



SLEEP MEDICINE OF AMERICA, LLC EMPLOYEE HANDBOOK

Revision 08.31.18

Policies, procedures, and practices for employees

Office Locations

Murfreesboro, TN | Franklin, TN | Clarksville, TN

Sleep Centers of Middle Tennessee, PLLC

Sleep Centers of Cool Springs, PLLC

Sleep Centers of Clarksville, PLLC

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WELCOME LETTER

Whether you have just joined our staff or have been employed at **Sleep Medicine of America, LLC or Sleep Centers of Middle Tennessee, PLLC (hereinafter “SCMT”)** for some time, we are confident that you will find our office a dynamic and rewarding place to work. We look forward to a productive and successful association with all of our employees. It is our belief that every employee has an opportunity to contribute to the success of our organization. We hope that you will be proud to be a member of our team.

This handbook has been written to serve as a guide for the employer/employee relationship. Although it describes many of our policies and procedures, it is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described herein. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to the HR Manager. Neither this handbook nor any other company document confers any contractual right, either express or implied, for you to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will with or without cause and without prior notice by SCMT, or you may resign for any reason at any time. No representative of the company has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

The procedures, practices, policies and benefits described herein may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except SCMT employees and others affiliated with SCMT whose knowledge of the information is required in the normal course of business.

Some subjects described in this handbook are covered in detail in separate SCMT policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies are controlling and override any statements made in this or other documents.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sleep Medicine of America, LLC
& Sleep Centers of Middle Tennessee, PLLC

DIVERSITY

Equal Employment Opportunity Statement

SCMT provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. SCMT complies with applicable state and local laws governing nondiscrimination in employment. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

SCMT expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, gender identity, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of SCMT employees to perform their expected job duties is absolutely not tolerated.

Anti-Harassment Policy and Complaint Procedure

SCMT is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, SCMT expects that all relationships among persons in the office will be business-like and free of bias, prejudice and harassment.

It is the policy of SCMT to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran. SCMT prohibits any such discrimination or harassment.

SCMT encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of SCMT to promptly and thoroughly investigate such reports. SCMT prohibits retaliation against any individual who reports discrimination or harassment, or who participates in an investigation of such reports.

Definitions of Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not-so-subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors

may include unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, marital status, citizenship, genetic information or any other characteristic protected by law or that of his/her relatives, friends or associates, and that a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; b) has the purpose or effect of unreasonably interfering with an individual's work performance; or c) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace, on company time or using company equipment via e-mail, phone (including voice messages), text messages, tweets, blogs, social networking sites or other means.

Individuals and Conduct Covered

These policies apply to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to SCMT (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Complaint Process

Individuals who believe they have been the victims of conduct prohibited by this policy statement or who believe they have witnessed such conduct should discuss their concerns with any member of management.

When possible, SCMT encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action alone will resolve the problem. SCMT recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

SCMT encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, although no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and,

where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent it is consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed. Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately.

False and malicious complaints of harassment, discrimination or retaliation may be the subject of appropriate disciplinary action.

ADA Accommodation

Reasonable accommodation is available to an employee with a disability when the disability affects the performance of job functions. We make our employment decisions based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

We make all types of leaves of absence available to all employees on an equal basis. SCMT is also committed to not discriminating against any qualified employee or applicant because the person is related to or associated with a person with a disability.

SCMT will follow any state or local law that gives more protection to a person with a disability than the ADA gives. SCMT is committed to taking all other actions that are necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and any other applicable federal, state, and local laws.

EMPLOYMENT

Employment Applications

We rely on the accuracy of the information you put on your employment application. We expect that you and your references will give accurate and true information during the hiring process and employment. If we find that any information is misleading, false, or was left out on purpose, we may reject an applicant from further consideration. If the person has already been hired, it could result in termination of employment.

Immigration Reform and Control Act

It is the company's policy to fully comply with the regulations of the Immigration Reform and Control Act of 1986 (as amended) enforced by the Department of Homeland Security. We will hire only American citizens and aliens who are authorized to work in the United States.

The law requires our company to do five things:

1. All new employees must complete Section 1 of the I-9 form within three business days of hire.
2. Check documents establishing employees' identity and eligibility to work.
3. The person examining the documents must complete Section 2 of the I-9 Form and the Certification Section.
4. Retain the form for at least three years. If the employee is employed for more than three years, SCMT must retain the form until one year after the employee leaves SCMT.
5. Present the form for inspection to the Department of Homeland Security or Department of Labor officer upon request.

If an employee is hired for less than three days, the company must complete Form I-9 before the end of the employee's first working day. The I-9 Form contains instructions for completion. The employee assigned to this task must follow those instructions completely.

Background/Reference Checks

To ensure that individuals who join SCMT meet the company qualifications and have strong potential to be productive and successful, it is the policy of SCMT to check the employment references of all applicants.

Before any person who will be providing direct patient care is hired, SCMT is required by law to conduct background checks using the state sex offender registry, the state abuse registry and the abuse registries for states in which the prospective employee has lived in the previous 7 years, according to Public Chapter 1084.

Should an applicant be listed on any of the registries, SCMT will not employ or contract with the applicant due to the direct patient interaction of all positions.

Drug Free Workplace

SCMT is committed to being a drug-free and safe workplace. Our employees must be physically and mentally fit to perform their duties in a safe and efficient manner. Therefore, no employee shall work or report to work while under the influence of alcohol, illegal drugs, or any substance that would affect his/her ability to perform the job in a safe and efficient manner.

To protect the best interests of employees and the public, the company will take whatever measures are necessary to determine if alcohol or illegal drugs are located on or are being used on company property during business hours (with the exception of Permissible Use of Alcohol at Company Functions, as detailed below). Measures that may be used will include but not be limited to searches of people and of personal property located on company premises, which may be conducted by law enforcement authorities or by management, as well as drug and /or alcohol tests to be conducted when there is reasonable suspicion of substance abuse.

Employees experiencing problems with alcohol or other drugs are urged to voluntarily seek assistance to resolve such problems before they become serious enough to require management referral or disciplinary action. If you have questions regarding this policy or issues related to drug or alcohol use at work, you can raise your concerns with your immediate supervisor or the HR Manager without fear of reprisal.

Permissible Use of Alcohol at Company Functions

SCMT is committed to limiting the consumption of alcohol by employees and other guests at SCMT company functions. Possessing, consuming or using alcoholic beverages at SCMT company functions is acceptable only with prior approval from the SCMT manager in charge of the function. Employees who choose to drink alcoholic beverages at SCMT company functions are expected to behave in accordance with usual business standards and all SCMT HR policies and codes of conduct. All managers, providers and employees are responsible for complying with SCMT codes of conduct and HR policies during official SCMT company functions and may face disciplinary action up to and including termination for violations.

SCMT company functions to which this policy applies include but are not limited to; holiday parties, receptions for business guests, civic or business organizations, retirement and anniversary parties, picnics and outings, and year-end recognition events.

Employee Classification Categories

It is important that you understand the definitions of the employment categories at SCMT and know your classification. Your employment category helps determine your employment status and your eligibility for benefits. If you have questions or are not sure what your employment classification is, talk to the HR Manager.

These employment categories do not guarantee employment with SCMT for any specific period. You became an employee at SCMT voluntarily and your employment is at will. "At will" means that you may terminate your employment at any time, with or without cause or advance notice. Likewise, "at will" means that SCMT may terminate your employment at any time, with or without cause or advance notice, as long as we do not violate federal or state laws.

Depending on your job, you are either nonexempt or exempt from federal and state wage and hour laws. If you are a nonexempt employee, you are entitled to overtime pay under the specific provisions of federal and state laws. If you are an exempt employee, you are excluded from specific provisions of federal and state wage and hour laws. Your exempt or nonexempt classification may be changed by SCMT management.

In addition being a nonexempt or exempt employee, you may also belong to one of the following employment categories:

You are a **REGULAR FULL-TIME** employee if you are not assigned to a temporary or introductory status and you are regularly scheduled to work a schedule of a minimum of 36 hours per week. In most cases, regular full-time employees are eligible for all SCMT benefit programs, subject to the terms, conditions, and limitations of each benefit program.

You are a **PART-TIME** employee if you are not in a temporary or introductory status and you are regularly scheduled to work 35 hours or less per week. Part-time employees receive all legally mandated benefits, such as social security and workers' compensation insurance.

You are an **INTRODUCTORY** employee if your performance is being evaluated to determine whether further employment in a specific position or with the company is appropriate.

You are a TEMPORARY employee if you have been hired to work on a temporary project or assignment. Such assignments may be of definite or indefinite duration. SCMT defines a temporary employee as an individual who is not a regular employee and who will be scheduled to work for a limited period of definite or indefinite duration. Employment beyond the specified period should not in any way imply a change to the individual's employment status or benefit eligibility.

Introductory Period

The first 60 days of employment are considered to be the introductory period. During this time you will be evaluated by your supervisor on your job performance, personal traits and general fitness for the job.

Employees in their introductory period are not eligible for company benefits, with the exception of Earned Time Off.

After completing the introductory period, your continued employment will be determined by your job performance and adherence to the company's policies and standard of conduct.

Personal Data Changes

It is important that SCMT maintain certain personal information about you in our records. You are responsible to inform us whenever there is a change to your mailing address, telephone numbers, marital status, dependents' information, educational accomplishments, and other possibly related information.

We also need to have information about who to contact in case of an emergency. To change your personal information or if you have questions about what information is required, contact the HR Manager.

COMPENSATION

Paydays

Unless specific exceptions have been made, all employees are paid every other week on Friday. If a holiday falls on a regular scheduled payday, payday will be on Thursday.

Direct Deposit

Employees are paid by direct deposit of funds into up to two (2) checking and/or savings accounts of their choice.

Please submit a Direct Deposit Authorization Form with your account information to the HR Manager to initiate direct deposit. It may take one or two pay periods before the transaction can be completed. In the meantime, you may receive a paper check.

If your banking information changes, please notify the HR Manager immediately. A check sent to an inactive account may not be immediately retrievable and may delay your receipt of payment.

Hours of Work/Operation

The company will maintain work hours for its employees in accordance with federal and state regulations, the needs of our patients, and the maintenance of an efficient and effective schedule of work.

The Fair Labor Standards Act requires employers to maintain an accurate record of hours worked and to pay one and one-half times the regular hourly rate of pay to every nonexempt employee who works overtime. Overtime will be defined as all hours worked over forty in a workweek. The Fair Labor Standards Act permits exemption of certain professional, administrative, and executive positions and certain sales positions, as defined in the statutes, from compliance with the act.

The official workweek for all employees begins at 12:00 a.m. (midnight) on Sunday and ends at 11:59 p.m. the following Saturday.

Hours and days of operation vary by location. The main office at 1508 Carl Adams Drive is open Monday through Friday from 8:00 a.m. to 5:00 p.m. Employees may be scheduled to work all or some of that time and may be assigned to work at one or more locations during the week based on the needs of the business. Employees are required to be present in the office or clinic during their scheduled work hours with the exception of their scheduled lunch break. Lunch breaks are variable by location.

Training Time: Any meetings, lectures, and training programs that an employee is required to attend will be considered compensable time.

Time Keeping

Accurately recording time worked is the responsibility of every employee. Federal and state laws require SCMT to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

SCMT maintains a time clock at each of its locations for the purpose of time keeping. Each hourly employee is assigned his or her own unique RFID badge for daily use and a PIN to use in the event of a lost badge. Please keep in mind that your badge should be appropriately secured or kept with you at all times. Employees clock into and out of the system by waving the badge in front of the time clock at their location. This action must be performed at the following times every workday:

1. At the beginning and ending time of each workday
2. At the beginning and ending time of each meal period
3. Employees must also clock out for any early departure from work for personal reasons

In the event of a lost or stolen badge, please use your PIN to clock into or out of the system. Please contact the HR Manager as soon as possible to verify that your badge was not

accidentally picked up by a fellow employee. If it is determined to be lost, SCMT will replace your first badge at no cost to you. However, you will be expected to reimburse SCMT for any additional replacement badges at a cost of approximately \$10 per badge.

Tampering with time clocks, altering or falsifying time worked through use of another employee's badge or PIN to clock him or her in or out may result in disciplinary action, up to and including termination of employment.

Overtime work must always be approved before it is performed.

Salaried employees must report absences for sick leave, holidays, or vacation to the HR Manager via e-mail or in writing at the end of each pay period.

Salary Administration

The salary administration program at SCMT helps us have consistent pay practices, comply with federal and state laws, support our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market.

We are committed to paying equitable wages that are based on the requirements and responsibilities of each job and that are comparable to the wages paid to employees in similar jobs in other organizations in the area.

Payroll Deductions

The company is required by law to deduct Federal Withholding Tax from your paycheck. The amount of tax is determined by your earnings and the number of dependents you claim. At year end you will receive a W-2 form showing your total earnings and the amount of taxes withheld.

Deductions for Social Security and Medicare at the rate established by law are deducted from your paycheck. The company matches your contributions to Social Security and Medicare tax. Other deductions may include premiums for insurance, savings plan, garnishments, etc.

If you believe there has been an error in pay, please contact the HR Manager.

Child Support & Garnishments

SCMT complies with the law regarding child support or garnishment payroll deductions. If you are subject to a child support or garnishment order, monies will be withheld from your paycheck in accordance with our state's regulations.

Child support is the court-ordered payment by the non-custodial parent to the custodial parent for the care and welfare of the child.

A garnishment is a court-ordered legal claim against the wages of an employee by a creditor for nonpayment of a debt and served by the constituted legal authority.

Resignation, Termination & Final Paycheck

Discharge may become necessary due to the employee's lack of ability or failure to fulfill the requirements of the job. Discharges are always unpleasant and costly, and SCMT does not take the decision to discharge lightly. Advance notice may or may not be given depending on the circumstances surrounding the termination.

All terminating employees are asked to attend an exit interview. The purpose of the interview is to be certain the reasons for the employee's termination are not founded on a misunderstanding or erroneous situation and to solicit information on what the employee understands of the company. The interview will also cover what compensation is payable to the employee and when termination of benefits will occur.

Employees are expected to turn in all company property at the time of termination.

Employees who are terminated or who quit will be paid all wages due no later than the next regular payday following the date of termination. Hourly employees are responsible for submission of an accurate final timecard showing hours worked through the last day of employment.

BENEFITS

Employee Benefits

Eligible employees at SCMT may receive benefits. There are several factors that determine whether you are eligible for a benefit. One important factor is your employment classification. See the HR Manager to find out for which benefit programs you are eligible.

This employee handbook contains policies describing some of the benefit programs, or you may find more information somewhere else, such as the Summary Plan Document.

Some benefits are provided to the employee and some are voluntary or co-pay. The company will provide you with information on both types of benefits.

SCMT provides the following benefit programs to eligible employees: Medical Insurance, Dental Insurance, and Life Insurance.

Medical and Dental Insurance

The medical and dental insurance plans at SCMT offer both the employees and their dependents access to medical and dental insurance benefits. Employees in the following employment classifications are eligible to participate in the medical and dental insurance plans: Regular Full Time.

Eligible employees may participate in the insurance plan subject to the terms and conditions of the agreement between SCMT and the insurance carrier. If you are eligible, you may begin medical and dental coverage on the first day of the month following 60 calendar days of employment at SCMT. An employee contribution is generally required to participate.

You will find details of the insurance plan in the Summary Plan Description (SPD). When you become eligible, you will receive the SPD and rate information prior to the enrollment date. For questions about medical insurance, contact the HR Manager for additional information.

Life Insurance

SCMT offers a basic \$25,000 term life insurance policy for eligible employees.

Employees in the following employment classifications are automatically enrolled in the life insurance plan: Regular Full Time.

The eligible employees are provided the life insurance plan subject to the terms and conditions of the agreement between SCMT and its insurance carrier. If you are eligible, you may begin life insurance coverage on the first day of the month following 60 calendar days of employment.

TIME OFF/LEAVES OF ABSENCE

Earned Time Off (ETO) for Hourly Employees

SCMT provides full-time employees with the ability to accrue time off. Earned Time OFF (ETO) is accrued per paycheck and is to be used for vacation, sick leave, and holidays.

Regular full-time hourly employees working 40 hours per week are eligible to begin accruing ETO immediately after date of hire at the rate of 7.75 hours per bi-weekly pay period. Over the course of a year, this accrual adds up to 201.5 hours or approximately five (5) weeks of ETO per year.

Regular full-time hourly employees working less than 40 but a minimum of 36 hours per week will accrue ETO at a pro-rated quantity equal to five (5) weeks of annual ETO at the number of hours they are scheduled to work each week. E.g. a 36 hour per week employee would accrue at the rate of 6.95 hours per pay period for a total of approximately 180 hours (5 weeks x 36 hours) ETO annually.

Employees scheduled to work 35 hours per week or less do not accrue ETO.

SCMT's vacation year runs from April 1st to March 31st. ETO hours will reset to zero at the start of each vacation year on April 1st. SCMT prefers that our employees get the benefit of all of their ETO by using it in the vacation year it is accrued. However, up to eighty (80) hours (or 10 days at the accrual rate) of unused ETO may be carried over into the next vacation year. Unused ETO hours in excess of the carryover limit will be forfeit if unused by the March 31st pay period (unless prior authorization for the excess carryover is obtained in advance from the HR Manager).

ETO can be used in minimum increments of one-quarter hour. ETO must be used in accordance to the number of hours regularly worked. Regular hourly full time employees will be

required to use available ETO when they work fewer than their standard work hours per week, regardless of whether their absence was scheduled or unscheduled.

Please remember that you will be expected to use ETO for any of the eight (8) regularly scheduled holidays which fall on your regular workdays.

In the event that an employee exhausts all of his or her ETO, absences from work will be unpaid. An employee who repeatedly requests time off work without enough ETO to cover those hours may receive disciplinary action or dismissal.

It is every employee's responsibility to report all absences to the HR Manager before pay checks are issued for each pay period. Hourly employees' absences will be tracked through the timeclock system, and salaried employees should report them via email or in writing.

Upon termination of employment, regardless of whether termination was initiated by SCMT or the employee, employees will be paid for unused ETO that has been earned through the last day of work.

Paid Time Off (PTO) for Salaried Employees

Salaried employees of SCMT are provided with an annual allotment of Paid Time Off (hereinafter "PTO"), which is to be used for vacation, sick leave, and holidays.

Salaried employees will receive their annual allotment of PTO on the first day of each vacation year. SCMT's vacation year runs from April 1st to March 31st. The amount allotted shall be based upon their regular work schedule. For 40 hour per week salaried employees, the allotment is 200 hours per year. For 36 hour per week salaried employees, the allotment is 180 hours per year. These allotments are equal to five (5) weeks of PTO per year.

PTO must be used in accordance to the number of hours regularly worked. Salaried employees' PTO will be used in no less than 1 day increments. In other words, PTO will not be used for absences less than 1 whole work day regardless of whether the absence was scheduled or unscheduled.

SCMT's vacation year runs from April 1st to March 31st. PTO hours will reset to zero at the start of each vacation year on April 1st. SCMT prefers that our employees get the benefit of all of their PTO by using it in the vacation year it is allotted. However, up to eighty (80) hours (or 10 days at regularly allotted amount) of unused PTO may be carried over into the new vacation year. Unused PTO hours in excess of the carryover limit will be forfeit if unused by the March 31st pay period (unless prior authorization for the excess carryover is obtained in advance from the HR Manager).

Please remember that you will be expected to use PTO for any of the eight (8) regularly scheduled holidays which fall on your regular workdays.

In the event that a salaried employee exhausts all of his or her PTO prior to the end of the year, absences from work for personal or vacation days will be deducted from the employee's regular weekly salary. Holidays and/or sick days will be considered on a case-by-case basis. An employee who repeatedly requests time off work without enough PTO to cover those hours may receive disciplinary action or dismissal.

Salaried employees should report all absences to the HR Manager via e-mail or in writing each pay period. If at any time, you believe an error has been made with regard to the number of PTO hours shown on your paystub, please contact the HR Manager immediately.

Upon termination of employment, regardless of whether termination was initiated by SCMT or the employee, salaried employees will be paid for unused PTO remaining.

Vacation

When possible, requests for vacation will be granted as requested by the staff. However, employees must bear in mind that operating the office requires an adequate number of trained staff when the office is open. This must be kept in mind when scheduling vacations, and this can mean that a request for vacation will be denied if it would cause insufficient office staffing.

Employees should request vacation time as far in advance as possible in writing. Vacation time will be granted based on a "first come, first served" basis. In other words, the first employee to request a specific date for vacation time will be granted that date, as long as the office's staffing needs allow. If a second or third staff member requests the same date, those requests may not be granted.

Please see ETO Policy for additional information.

Holidays

Typically, if a holiday falls on a Saturday, it will be observed on the preceding Friday. If a holiday falls on a Sunday, it will be observed on the following Monday. However, final decision will be made by the HR Manager at least 30 days in advance. Please remember that holidays are paid out of your available ETO or PTO hours. If you exhaust your ETO or PTO, holidays may be unpaid.

SCMT typically recognizes the following 8 holidays:

1. New Year's Day
2. Memorial Day
3. Independence Day
4. Labor Day
5. Thanksgiving Day
6. Day After Thanksgiving Day
7. Christmas Eve
8. Christmas Day

Pregnancy or Adoption Leave

If an employee has worked for SCMT for at least twelve consecutive months, he or she may take four months unpaid leave for adoption, pregnancy, childbirth, or nursing an infant. Such leave shall not affect the employee's accrued seniority, leave, or benefits. While an employee is on leave, SCMT will continue the employee's health benefits at the same level and under the same conditions as if the employee had continued to work, as long as the employee pays his or her portion of the health care and benefits premium. If the employee chooses not to return to work at the agreed upon time, SCMT may require the employee to reimburse the amount the company paid for the employee's health insurance premium during the leave period. To qualify for leave and reinstatement to the employee's original position, the employee should provide notification of leave to SCMT 3 months prior to the start of leave.

For up to one year after a child's birth or adoption, any employee who is breastfeeding her child will be provided reasonable break times as needed to express breast milk for her baby. Employees will be accommodated with a private area as necessary for this purpose.

Breaks of more than 20 minutes in length will be unpaid, and the employee should indicate this break period on her time record.

Military Leave

SCMT will grant a military leave of absence if you are absent from work because you are serving in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). You must give the HR Manager advance notice of upcoming military service, unless military necessity prevents advance notice or it is otherwise impossible or unreasonable.

You will not be paid for military leave. However, you may use any available accrued ETO.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which you are otherwise eligible.

Your benefits, such as vacation, sick leave, or holiday benefits, will not accrue during a military leave. When you return from leave, the benefits will start accruing again.

If you are on military leave for up to 30 days, you must return to work on the first regularly scheduled work period after your service ends (allowing for reasonable travel time). If you are on military leave for more than 30 days, you must apply for reinstatement in accordance with USERRA and applicable state laws.

When you return from military leave (depending on the length of your military service in accordance with USERRA), you will be placed either in the position you would have attained if you had stayed continuously employed or in a comparable position. For the purpose of determining benefits that are based on length of service, you will be treated as if you had been continuously employed.

Jury Duty Leave

In accordance with Tennessee law, regular full-time employees who have been with SCMT for a minimum of six (6) months are eligible to receive their regular compensation (salary or hourly) for time spent in court for jury duty and for time travelling to and from the court for jury duty. The employee must present a copy of the jury duty summons to the Director of Clinical Operations or HR Manager within 24 hours of receipt. When the employee appears in court, he or she must request a document from the court which lists the time of arrival and dismissal. This document should be presented to the Director of Clinical Operations or HR Manager upon the employee's return to work.

The employee must submit a timecard to the HR Manager immediately upon his or her return to work which shows jury duty time. This includes the hours spent driving to and from court as well as the time spent in court. The time should be documented on the timecard with start and end times for each day, and it should be stated on the timecard that it was for "jury duty". These hours are not considered PTO or ETO. They are classified and paid as regular time worked with no deduction to your PTO/ETO balance.

If the employee is selected to serve on the jury, he or she may receive minimal compensation from the court (generally \$11 to \$40 per day). SCMT may deduct this compensation from the employee's regular compensation.

Bereavement Leave

In the case of a death in their family or the family of their spouse, employees may use ETO or PTO for bereavement leave. Although SCMT recognizes that advance notice of absence may not be possible in cases of a death in the family, the employee is expected to communicate the situation to his or her manager as quickly as possible.

In the event that the employee does not have any ETO or PTO, he or she may take bereavement leave without pay.

SAFETY & WORKERS COMPENSATION

Occupational Safety and Health Act (OSHA)

The Occupational Safety and Health Act (OSHA) requires all employers to provide a safe and healthful workplace for their employees. In this regard, it is important that adequate policies and procedures be developed and adhered to in order to ensure safe, efficient operating conditions, thereby safeguarding employees and facilities.

Our company will not knowingly permit unsafe conditions to exist, nor will it permit employees to indulge in unsafe acts. Violations of company rules and regulations will result in disciplinary action. The company believes that the safety of employees and physical property can best be ensured by a meaningful program.

Workers' Compensation Insurance

Employees are provided Workers' Compensation coverage from the day they begin work. The company pays the entire cost of this coverage. Workers' Compensation covers employees if they are incapacitated by injury or illness arising out of their employment.

Employees must report all work injuries to their supervisor immediately, regardless of how minor the injury may seem. If an injury requires medical attention by a physician or any other medical facility that produces a bill, a claim should be made out the same day by the HR Manager.

Except in the event of an emergency, employees are not authorized to go to a physician without first advising the HR Manager. SCMT will provide you with a list of valid physicians within your community. You must comply with the medical treatment prescribed by the authorized treating physician at all times. Your benefits may be suspended if you fail to comply with a reasonable request.

The HR Manager is responsible for coordinating the claim with SCMT's insurance company and submitting a copy of the original claim to the state office. Employees will not be eligible for regular compensation or vacation or holiday pay in addition to any Workers' Compensation received.

Reporting Work Related Injuries

If you are injured while at work, you must report this injury to the HR Manager immediately, no matter how slight it might seem. Failure to do so could result in your claim for Workers' Compensation benefits being denied by the insurer.

Bloodborne Pathogens Policy

In the event an injury to a patient or employee results in the release of blood or other bodily fluids which could contain pathogens, i.e., HIV or HBV (hepatitis), immediately take steps to ensure the injured party is given first aid according to our OSHA policy.

Spilled fluids are not to be cleaned up without the proper protective equipment and materials. The spilled bodily fluids must be cleaned up according to the following procedure: Universal Precaution Kit.

1. Put on protective gloves.
2. Spread absorbent material on the spilled fluids. Place contaminated material in a leak-proof plastic bag.
3. Remove bedding including mattress pad. Wash/sanitize twice in hot water.
4. Follow up with cleaning the affected area with hot, soapy water.
5. Remove your gloves and place in the bag with the contaminated material.
6. Discard the bag in the trash containment area.
7. Wash your hands thoroughly in hot, soapy water.

After the cleanup is completed and checked by the OSHA Officer, the OSHA Officer should complete an accident report according to our OSHA policy.

Safe Operating Policy for Murphy Beds

SCMT is vitally interested in our employees' health and safety. Protecting employees from injury is a major continuing objective. SCMT makes every effort to provide a safe, healthy work environment, and all employees must be dedicated to continuing to reduce the risk of injury. Certain SCMT offices utilize murphy beds in the sleep rooms. For these reasons, SCMT has implemented this Safe Operating Policy for Murphy Beds.

To ensure your safety, please observe the following instructions when raising or lowering a murphy bed.

1. To lower the bed from closed position:
 - a. There should be no patient present in the room when you do this.
 - b. Ensure there is adequate clear floor space to lower the bed.
 - c. Please ensure there is no other person or item behind you, as you will need to back out of the way immediately as the bed is lowered.
 - d. Open both latches to the raised position to disengage the lock.
 - e. Grasp one of the latch openings and slowly pull the bed down. The mattress will automatically lower to the sleeping position, so you need to back up and get out of the way of the bed immediately. Although unlikely, piston malfunction could occur and cause the bed to fall open at this stage. It is essential that you stand clear of the lowering bed as head/neck or other injuries may occur if you remain in the path of the bed.
 - f. Once the bed is lowered to sleeping position, it is ready for use.

2. To close or fold the bed up into standing position:
 - a. There should be no patient present in the room when you do this.
 - b. Slowly lift the foot of the bed up to engage the automatic raising mechanism
 - c. As the bed is raising, keep hands away from the edges to avoid injury. Place hands flat against the bottom of the bed as you guide it into closed position.
 - d. Please note that, although unlikely, piston malfunction could occur and cause the bed to fall open at this stage. Therefore, it is essential that you remain alert and ready to move out of the way quickly while closing the bed.
 - e. Once the bed is fully in the standing position, close both latches to engage the lock.

In addition to these instructions, all employees must view the 1 minute 40 second Wilding Wallbeds instructional video demonstrating safe operating procedures for raising and lowering the murphy beds. This video is available on YouTube and the Wilding Wallbeds website.

Each employee must recognize that working in compliance with the safety practices and procedures established and promoted by SCMT helps protect both his or her personal health and safety and the health and safety of our patients. If you have questions at any time, regarding the safe operating procedures for the murphy beds, please consult with your immediate supervisor.

WORKPLACE EXPECTATIONS & CONDUCT

Patient Relations

Our patients are vital to the success of our business. Therefore, one of the highest priorities at SCMT is to help our patients or potential patients. Nothing is more important than being courteous, friendly, prompt, and helpful. Every employee represents SCMT to patients and the public.

If a patient wants to make a specific comment or a complaint, please be sure to direct the person to the HR Manager for appropriate action. Your contacts with the public, your telephone manners, and any communications you send to patients reflect not only on you but also on the professionalism of our company.

Good patient relations build patient loyalty.

Workplace Etiquette

SCMT can be a pleasant place to work when all employees show respect and courtesy to each other. Sometimes there are problems when employees do not realize that they are bothering or annoying other people. If this happens to you, you should first try to solve the problem by politely telling your co-worker what is bothering you.

We encourage you to keep an open mind. If another employee tells you that something you are doing makes it hard for them to work, try your best to understand the other person's point of view.

Ethics Policy

SCMT conducts its business fairly, impartially, in an ethical and proper manner, and in compliance with all laws and regulations. We are committed to conducting the business with integrity underlying all relationships, including those with customers, suppliers and communities, and among employees. The highest standard of ethical business conduct is required of our employees in performance of their responsibilities. Employees will not engage in conduct or activity that may raise questions about SCMT's honesty, impartiality, reputation or otherwise cause embarrassment to the company.

Every employee has the responsibility to ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy. SCMT is committed to helping employees carry out business in an ethical fashion, and we encourage you to see the HR Manager with any ethics questions or concerns. Retaliation against employees who use these reporting mechanisms to raise genuine concerns will not be tolerated.

The HR Manager is responsible for providing policy guidance and issuing procedures to assist employees in complying with SCMT's expectations of ethical business conduct and uncompromising values. This policy constitutes the standard of ethical business conduct required of all employees.

Anti-Violence Policy

The company will not tolerate workplace violence. Any employee who commits an act of violence at work against a person or property will face disciplinary action up to and including discharge. If circumstances warrant, the matter will be referred to legal authorities for prosecution. Workplace violence is violence against employees and is committed by persons

who either have an employment-related connection with the company or are outsiders, and involves:

1. Physical acts against persons or employer property
2. Verbal threats, or vicious statements that are meant to harm or cause a hostile environment
3. Written threats, vicious cartoons or notes, and other written material that is meant to threaten or create a hostile environment
4. Visual acts that are threatening or intended to convey injury or hostility.

All employees are expected to report any act of violence. Employees should bring their concern directly to the attention of their manager. All such reports shall be fully investigated. Any employee who takes any adverse action against a person who reports any act of violence or a suspicion of violence shall be subject to immediate discipline, up to and including discharge.

Standard of Conduct

The purpose of this policy is to outline what SCMT expects from its employees in terms of appropriate behavior. Employees who violate the Standard of Conduct are subject to disciplinary action, up to and including termination.

UNACCEPTABLE VIOLATIONS: The following violations are deemed to be unacceptable and may result in termination upon the first offense.

1. Theft of company property or personal property of another employee or patient.
2. Falsification of your time sheet.
3. Falsification of an application or any company or patient record.
4. Sleeping while on duty.
5. Unauthorized disclosure of confidential or protected health (HIPAA) information.
6. Serious violation of harassment policy.
7. Fighting, threatening, or attempting bodily injury to another person on the company premises.
8. Deliberately damaging company property, or property belonging to a co-worker or to a vendor.
9. Unauthorized use of company time, materials, tools, etc. for personal gain.
10. Unauthorized alteration of company machinery or equipment.
11. Reporting to work under the influence of drugs and/or alcohol.
12. Possession of guns, knives, weapons, explosives, etc. on company property.
13. Testing positive for drugs on a company-administered drug test.
14. Refusal to submit to a drug and/or alcohol screening.
15. Refusal to cooperate with the investigation of a work-related matter.
16. Insubordination.
17. Indecent or immoral behavior on company property.
18. Conviction of a felony.
19. Displaying improper, disrespectful, or aggressive behavior to another employee or patient.
20. Gross negligence or failure to provide an acceptable standard of care to patients.
21. Conduct which reflects poorly on SCMT, its employees, or the organization which it supports.

GENERAL VIOLATIONS; The following violations do not generally pose a major threat to the operation of the business or to the safety and well-being of the individual or other employees. Violations may be handled as described in the Progressive Discipline policy.

1. Horseplay or speaking at a volume which disturbs patients or fellow employees.
2. Contributing to unsanitary conditions
3. Failure to abide by standard medical practices
4. Leaving work area without permission
5. Failure to provide an acceptable quality of work
6. Repeated tardiness or absence; failure to report to work without satisfactory reason
7. Smoking in restricted areas
8. Unauthorized solicitations or posting of unapproved materials.
9. Improper operation of any vehicle on company property
10. Unauthorized use of company telephones or computers
11. Failure to abide by the specific policies of this Employee Handbook

The preceding lists of Standard of Conduct violations are not all-inclusive, and the company reserves the right to take corrective action for any behavior it deems inappropriate for the efficient operation of the business.

Progressive Discipline

We believe it is important that all employees are treated fairly and that disciplinary actions are prompt, consistent, and impartial. The purpose of a disciplinary action is to correct the problem, prevent it from happening again, and prepare the employee for satisfactory performance in the future.

The HR Manager will follow this policy for violations of the Standard of Conduct. We will normally take these steps in the following order:

1. A first offense may call for a verbal warning
2. The next offense may be followed by a written warning
3. Repeated offenses will be documented and may lead to termination of employment

In very serious situations, certain offenses may justify termination of employment, without going through the usual progressive discipline steps.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and SCMT.

Attendance/Punctuality

We expect SCMT employees to be reliable and punctual. You should report for work on time and as scheduled. If you cannot come to work or if you will be late for any reason, you must notify your manager as soon as possible.

Unplanned absences can disrupt work, inconvenience other employees and patients, and affect productivity. If you have a poor attendance record or excessive lateness, you may be subject to disciplinary action, up to and including termination of employment.

Dress Code & Personal Hygiene

The atmosphere of the practice can best be described as professional. All employees are expected to present a neat and well-groomed appearance. Appropriate scrubs should be worn by clinical staff. Scrubs should be clean and free of stains, wrinkles, or holes/rips, and appropriate in length. Closed toed shoes should be worn in clinic. Depending on the location, the HR Manager may allow business casual attire on Fridays (or occasionally on other weekdays as determined in advance).

When jeans are worn on business casual days, they should be clean, in good condition, and free from holes or tears. Extremes in dress, including flashy, skimpy, or revealing outfits and other non-businesslike clothing must be avoided. Work boots, shorts, miniskirts (more than 3" above the knee), short tops, halter tops, backless dresses, any clothing with graphics or text which is offensive or deemed by the HR Manager or Director or Clinic Operations to be inappropriate for business, and body piercing such as nose rings, eyebrow rings and tongue piercings are prohibited. Tattoos should be covered.

Cell Phone Usage

Use of personal cell phones, excessive texting, and playing games during work hours is discouraged. It is disruptive to the workflow of the office. Personal cell phones should be set to vibrate or silenced while at work. Use of your personal cell phone is permitted during your lunch break or in the event of an emergency. Personal photos must not be taken around computer/work area or patient information.

COMPUTER SECURITY & HIPAA

HIPAA Policy

The company is covered by the requirements of the Health Insurance Portability and Accountability Act (HIPAA). All new employees are provided with a copy of SCMT's Confidentiality Agreement Policy and existing employees are at least annually required to re-affirm their commitment to patient confidentiality. All employees are required to become familiar with SCMT's HIPAA manual located in each office.

PHI is defined as any information, oral or recorded, in any form or medium that is created or received and relates to:

1. The past, present, or future physical or mental health or condition of an individual;
2. The provision of healthcare to an individual;
3. The past, present or future payment for the provision of healthcare to an individual; and
4. Identification of the individual. If there is a reasonable basis to believe that the information can be used to identify the individual, it should be view as confidential.

Computer screens should be located where they are not visible to anyone who does not have the right to know. All computers with access to PHI must be encrypted and must have an automatic log off or lock when a computer has not been used within 15 minutes. Use of online services for document storage must be HIPAA compliant. Employee's personal access code(s), user ID(s), access key(s), and password(s) used to access computer systems will be kept

confidential at all times. Employees may not remove any electronic device or storage media from SCMT unless instructed to do so. Upon termination of employment, the employee's access to SCMT electronic and data systems will be revoked.

E-mail messages must be treated with a high level of confidentiality. No PHI should be sent through e-mail. Secure fax is recommended.

Printed information containing PHI should be destroyed in a manner maintaining confidentiality such as shredding.

All employees who have access to PHI will receive the appropriate training relating to the HIPAA regulations. Any breach of privacy or confidentiality will be subject to disciplinary action.

The Director of Clinical Operations is designated as the HIPAA Compliance Officer (HCO). Any questions or concerns regarding the HIPAA regulations should be referred to the HCO.

All records governed by the HIPAA policy will be maintained for a period of six years unless a state law requires a longer period of retention. After the required retention period, the records will be destroyed according to the company's record destruction policy.

For additional information about PHI, please see SCMT's HIPAA manual.

Confidentiality

Information regarded as confidential, including payroll, financial statements, customer lists, price lists and other information, should be handled carefully.

Confidential information regarding the company or the patients we serve should in no way be divulged verbally, in written correspondence or e-mail. Failure to abide by this policy will result in disciplinary action, up to and including discharge.

For additional information about confidentiality, please see SCMT's Confidentiality Agreement.

Computer Policy, Including Internet Usage and Email

The purpose of this policy is to establish acceptable and unacceptable use of electronic devices and network resources at SCMT in conjunction with its established culture of ethical and lawful behavior, openness, trust, and integrity.

SCMT provides computer devices, networks, and other electronic information systems to meet missions, goals, and initiatives and must manage them responsibly to maintain the confidentiality, integrity, and availability of its information assets. This policy requires the users of information assets to comply with company policies and protects the company against damaging legal issues.

You are responsible for the security of data, accounts, and systems under your control. Keep passwords secure and do not share account or password information with anyone, including other personnel, family, or friends. You must maintain system-level (generally computer) and user-level (generally application) passwords in accordance with system-enforced password

rules. Providing access to another individual, either deliberately or through failure to secure its access, is a violation of this policy.

You must ensure through legal or technical means that proprietary information remains within the control of SCMT at all times. Conducting SCMT business that results in the storage of proprietary information on personal or non-SCMT controlled environments, including devices maintained by a third party with whom SCMT does not have a contractual agreement, is prohibited. This specifically prohibits the use of an e-mail account that is not provided by SCMT, or its customer and partners, for company business.

Internet access is provided to individuals based upon business needs to benefit the Company through connection to worldwide information resources. Employees have a responsibility to maintain and enhance SCMT public image while accessing the Internet by following these guidelines:

Employees using internet access via SCMT hardware and software are representing SCMT. As such, their conduct should be ethical and lawful at all times. Channels may be accessed for official company business to gain technical or analytical information and to establish business contacts.

Internet access should not be used for personal gain or advancement of personal views, for solicitation of non-company business, or result in the disruption of the company network operation or interfere with personal productivity at work.

Employees are responsible for the content of all text, audio, or images they place or send over the internet. Fraudulent, harassing, or obscene messages are prohibited. All messages on the internet should be identified with the employee's name. Employees may not obscure the origin of messages and the information published should not violate or infringe upon the rights of others. Abusive, profane or offensive language transmitted through SCMT's system is strictly prohibited.

Employees may not download software without the express acknowledgement and support of the Director of Clinical Operations to ensure that proper licenses are obtained and viruses are not transmitted.

All messages created, sent, or retrieved over the Internet are the property of SCMT and should be considered public information. SCMT reserves the right to access and monitor all messages and files on the computer system at any time. All communications can be disclosed to law enforcement officials or other third parties without prior consent of the sender or the receiver.

Harassment of any kind is strictly prohibited. Messages with derogatory or inflammatory remarks regarding race, religion, national origin, sexual orientation, or other protected attributes may not be transmitted.

Violations of the Computer Policy may result in disciplinary action up to and including termination and illegal activities may result in prosecution by legal authorities.

Please see SCMT's Acceptable Use Policy for Computers and Network Resources for additional information.

Social Networking

Employees are not allowed to use company-owned equipment, including computers, company licensed software or other electronic equipment or facilities on company time to conduct personal blogging or social networking activities.

Employees may not use the company logo or trademark on their personal blogs or networks.

Employees are not to link from a personal blog or social network to the company's internal or external websites.

Bloggers are responsible for their commentary on blogs and social networks. Bloggers can be held personally liable for comments that are slanderous, obscene, defamatory or libelous by any offended party.

Social networking and blogging must be done on the employee's equipment during breaks or lunch.

If you have any questions regarding the proper use of social networking/blogging, please contact your Director of Clinical Operations.