download racially, ethnically, or sexually oriented information;
- Do not download games, music, video or non-business-related software to company systems;

- Do not use computers to access patient's personal information, company finance information or personnel information without proper authorization to do so.

Personal Internet usage that interferes with work performance is prohibited. Employees should not expect privacy with respect to any of their activities using STX -provided internet access or services. STX reserves the right to access, intercept, monitor, record, copy, review, disclose, download, and delete any communications or files you create or maintain using its Information Resources, including its Internet connection.

Any commentary, content, or image that an employee posts on a social media site related to STX that is defamatory, pornographic, proprietary, harassing, libelous, or is otherwise inappropriate and not protected speech can result in disciplinary action up to and including termination of employment.

#### **Acknowledgment Form**

STX requires all employees, upon reading the above Electronic and Telephonic Communications Policy and Internet Policy, to sign the Acknowledgment of Receipt and Understanding of STX 's Electronic and Telephonic Communications Policy and Internet Policy included with the Employee Handbook and return the form to STX .

### **SOCIAL MEDIA POLICY**

STX Healthcare Management Services recognizes the importance and prevalence of the Internet in today's environment.

Consequently, STX Healthcare Management Services has created guidelines related to social media. These guidelines will help you make appropriate decisions about your work-related blogging and the contents of your blogs and/or any social media outlet (e.g. Facebook, Twitter etc). Our internal Internet Policy remains in effect in our workplace.

These guidelines will help you open up a respectful, knowledgeable interaction with people on the Internet. They also protect the privacy, confidentiality, and interests of STX Healthcare Management Services and our current and potential services, employees, partners, patients, and competitors.

Note that these policies and guidelines apply only to work-related sites and issues and are not meant to infringe upon your personal interaction or commentary online. Nothing in this policy, however, is intended to restrain your rights otherwise guaranteed by law under the National Labor Relations Act.

#### **Guidelines for Communications about STX Healthcare Management Services on the Internet**

- If you mention STX Healthcare Management Services and/or our current and potential services, employees, partners, patients, and competitors on a website, blog, social media site, or in any online forum, identify that you are an employee of STX Healthcare Management Services and that the views expressed on the blog or Website are yours alone and do not represent the views of the company.

- Unless given permission by your supervisor, you are not authorized to speak on behalf of the company, nor to represent that you do so.

### **Confidential Information Component of the Blogging Policy**

- You may not share information that is confidential and proprietary about STX Healthcare Management Services. This includes information about our services, company strategy, and trade secrets. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications. This limitation does not prohibit you from discussing the terms and conditions of your employment as allowed by law.
- These are given as examples only and do not cover the range of what the company considers confidential and proprietary. If you have any question about whether information has been released publicly or doubts of any kind, speak with your supervisor before releasing the information. Please also refer to STX Healthcare Management Services' Employee Confidentiality and Conflict of Interest Agreement
- STX Healthcare Management Services' logo may not be used in a manner which suggests that you speak **for or represent the company officially**.

### **Respect and Privacy Rights Components of the Blogging Policy**

Always be fair and courteous to fellow associates, customers, members, suppliers or people who work on behalf of STX Healthcare Management Services. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, members, associates or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

- You may not post anything which relates to a patient or patient-care. All posts must be compliant with The Health Insurance Portability and Accountability Act (HIPAA). Any post which violates HIPAA will be grounds for discipline up to and including termination.
- STX Healthcare Management Services encourages you to write knowledgeably, accurately, and using appropriate professionalism. Despite disclaimers, your Web interaction can result in members of the public forming opinions about your company and its employees, patients, and services.

- Honor the privacy rights of our current employees by seeking their permission before writing about or displaying internal company happenings that might be considered to be a breach of their privacy and confidentiality.

### **Your Legal Liability Component of the Blogging Policy**

Recognize that you are legally liable for anything you write or present online. Employees can be disciplined by the company for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment. You can also be sued by company employees, competitors, and any individual or company that views your commentary, content, or images as defamatory, pornographic, proprietary, harassing, libelous or creating a hostile work environment.

### **VISITORS IN THE WORKPLACE**

In an effort to minimize disruption to the operation of the offices and to provide for the safety of our employees and patients, only authorized visitors are permitted in the facilities of STX

We ask that you refrain from having visitors at work; however, if it is required, you should inform the front office staff that you are expecting a visitor. If you do have a guest, you are responsible for the conduct of that visitor. Visitors should check in with the front office and remain in the lobby, consultation areas or other authorized area authorized by the supervisor. Unauthorized visitors on property should be reported to your supervisor immediately and directed towards the front office.

### **WORKPLACE VIOLENCE**

STX is concerned about the increased violence in society and its effects in many workplaces throughout the United States. Accordingly, STX has taken steps to help prevent incidents of violence from occurring.

In this connection, it is the policy of STX to prohibit any acts or threats of violence by any employee, former employee or contract worker against any employee in or about STX's premises. In addition, with the exception of the security guards, law enforcement officers, and employees who have obtained written authorization from the CEO, Partners, STX does not permit any person to use or possess firearms or other weapons on STX's premises. STX also will not condone any acts or threats of violence against STX's employees, customers, contract workers, or visitors on STX 's premises at any time, or while they are engaged in business with or on behalf of STX .

In keeping with the spirit of this policy, it is the intent of STX (1) to provide a safe work environment; (2) to take prompt remedial action (up to and including immediate termination) against any employee who engage in threatening, violent, or abusive behavior; (3) to take appropriate action when dealing with patients, former employees, contract workers, or visitors to STX 's premises who engage in threatening, violent, or abusive behavior; and (4) to take appropriate action against persons who use or possess firearms or other weapons in STX 's locations in violation of this policy. In furtherance of this policy, employees have a duty to notify their managers, security personnel, or managers of any suspicious or prohibited conduct. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments or remarks, and/or the use or

possession of firearms or other weapons on STX 's premises, unless otherwise allowed by law. Employee reports made pursuant to this policy will be kept confidential to the extent possible. STX will not condone any form of retaliation against any employee for making a good faith report under this policy

## **APPENDIX**

### **Summary of Key Laws Used to Enforce Compliance with Federal and State Health Care Program Requirements**

#### **Federal Laws**

The federal False Claims Act and the Program Fraud Civil Remedies Act of 1986 are the key federal laws used by the federal government to enforce compliance with federal health care program requirements.

##### The False Claims Act

The False Claims Act (FCA) is a statute that imposes civil liability on any person who knowingly presents, or causes to be presented, a false or fraudulent claim, record or statement for payment or approval; conspires to defraud the government by getting a false or fraudulent claim allowed or paid; uses a false record or statement to avoid or decrease an obligation to pay the Government; or commits other acts listed in the statute.

The United States may bring a civil action against a person or entity for alleged violations of the FCA. The FCA also provides for actions by private individuals (often referred to as "whistleblowers") who can bring a civil action in the name of the government for a violation of the FCA. If a FCA case is successful, the private individual who initiated the case may receive a percentage of the proceeds from the action. The FCA protects "whistleblowers" by prohibiting employers from retaliating against employees who bring an action under the FCA.

##### The Program Fraud Civil Remedies Act of 1986

The Program Fraud Civil Remedies Act of 1986 is a statute that establishes an administrative remedy against any person who presents or causes to be presented a claim or written statement that the person knows or has reason to know is false, fictitious, or fraudulent due to an assertion or omission to certain federal agencies (including the U.S. Department of Health and Human Services).

#### **State Laws**

##### The Texas Medicaid Fraud Prevention Law

The Texas Medicaid Fraud Prevention Law (FPL) is substantially similar to the federal False Claims Act. The actions that trigger civil and criminal penalties under the Texas Act generally mirror those of the federal False Claims Act, and include making a false statement of concealing information that affects the right to a Medicaid benefit or payment and conspiring to defraud the state by obtaining an unauthorized payment from the Medicaid program or its fiscal agent. In addition, under the FPL, a person may also

be liable if he presents a claim for payment under the Medicaid program for a product or service that was rendered by an unlicensed provider or that has not been approved by the patient's treating healthcare practitioner.

Like the federal FCA, the FPL has a provision that permits private individuals ("whistleblowers") to bring an action on behalf of the state and receive a portion of the recovery if the case is successful. The private individual's share could be reduced or eliminated altogether, however, if the individual planned and initiated the activity upon which the lawsuit was based or if the individual is convicted of criminal conduct arising from his role in the illegal activity. Like the FCA, the FPL includes provisions to prevent employers from retaliating against employees for their involvement in FPL actions.

#### State Law Prohibiting Payment for Referrals

Texas has a law that is substantially similar to the federal Anti-Kickback Statute but which applies specifically to the Texas Medicaid program. Under the Texas law, it is a state jail felony to intentionally or knowingly solicit, receive, offer, or pay any remuneration, including any kickback, bribe, or rebate, in return for: (i) referring an individual for, or arranging for the furnishing of any item or service for which payment may be made under the Medicaid program; or (ii) purchasing, leasing, ordering, or arranging for or recommending the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made under the Medicaid program.

#### Securing Execution of a Document by Deception

Texas law imposes criminal penalties against a person who, with intent to defraud or harm any person, causes another person, by deception, to sign or execute any document affecting property or service or the pecuniary interest of any person. Under the terms of the statute, this law may be used by the state to pursue suspected fraud in the Texas Medicaid program.

#### The Alabama Medicaid False Claims law

The Alabama Medicaid False Claims law and associated regulations, impose liability on any person who, with intent to defraud or deceive, makes, or causes to be made or assists in the preparation of any false statement, representation, or omission of a material fact in any claim or application for any payment, regardless of amount, from the Medicaid Agency, knowing the same to be false. These Alabama laws prohibit, among other things:

- Making Medicaid claims for items or services not rendered or not provided as claimed;
- Submitting claims to any payer, including Medicaid, for services or supplies that are not medically necessary;
- Submitting claims for items or services that are not provided as claimed;
- Submitting claims to any payer, including Medicaid, for individual items or services when such items or services are of the type that may be billed only as a unit and not unbundled;
- Double billings (billing for the same item or service more than once);
- Paying or receiving anything of financial benefit in exchange for Medicaid referrals

A violation of these Alabama laws may lead to suspension or termination from the Medicaid program and will result in restitution for any improper payments. In addition, any person who violates these laws commits a felony punishable by imprisonment for up to five years and a fine not to exceed \$10,000, for each false claim.

Currently, only the Alabama state governments can file civil lawsuits to recover monetary damages. Unlike the federal False Claims Act, private individuals or employees cannot file the lawsuit. There is no provision for a private citizen to share a percentage of any monetary recoveries.

Alabama laws prohibit state employers from retaliating, discriminating, or harassing state employees who report a violation of state law in sworn testimony or in an affidavit.



# STX Healthcare Management Services

## PROTOCOL FOR REPORTING NON-COMPLIANCE

All STX Healthcare Management Services colleagues are required to read and sign a statement indicating their reading and understanding of the STX Healthcare Management Services Code of Ethical Conduct and their responsibility to report non-compliance.

Colleagues are encouraged to address any concern first with their supervisor, unless due to circumstances, the colleague feels that interaction might be inappropriate. In the event that the colleague does discuss the issue with the supervisor and feels that it did not receive due consideration, he/she is encouraged to report to the Compliance Officer.

Colleagues will not be retaliated against for reporting fraud and abuse concerns and will remain anonymous, if at all possible. Colleagues will not always be privy to the results of investigative or corrective action. All reports will receive serious consideration and investigation, as warranted.

Reports may be submitted by:

1. Speaking with the colleague's supervisor or other management personnel.
2. Calling the Compliance Officer at 1-713-457-3438.
3. Emailing the Compliance Officer at [compliance@STXHealthcare.com](mailto:compliance@STXHealthcare.com)
4. Writing to the Compliance Officer at:  
6300 West Loop South, Suite 650  
Bellaire, Texas 77401
5. To file a report anonymously, call the ComplianceLine 24 hours a day / 7 days a week at 1-888-845-0813.

### COLLEAGUE STATEMENT

I have read and have had the opportunity to clarify any questions that I have regarding the Protocol for Reporting Non-Compliance and the STX Healthcare Management Services Code of Ethical Conduct. I understand that I am responsible for complying with stated policies and for reporting issues of non-compliance to my supervisor or to the Compliance Officer. I understand that I will not be retaliated against for such reporting and that my anonymity will be protected to the extent possible.

\_\_\_\_\_  
Colleague Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name