

**PERSONNEL POLICY OF  
SOUTHEASTERN PATHOLOGY ASSOCIATES, PC**



## PERSONNEL POLICIES AND PROCEDURES

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## PERSONNEL POLICIES AND PROCEDURES

### **PURPOSE OF POLICY:**

This personnel policy is adopted to establish goals and expectations among employees to provide guidance to employees of acceptable conduct and behavior and to establish uniformity and understanding of the business and culture of Southeastern Pathology Associates, PC. It is to acquaint all employees with the employment policies of SEPA Labs and serve as an aid to provide to all new and existing employees with a reference to the expectation of his or her employment.

This personnel policy is not to be constructed as an agreement to guarantee or provide any employee or future employee a contract of employment and is not intended to alter the relationship of any employee at will to the corporation.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT:            Employment Classifications**

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### **POLICY**

It is the policy of SEPA Labs to provide certain pay/wages and benefits based on defined employee classifications which are established by this policy as; Hourly, Salaried Nonexempt, Salaried Exempt, and Contract.

### **PROBATIONARY PERIOD**

Probationary Period – the first three (3) months or ninety (90) days of consecutive employment shall be a period of adjustment for new employees of SEPA Labs during this period, both will consider suitability for continued employment. However, the employment relationship at all times remains terminable at the will of either the employee or the corporation.

Full-time Employees – those employees who fill a position which requires a minimum average of thirty (30) hours per week are considered full-time employees. Those hours in excess of forty (40) will be considered overtime and paid in accordance with the Fair Labor Standard Act. Part-time employees – those employees who fill a position which requires less than thirty (30) hours per week.

### **CLASSIFICATIONS**

#### **A. HOURLY EMPLOYEES**

Hourly employees are those who generally do not supervise other employees and are paid an hourly rate of pay in compliance with the Fair Labor Standards Act and are eligible for overtime pay.

#### **B. SALARIED NONEXEMPT EMPLOYEES**

Salaried nonexempt employees are those who perform duties of a clerical or administrative nature but do not supervise other employees. Their pay may be computed on either an hourly or weekly basis and they are eligible for overtime pay in compliance with the Fair Labor Standards Act.

#### **C. SALARIED EXEMPT EMPLOYEES**

Salaried exempt employees are defined as those salaried employees who work as members of management in the executive, administrative, or professional capacity and are exempt from the overtime pay provisions of the Fair Labor Standards Act. All Officers are automatically considered exempt employees, although not all exempt employees must be officers.

#### **D. CONTRACTED EMPLOYEES**

Contracted employees generally are pathologists and a select set of upper management employees who have written contracts of employment with SEPA. These contracted employees are bound by the provisions in their employment contract and the provisions in the SEPA Employee Personnel Policy Manual (“Employee Manual”). In areas where the employment contract may conflict or otherwise not parallel the provisions in the Employee Manual, then the employment contract will take precedence and supersede such provisions in the Employee Manual.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT: Equal Employment Opportunities**

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### **POLICY**

It is the policy of SEPA Labs to provide equal opportunity in employment for all persons; to prohibit discrimination in employment because of race, color, religion, sex, age, national origin, citizenship within the limits imposed by law, disability, veteran, or marital status; and to promote the full realization of equal employment opportunity.

### **SCOPE**

This policy extends to every aspect of the employment function including recruiting, hiring, selection for training, compensation, job classification, assignment, working conditions, promotion, transfer, layoff or termination, and all other terms, conditions, and privileges of employment.

### **ADMINISTRATION**

- A. Every effort will be made to recruit employees with the best qualifications for the job based on an objective analysis of demonstrated ability, related experience, education, training and potential; and to place them in positions which will contribute to SEPA Labs' efficient operation and which are consistent with the employee's work interest and career development.
- B. In the execution of this policy, all responsible managers and supervisors will be governed by the appropriate state and federal fair employment practices law and regulations.
- C. Questions concerning interpretations of this policy shall be referred through channels to the President or Secretary of the Corporation. The President is Dr. Patrick Godbey and the Secretary is Dr. Mark A. Hanly.

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**SUBJECT: Open Communications**

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### **POLICY**

It is the policy of SEPA Labs to assure open communication and the prompt, equitable resolution of individual employee work-related problems.

SEPA Labs believes it is essential to provide open, direct and face-to-face communications at all levels within its organization. To help ensure this, supervisors are encouraged to schedule meetings or dialogue sessions with employees on company time to discuss matters of general, company, and/or individual interest and opportunities for work improvements. These meetings should become an ongoing part of our work life.

In any work situation the necessity for prompt attention to employee concerns, problems and/or complaints is essential. Employees should be informed that their job-related problems will be reviewed, and they may follow the procedures outlined in this policy, if necessary, without fear of censure or reprisal. Supervisors and employees must recognize that employee/supervisory problems may arise in the work environment; differences that cannot be resolved mutually do not automatically cast a

## PERSONNEL POLICIES AND PROCEDURES

reflection on either the employee or the supervisor.

It is the supervisor's responsibility to listen openly to the employee's concerns and to involve the employee in mutual problem definition and solution. It is the employee's responsibility to work collaboratively with his/her supervisor. Both the employee and the supervisor should seek to resolve the problem promptly, constructively and at the lowest level possible.

The primary intent of the following procedure is to provide a process to clarify and resolve current problems of active employees. It must be understood that the communication/problem resolution process does not deter and inhibit the disciplinary or termination process.

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**SUBJECT: Promotions and Transfers**

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**PURPOSE**

Staff motivation, satisfaction, productivity, and retention are dependent upon people working in jobs that are well suited to their interests. Because of this, SEPA Labs offers and encourages promotion and transfer opportunities for current employees. Transfers and promotions provide staff the opportunity for career growth and advancement.

**POLICY**

In filling positions at SEPA Labs, preference is given whenever possible to qualified persons currently employed, with factors such as ability, loyalty, problem solving, interpersonal skills, experience, and potential for growth taken into consideration, as appropriate.

Employees are encouraged to express interest in positions for which they believe they are qualified. Expressing an interest in a transfer or promotion will not adversely affect a staff member's current employment. There are, however, specific procedures and qualifying periods for staff applying for a transfer or promotion.

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**SUBJECT: Performance Evaluations**

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**PURPOSE**

SEPA Labs recognizes that it is important to measure performance through formal performance evaluations at specific intervals, in a timely, fair, and equitable manner. Formal evaluations provide an opportunity for staff and managers to discuss and document job-related goals, behavior and performance.

**POLICY**

Employees should receive a formal performance evaluation, at a minimum, on an annual basis. Managers are responsible for assessing, assigning, and reviewing with their employees, ratings of performance against position responsibilities and performance standards.

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A Performance Improvement Plan (PIP) is an action plan to help address and correct unsatisfactory work performance. If an employee is not performing at an acceptable level, the employee may be placed on a PIP. If the performance deficiencies are directly related to skill level, the employee may be demoted or transferred to a position of better fitting responsibility and/or skill if such a position is available. This process is intended to assist the employee in bringing his/her performance to an acceptable level. Employment may be terminated if employee performance does not improve.

The assessment of all employees against the standards of performance will be documented on the evaluation form and made a part of each employee's personnel record.

A performance evaluation does not always result in an automatic salary increase. Various factors including but not limited to the employee's overall performance and salary level relative to position responsibilities must be evaluated to determine whether a salary increase is warranted.

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**SUBJECT:            Dress Code**

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### **PURPOSE**

SEPA Labs' goal is for our employees to be comfortable in the workplace while projecting a professional image when executing their job responsibilities and representing the Company. This includes one's attire, personal hygiene, and appearance. This policy defines the company's expectations.

### **POLICY**

#### **Appearance**

Male and female employees should present a professional image in their grooming and dress. Clothing must be clean, in good condition, and fit appropriately. Neat and well-groomed hair, sideburns, mustaches, and beards (no artificial colors e.g. pink, green, etc. that would be deemed unprofessional). All accessories should enhance a professional image.

Employees may wear jeans that are clean and free of holes on work days. T-shirts that are clean and without stamps or printing that might be perceived as offensive or inappropriate are only permitted on casual Fridays.

Employees whose regular job duties include physical lifting and/or exposure to extreme environmental conditions may wear appropriate casual clothing (including jeans/shorts) at all times. Shorts may be deemed inappropriate where a safety concern for accident or injury is present.

The following are prohibited while at work or other company functions. This list, while not inclusive, provides examples of dress that is prohibited.

- Low cut or unbuttoned low shirts or blouses
- Halter tops
- Leggings with a shirt, dress, or skirt that is more than two inches above the knee cap
- Yoga pants, sweatpants, or other athletic apparel
- Clothes with stamps or printing that might be perceived as offensive or inappropriate

## PERSONNEL POLICIES AND PROCEDURES

- Exposed midriffs
- Tight fitting or revealing clothing
- Flip flops or open toed shoes in the labs
- Dark glasses (unless prescribed by a physician)
- Tattoos that are perceived as offensive or hostile

### **Personal Protective Equipment**

Proper safety attire designated for a particular task must be worn at all times when performing a task which can be hazardous to your health.

### **Hygiene**

SEPA Labs' employees are expected to meet hygiene requirements. The following reflect the minimum standards expected of employees.

- Maintain personal cleanliness
- Oral hygiene (brushing of teeth) required
- Clean and trimmed fingernails
- Wash hands after eating or using the restrooms

### **Disciplinary Consequences**

Supervisors and managers will assure that the dress code is applied equally and fairly throughout the company. Employees who arrive at work in attire deemed a violation of the dress code policy will be sent home to change for the first offense. Second and subsequent violations will be subject to disciplinary action, up to and including termination of employment.

### **Exceptions**

The company must approve special events, such as theme days, or any other deviations from these guidelines.

Any employee with a concern regarding this policy should contact his or her manager or the human resources department.

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**SUBJECT:           Fragrances**

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### **PURPOSE**

A mild fragrance only environment helps create a safe and healthy workplace. Fragrances from personal care products, air fresheners, candles and cleaning products have been associated with adversely affecting a person's health including headaches, upper respiratory symptoms, shortness of breath, and difficulty with concentration. People with allergies and asthma report that certain odors, even in small amounts, can cause symptoms. SEPA Labs' recognizes that employees and visitors to our offices may have sensitivity or allergic reactions to various fragrant products.

### **POLICY**

SEPA Labs expects that all offices and spaces used by the staff and visitors remain free of heavily scented products. Employees are prohibited from bringing onto the premises natural or artificial scents that could

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be distracting to others. Personal fragrant products (fragrances, colognes, lotions, powders and other similar products) that are offensive to others should not be worn in facilities owned and operated by SEPA Labs including company owned vehicles. Other fragrant products (scented candles, potpourri and similar items) are also not permitted in the workplace.

Use of air fresheners and cleaning products other than those purchased, provided, or approved by SEPA Labs are prohibited.

Employees required by medical necessity to use medicinal lotions or skin creams that contain odors perceptible to others may request reasonable accommodation from their supervisor, manager or the human resource (HR) department.

Any employee with a concern about scents or odors should contact his or her manager or the HR department.

Employees violating this policy will be subject to discipline, up to and including termination of employment.

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**SUBJECT:            Work Schedule**

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### **POLICY**

This policy states SEPA Labs requirement regarding working hours, pay periods, lunches and breaks. The policy provides guidelines to support consistent administration by supervisors.

- A.     **Pay Period** – SEPA Labs pay periods run bi-weekly with a total of 26 pay periods in a year. Pay days are every other Friday.
  
- B.     **Workweek** – SEPA Labs runs on a 40 hour work week which consists of an eight (8) hour work day plus a one (1) hour lunch period, Monday through Friday. Workweek begins on Sunday and ends on Saturday.
  
- C.     **Meal Periods** – each employee of SEPA Labs may take one (1) hour meal daily. This meal may be taken either in the Laboratory or away. Meals must be taken on a rotating basis so that no section is left un-staffed. Abuse of meal periods shows lack of respect for our patients and our fellow employees and may result in disciplinary action, up to and including termination of employment. Whether the employee has his/her meal away from the lab or at the lab, the employee must clock out. This includes lunches furnished by the laboratory, however, on these occasions all employees may clock out at the same time. The employee will not click back in until the employee is ready to resume work.
  
- D.     **Breaks** – each employee of SEPA Labs may take two (2) 15 minute breaks during each eight (8) hour work day, one in the morning and one in the afternoon. Breaks must be taken on a rotating basis so that no section is left un-staffed at any time. Abuse of breaks (excessively long breaks or an excessive number of breaks) show lack of respect for our patients and your fellow employees and may result in disciplinary action, ranging from

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the employee being clocked out by the supervisor (after being warned that this action is about to take place) up to and including termination of employment.

- E. **No Pyramiding** – breaks and lunches may not be combined to produce a longer lunch period unless agreed to by the other employees affected and cleared through your immediate supervisor. Employees must be back at their scheduled times in order for other employees to be able to have their entire lunch hour.
- F. **Leaving Work during Working Hours** – SEPA Labs is aware that there are times when an employee must for various reasons (Doctor’s appointment, sick child, etc.); leave the workplace for a period of time. When this happens, your immediate supervisor must be informed before you leave. If an employee leaves the laboratory for any reason other than laboratory business, the employee must clock out. If it is felt that this right has been abused, disciplinary action maybe necessary.
- G. **Work Schedule** – work schedules are made up by the supervisors and must not be changed unless discussed with and approved by your immediate supervisor. This includes coming in early in order to leave early, skipping lunch in order to leave early and changing work assignments.

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**SUBJECT:           Time Clock**

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### **POLICY**

In order to prevent any abuse by the employer or employee, SEPA Labs uses a time clock in order to keep track of hourly (non-exempt) employee time worked. Certain rules and regulations must be followed concerning the use of the time clock.

- A. **Clocking In and Out** – each employee is responsible for clocking themselves in when they arrive at work and clocking themselves out whenever they leave work. SEPA Labs does not permit other employees to clock an employee in or out. If the employee forgets to clock in or out, the employee **must** notify his/her supervisor. Only the employee’s supervisor may clock in or out for another employee. Any employee other than a supervisor who is seen to be clocking in or out for another employee and any employee asking his fellow employee to clock them in or out, will be subject to immediate dismissal.
- B. **Meals** – all employees **must** clock out for meals, whether that meal is eaten in the laboratory or away from the laboratory. Employees may not clock back in until they are ready to go back to work, whether the meal is eaten out or in the laboratory.
- C. **Breaks** – employees are given two (2) fifteen (15) minute breaks per eight (8) hour work day, schedule permitting. Employees are required to clock out for these breaks. Break time is considered paid time, however, if it is perceived that the employee is spending more than his/her allotted time on breaks, them may be clocked out by his/her supervisor and clocked back in when returning to work. The employee will be informed that this is

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about to happen so they may return to work on their own.

- D. Ending the Day – if an employee has finished all the work assigned to him/her and can find nothing to keep them busy for the rest of the day, the employee may be asked to clock out and go home for the remainder of the day. Remember, this short time will be reflected in his/her paycheck as he/she will only be paid for hours worked. This should not pose a problem as in a working laboratory there is **always** something that needs to be or can be done. Prolonging a job to fill in time will not be tolerated. If you have difficulty finding enough work to keep you busy, talk to your supervisor and he/she will assign a task for you to do.
- E. **Overtime** – it is possible that it may be necessary for an employee to work over their eight (8) hour work day and over forty (40) hours per week. This can happen when for some reason the laboratory becomes short staffed (vacations, sickness). However, all overtime received must be justified and approved. SEPA Labs pays overtime at the rate of time and one half (1/2) the employee's normal rate for work over forty (40) hours per week.

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**SUBJECT: Overtime**

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### **POLICY**

It is the policy of Southeastern Pathology Associates, P.C> to provide additional compensation to all nonexempt employees for all work in excess of their normally scheduled workday/workweek.

### **GENERAL**

Overtime is defined as all hours worked in excess of forty hours in any workweek. Such overtime shall be paid at the rate of one and one-half times the straight time base rate.

**OVERTIME SHALL BE DISTRIBUTED AS EQUALLY AS IS POSSIBLE AMONG THOSE EMPLOYEES WHO ARE ABLE TO PERFORM THE WORK.**

Employees may not work overtime unless such overtime is scheduled and approved as follows;

- A. **Regular overtime** is defined as overtime which is warranted on a continuing basis by the nature of the process or operation or by the customer requirements of the department concerned. Such overtime and the scheduling thereof will be subject to prior approval of the employee's supervisor.
- B. **Emergency overtime** is defined as overtime necessitated by unforeseen contingency which cannot be handled without overtime within the current workweek. Such overtime and the scheduling thereof will be subject to approval of the employee's supervisor.

When regular or emergency overtime is required, the employees affected will be notified as far in advance as possible.

**Employees may not work through their lunch period and be paid overtime for such work**

## PERSONNEL POLICIES AND PROCEDURES

### **APPROVAL OF OVERTIME**

All requests for overtime must be approved in advance by the employee's supervisor.

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**SUBJECT:           Holidays**

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### **POLICY**

It is the policy of SEPA Labs to recognize certain designated days throughout each year as holidays. The Corporation will observe the following holidays:

NEW YEAR'S DAY  
MEMORIAL DAY  
INDEPENDENCE DAY  
LABOR DAY  
THANKSGIVING DAY  
CHRISTMAS DAY

### **COMPANY-PAID HOLIDAYS**

Eligibility - full-time, regular employees having completed thirty (30) days of continuous employment are eligible for paid holidays pay.

Holiday Pay - an employee observing an authorized holiday will receive holiday pay at the employee's regular hourly rate, providing the employee works his/her last regularly scheduled shift preceding the holiday and the employee's first regularly scheduled shift following the holiday(s). Hourly employee will be paid their regular rate of pay for 8 hours. Part-time employees will be paid as noted in "Holiday Pay based on regular scheduled weekly hours" in this policy.

**Note: Holidays occurring on weekends will be observed on the date determined by the President.**

Salaried employees will receive regular salary.

### **OVERTIME IN HOLIDAY WEEK**

When overtime occurs in the same week as a holiday, overtime will be paid at the rate of time and a half for all hours worked in excess of forty hours.

### **PERSONAL TIME OFF**

Personal time off will not be permitted the day before or the day after a holiday, unless scheduled and approved not less than seven (7) days before the holiday.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT:            Paid Time Off (PTO)**

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### **PURPOSE**

The purpose of this policy is to establish a benefit program that provides employees flexibility in the use of time off with pay while minimizing unscheduled absences and tardiness and ensuring adequate staffing. PTO provides employees with paid time away from work that can be used for vacation, personal, family illness, bereavement, or other personal or family needs.

### **SCOPE**

This policy applies to all regular full-time and part-time employees at SEPA excluding physicians. Supervisors, in cooperation with the human resources department, will make every effort to ensure that the guidelines and procedures of this policy are administered fairly and timely to all employees.

### **POLICY**

Employees who are employed by the company on a full-time basis will accrue (earn) PTO time at a rate per the schedule below. An employee may use his or her earned PTO at any point during the calendar year. PTO time is **earned** bi-weekly on the first Sunday following the end of each pay period. You will be allowed to go into the negative no more than 24 hours.

<b><u>Months of Employment</u></b>	<b><u>Paid Time Off</u></b>
0 Months to 11 Months	5 working days or 40 hours. Accrue 1.54 hours per pay period
12 Months to 71 Months	15 working days or 120 hours. Accrue 4.62 hours per pay period
72 Months or More	20 working days or 160 hours. Accrue 6.16 hours per pay period
Part-Time Employees	2.5 working days or 20 hours. Accrue 0.77 hours per pay period.

An employee must be employed for three consecutive months to be eligible for PTO. Upon completion of three consecutive months, an employee's accrual of PTO time is retroactive to the first full day of employment.

Request for PTO must be made on a "Leave Request" form, scheduled in advance and approved by the employee's supervisor in accordance with staffing needs. Request for PTO of 2 or more days must be submitted at least 1 week in advance. Use of PTO that is not scheduled and approved 24 hours before the scheduled start time will be considered unscheduled PTO (UPTO) incidence. All completed and approved Leave Request forms should be forwarded to the human resources department.

Excessive time taken beyond the allotted PTO time (except those covered by Family Medical Leave) or unscheduled PTO will be considered inappropriate attendance pattern and may be treated as a performance issue, subject to counseling and appropriate corrective action.

The supervisor has the authority to deny the request for time off, including PTO request already approved, if it will result in a hardship upon the business. Leave is granted on a strict "first come first serve" basis. Where scheduling conflicts occur within a department, preference will be given to the earliest request submitted.

## PERSONNEL POLICIES AND PROCEDURES

All PTO time taken should be properly recorded on the “time sheet” for the pay period it is used. PTO hours will not be considered hours worked for the purpose of calculating overtime pay. Employees must use all accumulated PTO time before taking any time off without pay. **Non-exempt (hourly paid) employees may not take PTO time in increments of less than 1 hour. Exempt (salary paid) employees, due to labor law restrictions, may not take personal time in increments of less than half of a day.**

Employees will be required to rotate PTO around the holidays to ensure everyone has an equitable opportunity to have holiday time off.

A maximum of 10 days (or **80 hours for full-time employees**) PTO can be carried over to the next calendar year. Any PTO in excess of 10 days will be lost if it is unused in the calendar year it is earned.

PTO time will cease to accrue when an employee goes out on Leave of Absence and resume upon return from leave.

Upon termination of employment, all earned and unused PTO time will be paid to the employee. **Pay will be automatically reduced at termination for any unearned PTO that has been taken.** Employees who voluntarily terminate their employment without adequate two-week notice and employees who are terminated for “gross misconduct” are not entitled to payment for accrued, unused PTO. Employees who resign cannot use PTO time in lieu of required two weeks’ notice.

Management reserves the right to use its discretion in applying this policy under special or unique circumstances.

This policy does not cover scheduled holidays.

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**SUBJECT:            Safety and Health**

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### **POLICY**

SEPA Labs' policy is intended for the safety of the employee and to prevent any employee from being subjected to any unusual health or safety risk. SEPA Labs will establish comprehensive and realistic policies based on past experience and current scientific research in order to prevent unreasonable health and safety risks. In order to fulfill these goals, SEPA Labs shall:

- A.     Maintain ongoing programs at all levels to identify employee health and safety risks. SEPA Labs will see to it that all employees clearly understand all facets of SEPA Labs health and safety programs that directly affect time and their duties upon placement in their initial work assignment. Each employee will read and sign the safety manual. If any questions are noted, they will be addresses to the supervisor.
- B.     Make control and elimination of such risks a top priority in all SEPA Labs, financial, business plans, and budgets. Southeastern Pathologist Associates, P.C. will provide the necessary funds to implement health and safety programs.

## **PERSONNEL POLICIES AND PROCEDURES**

- C. Control and reduce employee exposure to all known or clearly suspected occupational health and safety risks, and attempt to lower exposure levels as quickly as governmental regulations, technology and economic feasibility allow.
- D. SEPA Labs positions on occupational health and safety concerns as they affect SEPA Labs and its employees.
- E. Recognize that despite SEPA Labs' efforts, the basic responsibility for employee health and safety rests with the individual. It is a condition of employment for all employees to conduce their work in a safe and healthful manner.

### **PROTECTIVE EQUIPMENT**

Employees are required to wear all appropriate protective equipment at the proper times and in the proper environments. Failure to wear required protective equipment is cause for written reprimand. Supervisors will strictly enforce this policy.

### **FIRE SAFETY**

It is the supervisor's responsibility to inform employees and visitors of the location of emergency exit routes. Should a fire occur, the Safety Offices will initiate response and be responsible for notification to the Fire Department.

Employees will be instructed on the use of hand extinguishers or other procedures to follow until help arrives. Supervisors are responsible for showing new employees the location of all fire fighting equipment and other emergency equipment.

### **OSHA AND EPA COMPLIANCE**

All employees are made aware that the OSHA and EPA rules and regulations are for their safety and protection. All employees are expected to use their utmost attention to bring to the attention of their supervisors any dangerous or hazardous condition existing in the work place. SEPA Labs will comply with all OSHA and EPA requirements. Safety officers are responsible for conducting periodic spot checks in the laboratory.

SEPA Labs will closely follow the provisions of various environmental regulations as they relate to occupational health and safety. An integral part of safe operations implies cleanliness and good general facility appearance. The importance of cleanliness with respect to laboratory practices cannot be overemphasized. Appearance applies not only to the work area, but also to each individual employee. Cooperation of all employees is necessary to maintain the highest standards of cleanliness which is vital to business operations.

With regard to solid waste disposal, treatment and storage, SEPA Labs will make every effort to prevent the development of harmful environmental conditions. SEPA Labs will cooperate with Federal, State, and Local cleanup efforts should they ever become necessary.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT: Standards of Conduct**

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### **POLICY**

It is the policy of SEPA Labs to establish and maintain standards of conduct, performance and appearance that promote the well-being of employees and customers, and permit SEPA Labs to operate in an orderly and efficient manner.

### **PATIENT AND PROPRIETARY BUSINESS INFORMATION**

Employees are under an obligation to protect the confidentiality of all medical information of SEPA Labs clients and their patients. This information must not be disclosed to anyone not authorized to receive it.

Certain confidential and/or proprietary SEPA Labs information is prohibited to unauthorized person such as competitors, suppliers or outside contractors. This includes any information on patients, financial information, client lists, discounts, special pricing, computer data and computer programs, as well as descriptions of SEPA Labs processes or operations. These restrictions continue to apply in the event that an employee leaves SEPA Labs

Individuals with access to computer information systems will be required to adhere to all Information System guidelines and regulations. Passwords and other personal security codes are confidential. Employees must not share passwords or permit others to use his/her computer while logged in.

### **PROCEDURE**

Employment with SEPA Labs may be terminated by the employee or SEPA Labs at any time for any reason whatsoever. The following list illustrates the kinds of unacceptable employee conduct that SEPA Labs cannot tolerate. The list is by no means inclusive, but rather is indicative of the minimum standards SEPA Labs expects of all employees.

#### **A. Attendance**

1. Excessive tardiness
2. Excessive Absences
  - a. Absence from work for one day without authorization, notification, or reasonable explanation of such absence upon return to work.
  - b. Recurring, frequent, or excessive absences.
  - c. Failure to return to work on the first scheduled day following a leave of absence.

#### **B. Performance**

1. Substandard performance and/or negligence in the performance of duties.
2. Failure to communicate information about errors, negligence, and malfunctions that affect SEPA Labs

#### **C. Recording Time**

1. Failure to record time properly.
2. Falsifying a time sheet.
3. Unauthorized recording of time on another employee's time sheet.

#### **D. Use of time**

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1. Wasting time or being away from work area unnecessarily.
2. Beginning work or leaving work before specified time without authorization.
3. Sleeping during working hours.
4. Reporting for work in a state of fatigue that precludes effective performance.

### **E. Orderliness**

1. Failure to keep area functional and safe for other workers to pass into or through without danger of physical.

### **F. Falsification of Records**

1. Falsifying or failing to record information vital to SEPA Labs
2. Falsifying information on SEPA Labs records or giving false replies to corporate personnel or representatives on matters relating to corporate business.
3. Unauthorized use or disclosure of SEPA Labs records or information contained therein.
4. Falsification on employment records.

### **G. Safety**

1. Violation of safety rules through intentional acts, negligence, or oversight.
2. Careless acts that jeopardize the health and safety of other employees or visitors.

### **H. Company Property**

1. Careless use of corporate property.
2. Using corporate materials, time, equipment, or personnel for unauthorized purposes.
3. Unauthorized use, removal, or destruction of records, employee lists, computer software programs, or other forms of corporation information without prior explicit permission of the President or Secretary of the Corporation.
4. Unauthorized possession of the property or belongings of co-workers or customers of SEPA Labs.
5. Unauthorized use of SEPA Labs telephone system.

### **I. Insubordination**

1. Refusal to accept a bona fide job assignment.
2. Willful disobedience of instructions performing assigned work.
3. Walking off the job without authorization.
4. Uncooperative or inappropriate conduct.

### **J. Appearance and Personal Conduct**

#### **a. Appearance**

1. Appropriate personal grooming means, generally, neat and clean appearance. Moderation in appearance and dress consistent with a professional business setting will be followed by all SEPA Labs' employees, in accordance with the policy dress code.
2. Employee's attire must be suitable to the job performed.

#### **b. Personal Conduct**

1. Eating or smoking in unauthorized area.
2. Committing any act of violence against any other person.
3. Gambling on corporate property at any time.

## PERSONNEL POLICIES AND PROCEDURES

4. Use, transportation, or possession of firearms, explosives, or any other article intended for use as an injurious or deadly weapon.
5. Possession or use of alcohol, drugs, or other chemicals that could affect performance on SEPA Labs' property.

### **K. Disclosure of Confidential Information**

- a. In the course of his/her employment, each employee has confidential information, the unauthorized disclosure of which could be counter-productive to SEPA Labs
- b. This confidential information includes, but is not limited to:
  1. Giving confidential information regarding SEPA Labs to the media, other outside parties or in any manner acting as an unauthorized spokesperson for SEPA Labs
  2. Any material or information that could result in the creation of any unfair advantage to an individual or member over another individual or member in their procurement of business.

**UNAUTHORIZED DISCLOSURE, DIRECT OR INDIRECT, OF CONFIDENTIAL INFORMATION MAY RESULT IN IMMEDIATE TERMINATION OF EMPLOYMENT.**

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**SUBJECT:            Accident and Injuries**

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### **POLICY**

SEPA Labs where "SAFETY FIRST IS A MUST", regards the personal health and safety of each employee to be of primary importance. To the greatest degree possible, management will provide all mechanical and physical facilities required for safety and health. In keeping with the highest standards of SEPA Labs, every effort will be made to provide a workplace free from unsafe conditions and to provide adequate equipment.

### **PROCEDURE**

- A. The primary requirement for general safety is that everyone be made aware of the importance of working safely. All employees are encouraged to report to their Department Head any condition or area which could adversely impact the health and safety of the employee or area. The following safety regulations must be strictly adhered to:
  - E. All work injuries must be reported immediately to his/her supervisor or to the President or Secretary of the Corporation.
  - F. Horseplay and practical jokes will not be tolerated on corporate premises.
  - G. Aisles, exits, stairways, fire extinguishers, and electrical switchboards must be kept clear at all times.
  - H. Water and other spills must be cleaned up immediately as spills can cause slipping hazards.
  - I. Any unfamiliar odors or malfunctions in the ventilation or exhaust systems should be reported immediately.
  - J. Chairs, boxes, tables, etc., should never be used as step ladders.
  - K. It is the responsibility of all employees to become familiar with the fire and disaster emergency plan.

## **PERSONNEL POLICIES AND PROCEDURES**

### **B. First Aid**

First Aid equipment for minor injuries is located throughout each facility.

### **REPORTING WORK RELATED ACCIDENTS AND INJURIES**

All injuries and accidents, no matter how minor, must be reported immediately to all employees' supervisor. Failure to report related injuries or accidents may result in a delay or denial of Workers Compensation benefits and/or dismissal.

### **MEDICAL TREATMENT**

The Medical Director as designated has the responsibility for scheduling and referring employees for medical treatment for work related injuries. Immediate medical treatment will be scheduled by the employee's immediate supervisor. Treatment will be obtained from one of the medical providers listed on the workers Compensation Panel of Physicians which is posted on the bulletin board located at each location. The supervisor will complete a full incident report for the records of employer.

All initial treatment, (other than in the absence of the Medical Director or the Corporation as described in the preceding paragraph) follow-up visits, referrals to specialist and second opinions, must be authorized and coordinated through the President or Secretary. Failure to coordinate all medical treatment with the President or Secretary prior to scheduling an appointment may result in a delay or denial of Workers Compensation Benefits.

An employee, who suffers a job-related injury and must receive medical treatment during their scheduled work hours on the day of the injury, will be compensated at their hourly rate for the time lost. The total hours paid on the day of the injury will not exceed eight (8) hours.

### **WAGE BENEFITS**

Wage benefits by the Workers Compensation Insurance Carrier begin on the eighth (8<sup>th</sup>) day absent from work. **IMPORTANT NOTE:** The first seven (7) days absent from work are without pay. When absence extends to twenty-eight (28) days or more, Worker's Compensation Carrier will then pay benefits covering the first seven (7) days. Workers Compensation wages benefits are based on 66 2/3% of the employee regular pay up to a maximum of (determined by state) per week, generally not to exceed 450 weeks maximum as of effective date of this policy.

### **EMPLOYEES RESPONSIBILITIES**

Report all work related injuries immediately to the supervisor.

Complete the employee section on the Accident and Investigation Report Form.

Report all required medical treatment to the President or Secretary of the Corporation. This includes initial treatment, follow-up appointments, referrals to specialists, and requests for second opinions.

### **SUPERVISORS RESPONSIBILITIES**

Coordinate with the employee the need for immediate medical treatment.

Assist the employee with the completion of the employee section of the Accident and Investigation Report form.

Investigate the cause of the incident to determine corrective action required to avoid future occurrences.

## PERSONNEL POLICIES AND PROCEDURES

Complete the Accident and Investigation Report form. The completed report must be submitted to the President for recommendations and approval.

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**SUBJECT:                    Sexual and Other Types of Harassment Policy**

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### **I.            GENERAL STATEMENT**

It is the policy of SEPA Labs, including all subsidiaries and related entities of such companies, to maintain a work environment free from illegal harassment. Any harassment that is imposed upon an employee because of that employee's race, creed, color, national origin, age, sex, marital status, or due to employee's status as being physically or mentally disabled, violates this policy and may violate federal and state law.

The harassment prohibited by this policy includes unprofessional comments, slurs, jokes, innuendoes, cartoons, pranks, physically intimidating harassment, requests or demands for sexual favors from subordinates or co-employees when such actions are taken, in whole or in part, on the basis of the effected employee being a member of the class of individuals referred to in the preceding paragraph. Prohibited harassment also includes actions of a retaliatory nature which are taken against a subordinate or co-employee because of that employee's participation and activities protected by federal and state discrimination laws.

### **II.          RIGHTS OF EMPLOYEES**

Employees of SEPA Labs have the right to be free from illegal harassment on the job by co-workers, supervisors, management and business visitors. The harassment prohibited by this policy includes but is not limited to the types of activities specified throughout this policy. However, the activities identified throughout this policy do not represent an exhaustive list of prohibited harassment but are representative of the types of activities that have been found to violate federal and state law under certain circumstances. It is equally important to note that mere disagreements or differences of opinion as to personal or employment matters (which exist without regard to either the employee's race, creed, color, national origin, age, sex, marital status, or existence of physical or mental disability) do not violate this policy.

The harassment prohibited by this policy also constitutes a violation of state and federal law when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of employment.
2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or,
3. Such conduct has the purpose or effect of interfering with an individual's work performance, or otherwise creating or intimidating a hostile or offensive working environment. Such conduct would include carrying out acts of retaliation against an employee that has made complaints regarding their reasonable belief that they have been subjected to illegal harassment.

## PERSONNEL POLICIES AND PROCEDURES

### III. SEXUAL HARASSMENT

Sexual harassment is addressed separately within this policy because it is an issue currently at the forefront of employer/employee relations. Sexual harassment has characteristics which make it unique under federal and state law. Therefore, Southeastern has separately addressed the issue of sexual harassment herein. However, SEPA Labs takes all complaints regarding illegal harassment seriously, regardless of the nature of the protected class to, which the complaining employee belongs.

As a particular form of harassment, sexual harassment interferes with the integrity of the employment relationship. Sexual harassment does not refer to occasional compliments of a socially acceptable nature, but refers to behavior that lowers employee morale, and which, as a result, adversely effects the work environment. Sexual harassment is not limited to supervisory/employee relationships, but can involve co-employees, and under certain circumstances, non-employees. Sexual harassment has been defined under federal and state law to include, but not be limited to:

1. Unwelcome sexual advances;
2. Requests for sexual favors;
3. Verbal or physical conduct of a sexual nature; or,
4. Creating (or maintaining) a sexually hostile or offensive work e environment, or retaliation against an employee for presenting a complaint of sexual harassment.

### IV. PROCEDURES FOR COMPLAINTS REGARDING PROHIBITED HARASSMENT

#### 1. Employee Responsibility

Any employee who believes that he or she is being harassed in violation of this policy should notify his or her supervisor. In situations where the employee believes that he or she is being harassed by their immediate supervisor, the employee should notify the President of the Corporation or Secretary of the Corporation.

**No employee will be retaliated against by SEPA Labs in anyway for making a complaint of harassment.**

#### 2. Employer Responsibility

Any supervisor employed by SEPA Labs, who becomes aware of a complaint of harassment of any kind, shall at a minimum, take the action outlined in this policy, regardless of whether the complaint was submitted by the individual who has been or is being harassed. Additionally, any co-employee that becomes aware of either the existence of, or complaint about, sexual harassment is required to notify either the President or Secretary of the Corporation on both of such matters. It is also the responsibility of the President and Secretary of the Corporation to assure that a copy of this policy is provided to all subordinates as of the date of the creation of this policy, and to any newly hired employees thereafter.

#### A. Investigation of Complaints

When a supervisor becomes aware of a complaint of harassment or observes actions of a harassing nature, that supervisor shall promptly notify the President or Secretary of the Corporation and provide any assistance requested in the investigation which follows. Once notified by a supervisor, b<sup>y</sup> an employee, or by any other means, the President or Secretary will

## PERSONNEL POLICIES AND PROCEDURES

initiate an investigation as soon as possible under the circumstances, though such investigation should ordinarily begin within three working days of such notice. The investigation may be conducted or assisted in by the Corporation's attorney. The investigation should include separate interviews with both the alleged victim of the harassment and the alleged harasser, as well as other persons who may have observed the alleged harassment or who may be in positions similar to that of the alleged victim of the harassment (who therefore may be able to testify to their experiences with the alleged harasser). Any interviews conducted during the course of the investigation should be recorded by the President and Secretary of the Corporation and retained in a secure location by the President and Secretary of the Corporation until such time as Southeastern Pathology Associates is advised by legal counsel that retention of such recordings is no longer necessary.

**Special Note-** In situations where the alleged harasser is either the President or the Secretary of the Corporation or someone in the chain of command at SEPA Labs, complaints should be made directly to the President or Secretary of SEPA Labs which is not the subject of the complaint. In such situations, the President or Secretary will consult with Southeastern's counsel regarding the appropriate manner in which an investigation should be conducted.

### **B. Analysis of Investigation**

In determining whether the investigation has revealed a violation of this policy, the employer will rely upon all federal and state anti-discrimination laws, as well as guidelines promulgated by the Equal Employment Opportunity Commission (EEOC) and the applicable provisions of this policy. The entire record will be evaluated in determining whether any action constitutes harassment and the context in which the alleged incident occurred will be considered. Each determination under this policy will be made from the facts of the particular incident, or series of incidents, on a case by case basis. To the extent practicable under the circumstances of each situation, each investigation will be handled as promptly and with as little dissemination of the information gathered as possible. All such investigations will be, to the extent practicable, conducted in a manner that will protect all employee's privacy, and minimize unfounded accusations with respect to all parties concerned. Nevertheless, because of the importance of thorough investigations, as well as obligations placed upon the employer by federal and state law, absolute confidentiality cannot be guaranteed, though Southeastern Pathology Associates will strive to keep access to information regarding complaints and investigations as limited as possible under the law.

### **C. Disciplinary Action**

If the investigation, and subsequent review by the President or the Secretary or any other person charged with responsibility for conducting an investigation reveals that an employee did engage in harassment prohibited by this policy, SEPA Labs will take appropriate action which will, at a minimum, include a warning that any further harassment could result in negative employment action, including and up to termination. However, SEPA Labs will attempt to take appropriate action based upon the particular facts of each incident, or series of incidents. Additional action taken by SEPA Labs may include verbal and/or written reprimands, a letter documenting the incident to the employee's personnel file, employee transfers, or other actions deemed appropriate to sufficiently resolve the problem identified. In situations where the complaint can neither be substantiated, nor proven false, a general reminder will be made to all employees regarding the potential ramifications of substantiated harassment complaints. Allegations which are shown to be false may result in similar disciplinary action to that described above.

## PERSONNEL POLICIES AND PROCEDURES

### **V. DISSEMINATION OF THIS POLICY**

It is the responsibility of all supervisors, in conjunction with the President or Secretary, to assure that a copy of this policy is provided to all current employees, and to any employees hired after the enactment of this policy. In addition, all employees are required to read this policy and to sign the acknowledgment set forth below.

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**SUBJECT:                    Substance Abuse**

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### **PURPOSE AND GOAL**

SEPA Labs is committed to protecting the safety, health and well-being of all employees and other individuals in our workplace. We recognize that alcohol abuse and drug use pose a significant threat to our goals. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment.

### **COVERED INDIVIDUALS**

Any individual who conducts business for the organization, is applying for a position or is conducting business on the organization's property is covered by our drug-free workplace policy. Our policy includes, but is not limited to executive management, pathologists, managers, supervisors, all employees and employment applicants.

### **APPLICABILITY**

Our drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for the organization. Therefore, this policy applies during all working hours and whenever conducting business or representing the organization.

### **PROHIBITED BEHAVIOR**

1. The use of illegal drugs is a violation of company policy.
2. It is a violation of company policy for any employee to possess, sell, trade or offer for sale illegal drugs or otherwise engage in the illegal use of drugs.
3. It is a violation of company policy for anyone to report to work under the influence of illegal drugs.
4. It is a violation of company policy for anyone to use prescription drugs illegally. However, nothing in this policy precludes the appropriate use of legally prescribed medicines, provided they do not interfere with the employee's ability to work.
5. It is a violation of company policy to consume alcoholic beverages on this company's premises or to report to work with an alcohol concentration in excess of .08 grams.
6. Violations of this policy are subject to disciplinary action up to and including termination.

### **TYPES OF TESTING**

SEPA Labs has adopted testing practices to identify employees who use illegal drugs or who use alcohol on the job. It will be a condition of employment for all employees to submit to substance abuse testing under the following circumstances:

1. Pre-employment: Employment applicants will be required to submit to a substance abuse test

## **PERSONNEL POLICIES AND PROCEDURES**

- after extending an offer of employment.
2. Reasonable suspicion: Reason to believe that an employee is using illegal drugs or is otherwise under the influence of drugs or alcohol, based on belief that an employee is using or has used drugs or alcohol in violation of the employer's policy, drawn from specific, objective facts or reasonable inferences.
  3. Post-accident:
    - a. When employee has been involved in, caused or contributed to an accident resulting in damage to company property.
    - b. Prior to treatment for an on-the-job injury at a medical facility.
    - c. Injuries that occur during work hours must be reported immediately to Human Resources, where it will be determined whether or not the employee is required to seek treatment at a medical facility.
  4. Random: As part of a random screening program.
  5. Post-Rehabilitation: As a part of a follow-up to a program of treatment for drug or alcohol abuse.

### **TESTING PROCEDURES**

To ensure the accuracy and fairness of our testing program, all substance abuse testing will be conducted in accordance with the following procedures:

1. The substances that will be tested for are: Amphetamines, Cannabinoids (THC), Cocaine, Opiates, Phencyclidine (PCP), Barbiturates, Benzodiazepines, Methadone, Propoxyphene, and alcohol concentration of .08 grams or higher.
2. Testing for the presence of the metabolites of drugs will be conducted by the analysis of urine.
3. A specimen shall be collected with due regard to the privacy of the individual providing the specimen and in a manner reasonably calculated to prevent substitution or contamination of the specimen
4. Specimen collection shall be documented, and the documentation procedures shall include:
  - a. Labeling of specimen containers so as to reasonably preclude the likelihood of erroneous identification of test results; and
  - b. An opportunity for the employee or job applicant to record any information he or she considers relevant to the test, including identification of currently or recently used prescription or nonprescription medication or other relevant medical information. The providing of information shall not preclude the administration of the test, but shall be taken into account in interpreting any positive confirmed results;
5. Specimen collection, storage, and transportation to the testing site shall be performed in a manner which will reasonably preclude specimen contamination or adulteration;
6. Each initial test conducted shall be conducted by a laboratory;
7. A specimen for a test may be taken or collected by any of the following persons: A physician, a physician's assistant, a registered professional nurse, a licensed practical nurse, a nurse practitioner, a certified paramedic who is present at the scene of an accident for the purpose of rendering emergency medical service or treatment; a qualified person certified or employed by a laboratory certified by the National Institute on Drug Abuse, the College of American Pathologists, or the Georgia Department of Community Health; A qualified person certified or employed by a collection company.

### **TESTING POSITIVE**

One of the goals of our drug-free workplace program is to encourage employees to voluntarily seek help with alcohol and/or drug problems. If, however, an individual violates the policy, the consequences may be serious.

## **PERSONNEL POLICIES AND PROCEDURES**

Employees or applicants with a confirmed positive test result may: (1) at their option and their expense, have a second confirmation test made on the same specimen within five (5) working days after the company contacts the employee regarding the positive test result. Absent extraordinary circumstances, the individual will not be allowed to submit a third specimen for testing, or (2) the employee has the option of explaining the positive result to the employer. If the individual chooses to exercise this second option, and if a valid prescription can be provided to explain the positive test result, it must be provided to the laboratory within five working days after written notification of the positive test result and no disciplinary action will be taken.

### **OPTIONS FOR DISCIPLINE FOR UNACCEPTABLE POSITIVE URINE TESTS**

1. In the case of applicants, if he or she violates the drug-free workplace policy, the offer of employment may be withdrawn. The applicant may reapply after eighteen months.
2. Any employee required to undergo testing pursuant to this policy, in which test results in a confirmed positive, without an acceptable reason, is subject to discipline, up to and potentially including termination from employment.
3. An employee may be subject to the same consequences of a positive test if he/she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms or refuses to cooperate in the testing process in such a way that delays or prevents completion of the test.

### **ALCOHOL**

An employee whose normal faculties are impaired due to the consumption of alcoholic beverages, or whose blood alcohol level tests .08 grams or higher, while on duty shall be guilty of misconduct. It is a violation of company policy to consume alcoholic beverages on this company's premises during working hours. Violations to this policy shall be subject to discipline up to and including termination.

### **ASSISTANCE**

SEPA Labs recognizes that alcohol abuse, drug abuse, and addiction are treatable illnesses. We also realize that early intervention and support improve the success of rehabilitation. To support our employees, our drug-free workplace policy:

- Encourages employees to seek help if they are concerned that they or their family members may have a drug and/or alcohol problem.
- The employer provides an Employee Assistance Program (EAP) for eligible employees and their eligible dependents. The EAP is a confidential service to help employees with personal concerns which may affect work performance. The services, which are provided by The Hartford, include evaluation, counseling, and referral services. Details regarding the employer's EAP are available to all employees on the company intranet and in the Human Resources department.
- Treatment for alcoholism and/or other drug use disorders may be covered by the employee benefit plan. However, the ultimate financial responsibility for recommended treatment belongs to the employee.
- Upon disclosure of such circumstances to the organization, the employee and organization will work within the confines of the organization's policy to create treatment options which will allow the employee the opportunity to receive appropriate treatment and return to work at such time that it is determined the condition has been adequately addressed.

### **CONFIDENTIALITY**

All information received by the organization through the drug-free workplace program is confidential communication. Access to this information is limited to those who have a legitimate need to

## **PERSONNEL POLICIES AND PROCEDURES**

know in compliance with relevant laws and management policies.

### **NOTIFICATION OF CONVICTIONS**

Any employee who is convicted of a criminal drug violation in the workplace, or any felony criminal drug conviction wherever occurring, must notify the organization in writing within five calendar days of the conviction. The organization will take appropriate action within 30 days of notification. Federal contracting agencies will be notified when appropriate.

### **SEARCHES**

Entering the organization's property constitutes consent to searches and inspections. If an individual is suspected of violating the drug-free workplace policy, he or she may be asked to submit to a search or inspection. Searches can be conducted of pockets and clothing, wallets, purses, briefcases and lunchboxes, desks and work stations and vehicles and equipment.

### **SHARED RESPONSIBILITY**

A safe and productive drug-free workplace is achieved through cooperation and shared responsibility. Both employees and management have important roles to play. All employees are required to not report to work or be subject to duty while their ability to perform job duties is impaired due to on- or off-duty use of alcohol or other drugs. In addition, employees are encouraged to:

- Be concerned about working in a safe environment.
- Support fellow workers in seeking help.
- Use the Employee Assistance Program.
- Report dangerous behavior to their supervisor.

It is the supervisor's responsibility to:

- Inform employees of the drug-free workplace policy.
- Observe employee performance.
- Document negative changes and problems in performance.
- Counsel employees as to expected performance improvement.
- Clearly state consequences of policy violations.

### **COMMUNICATION**

Communicating our drug-free workplace policy to both supervisors and employees is critical to our success. To ensure all employees are aware of their role in supporting our drug-free workplace program:

- All employees will receive a written copy of the policy.
- The policy will be reviewed in orientation sessions with new employees.
- Posters and brochures will be available at all locations.
- Employee education about the dangers of alcohol and drug use and the availability of help will be provided to all employees.
- Every supervisor will receive training to help him/her recognize and manage employees with alcohol and other drug problems.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT:           Disciplinary Procedures**

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### **I. POLICY**

It is the policy of SEPA Labs to administer rules of personal conduct of its employees in a fair, consistent and uniform manner. The objectives are to ensure proper operations of the business, to maintain safe working conditions and to establish adequate safeguards for the corporation's property.

### **II. GENERAL**

It is SEPA Labs' policy to place as few restraints on personal conduct as possible. The Corporation is justifiably proud of its employees and the conduct of its members. The Corporation relies on individual good judgment and sense of responsibility. Each employee is expected to conduct themselves in an appropriate manner. However, for the protection of corporate property, business interests, and other employees, the Corporation has established certain rules of conduct.

These rules are published for information and to minimize the likelihood of any employee, through misunderstanding or otherwise, becoming subject to any disciplinary action. It is only fair that employees should be familiar with those rules the Corporation considers to be of importance.

#### **A. DISCIPLINARY OFFENSES**

It is virtually impossible to list every disciplinary offense with a recommended penalty. We have, however, made some distinctions based on the seriousness of an offense. Some such offenses are listed below as **EXAMPLES ONLY** and are not intended to include or exclude all possible situations.

1. Violations of any of the following rules will be considered adequate justification for discharge for first offense but shall not limit the rights of the employer to discharge an employee for other reasons not recited herein.
  - a. Possession, carrying or being under the influence of intoxicating beverages or unlawful drugs on corporate property.
  - b. Theft or misappropriation of corporate property.
  - c. Bodily assault upon any employee or fighting on corporate property; bodily assault or fighting with customers.
  - d. Immoral or indecent conduct on corporate property.
  - e. Abusive language or behavior towards customers or coworkers.
  - f. Possession of firearms or any dangerous weapons (or explosives) on Corporate property.
  - g. Threatening, intimidating, coercing, or interfering with other employees.
  - h. Insubordination to Supervisors, refusal to perform Supervisor's assignments, or directing abusive or threatening language at any Supervisor, or other employee.

## PERSONNEL POLICIES AND PROCEDURES

- i. Disclosing confidential business information to unauthorized persons, or any action by an employee that might cause the Corporation to lose an account or that would create poor public relations.
  - j. Gambling on Corporate property, including the distribution of gambling material.
  - k. Falsification of employment application, time cards, status reports, or other Corporation records.
  - l. Fraud committed by knowingly accepting pay for operations not performed or not worked.
  - m. Acts of sabotage, or other interferences with Corporation projects.
  - n. Harassment, e.g., harassment of any employee or customer in violation of state or federal anti-discrimination or other employment laws.
  - o. Defacing corporate property.
  - p. Conviction of a felony.
  - q. Sleeping (on the job) during work hours.
  - r. Absence from work without notifying the Corporation.
  - s. Participation in an unauthorized work stoppage or slowdown, or interfering with Corporate business.
  - t. Unsafe operation of equipment or destruction of material or property.
  - u. Willful disregard of Corporation policies and procedures.
2. Violation of any rules in paragraph 3 following are adequate cause, but not the sole adequate cause, for the following disciplinary sequence:
    - a. Oral warning (Supervisor make notes).
    - b. Written reprimand and warning - - Second offense.
    - c. Suspension or Discharge - - Third offense.

These important factors will be considered in all applications of disciplinary action:

- a. The seriousness of the offense.
  - b. The employee's past record and length of service.
  - c. The circumstances surrounding the particular case.
3. The following rule violations will be cause for disciplinary action prescribed in paragraph 2 above:
    - a. Removing property from the premises without permission.

## **PERSONNEL POLICIES AND PROCEDURES**

- b. Ignoring safety rules or safety procedures.
- c. Running, scuffling, throwing articles, horseplay, or disorderly conduct of any kind.
- d. Failure to promptly report occupational accidents or injuries.
- e. Unauthorized soliciting of funds or distributing literature on corporate property. Unauthorized posting, removal or defacing of notices, signs, or writing in any form on bulletin boards or corporate property at any time.
- f. Un-excused or excessive tardiness or absence as outlined in the Attendance Policy-
- g. Leaving an assigned work area during working hours for any reason without authorization, except for break, lunch and going to and from the rest room.
- h. Leaving corporate premises while on corporate time without express authorization of the Supervisor.
- i. Leaving work before the end of the scheduled work period or not being ready to begin work at the start of a scheduled work period or working overtime without permission.
- j. Failure to clock out before leaving the premises at the end of the work day or leaving the premises for lunch.
- k. Inefficiency, negligence, or lack of effort on the job.
- l. Contributing to unsanitary conditions or poor housekeeping or eating at workstations.
- m. Excessive personal telephone calls, in number of calls or duration of time. Long distance calls will not be permitted to originate from the offices.
- n. Smoking on Corporate premises.

### **III. GUIDELINES FOR DISCIPLINARY ACTIONS**

If disciplinary action is determined to be necessary, the steps should generally proceed as follows:

#### **Step I - ORAL WARNINGS:**

Except for a few extremely serious acts for which immediate discharge or other action is necessary, the oral warning is the first step taken. This is an effort to correct and improve the employee's actions so that the employee's behavior will be adjusted to meet the needs of the organization. This counseling is given in private and there may not be a written record of such action in the employee's personnel file. The supervisor may keep a record of this meeting for historical reasons.

However, the Supervisor should make a personal note of the discussion. When an offense is repeated, the Supervisor decides whether another oral warning will correct the situation or whether, under the circumstances, a more severe reprimand is necessary.

#### **Step 2 - WRITTEN WARNINGS:**

Written warnings are more severe than verbal because they are made a part of the employee's official record. It is the responsibility of the Supervisor to decide when this particular penalty needs to be applied. If the Supervisor decides to issue a written warning, the Supervisor prepares a statement recording the time, place, and circumstances of the violation, as well as any advice and warning that was previously given to the employee orally. The employee will receive a copy, and copies will be forwarded to the President for the employee's personnel file.

## PERSONNEL POLICIES AND PROCEDURES

### Step 3 - SUSPENSION:

When written or oral warnings have not led the employee to correct behavior, and it appears in the judgment of the Supervisor that more severe penalties are necessary, the Supervisor may recommend suspension without pay. The Supervisor prepares a written statement. Suspension may also be used as a temporary measure when a study of a possible discharge case is being made in order to determine all the facts. Suspension may also be appropriate on the first offense, if it is of a serious nature.

### Step 4 - SEPARATION:

Separation occurs when the Company concludes that there is no longer any reasonable hope that the employee can or will improve behavior, or where the offense is of a sufficiently serious nature. Normally, the Supervisor has already followed steps 1, 2, and 3 and the employee has not changed behavior.

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**SUBJECT:            Termination**

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#### I.    PURPOSE

To provide a fair, consistent process for all employees upon separation.

#### II.   POLICY

It is the policy of SEPA Labs that all termination of employment, voluntary and involuntary, through resignation, retirement, dismissal, or other reasons be processed through the appropriate channels in a timely and lawful manner.

#### III.   PROCEDURE

##### A.    Voluntary Termination

When the President or Secretary of the Corporation is notified by an employee of the intention to terminate, the employee shall:

- a.    Submit a final time sheet to accounting.
- b.    Return all issued or SEPA Labs owned property.

##### B.    Involuntary Termination

The employees and SEPA Labs have the right to terminate the employment at any time with or without cause.

##### C.    Exit Interview

All terminating employees may have an exit interview with the President and Secretary of the Corporation prior to their last day of work.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT: Contributions and Solicitations**

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### **PURPOSE**

This policy sets forth rules and guidelines intended to limit or avoid disruptions of business operations with regard to solicitations and the distribution of literature on company property.

### **POLICY**

#### **Non-SEPA Labs Employees**

Persons not employed by SEPA Labs may not solicit or distribute unauthorized literature on corporate property at any time for any purpose/cause.

#### **SEPA Labs Employees**

Employees may not solicit at any time for any purpose in working areas. Employees may not distribute unauthorized literature on corporate property for any purpose unless a copy of the proposed literature is approved in writing by upper management (President, Chief Operations Officer, Chief Financial Officer) prior to distribution.

SEPA Labs letterhead and other assets shall not be used in conjunction with personal business.

#### **Exception**

This policy shall not apply to occasional solicitations by the employer or an employee's family members for charitable or civic projects.

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**SUBJECT: Garnishments**

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### **POLICY**

Garnishment is the legal stoppage of a specified sum from wages to satisfy a creditor. Employees whose wages are garnished often have serious financial problems. The garnishments compound the employee's financial problems. Garnishments also cause SEPA Labs considerable time and expense to process. The garnishment procedure outlines an approach dealing with employees whose wages are garnished. It is intended to minimize the time and expense on the part of SEPA Labs in handling the garnishment.

### **PROCEDURE**

- A. Employees with financial problems will be given the same consideration and assistance as employees with other personal problems.
- B. All garnishments will be handled by the President of the Corporation.
- C. The President will immediately communicate the garnishment information to the affected employee, informing the employee of its importance.
- D. If the employee's performance deteriorates because of financial problems, they will be subject to other applicable policies or corrective action.

## PERSONNEL POLICIES AND PROCEDURES

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**SUBJECT:           Smoking**

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### **BACKGROUND**

The 2006 U.S. Surgeon General's Report, *The Health Consequences of Involuntary Exposure to Tobacco Smoke*, has concluded that:

1. Secondhand smoke exposure causes disease and premature death in children and adults who do not smoke.
2. Exposure of adults to secondhand smoke has immediate adverse effects on the cardiovascular system and causes coronary heart disease and lung cancer.
3. There is no risk-free level of exposure to secondhand smoke.
4. Establishing smoke free workplaces is the only effective way to ensure that secondhand smoke exposure does not occur in the workplace, because ventilation and other air cleaning technologies cannot completely control for exposure of non-smokers to secondhand smoke.

### **PURPOSE**

SEPA Labs is dedicated to providing a healthy, comfortable, and productive work environment for our patients, employees, clients and vendors. To promote SEPA Labs' commitment to public health and safety and to reduce the health and safety risks to those served and employed in the workplace, all SEPA Labs' locations where patient or client contact occurs on a regular basis will now be considered tobacco-free environments.

A ban on tobacco does not take away an individual's rights as there is no right to smoke. SEPA Labs does not require staff, patients, or visitors to stop using tobacco; however, it is required that people do not smoke or use other tobacco products on the organization's client sites during work time.

### **SCOPE**

This policy is applicable to all staff of SEPA Labs, whether they are employees of SEPA Labs or other agencies, to medical staff, visitors, students, volunteers, vendors, lessees and contractors.

### **DEFINITIONS**

Tobacco-Free-the absence of all tobacco products that would be consumed by smoking (i.e. cigarettes, cigars & pipes), snuff, chew, dipping, and electronics cigarettes known as e-cigarettes or personal vaporizers.

#### **Premises**

Southeastern Pathology Associates/SEPA Labs' Premises ("grounds") means all property owned or leased by the company including parking lots and sidewalks of facilities that have or will have patient contact.

### **POLICY**

#### **Facilities with Patient or Client Contact**

It is the policy of SEPA Labs to prohibit smoking or the use of any tobacco products at all SEPA Labs' locations where patient or client contact occurs on a regular basis. No smoking of cigarettes, cigars or pipes, use of chewing tobacco, e-cigarettes in any form, or other tobacco product will be permitted at these facilities during any and all parts of their paid work shift excluding breaks. This includes without limitation common work areas, conference and meeting rooms, private offices, hallways, and restrooms.

## PERSONNEL POLICIES AND PROCEDURES

The use of tobacco products shall also be prohibited in all outdoor areas of sites that have patient or client contact. Employees may not smoke or use other tobacco products in their private vehicles while the vehicle is on SEPA Labs' premises at a location covered by this policy in the Facilities with Patient or Client Contact section.

No tobacco products or related paraphernalia such as lighters and matches shall be used, sold or bartered anywhere on those SEPA Labs' sites and may be possessed only in locked personal vehicles.

Over use of perfumes and other scents, including cigarette odor, are not allowed according to the SEPA Labs' Dress Code Policy. When an employee violates the dress code policy, he/she is sent home to change into acceptable attire. During this absence PTO (Paid Time Off) is required to be used. If an employee is warned or sent home (3) times, a written warning will be given, and the employee will be sent home for the remainder of the day without pay, and progressive disciplinary action will proceed up to and including termination.

### **Facilities without Patient or Client Contact**

SEPA Labs is a smoke free environment. Smoking inside any of its work facilities is prohibited. Smoking will be allowed only in designated areas of each facility. Designated areas must be in the back or rear side location and not visible to patients or vendors entering the building.

Furthermore, employees will not be given additional time off for smoking and will not exceed their two 15 minute breaks per day due to smoking.

### **Consequences for Violators**

Employees who encounter staff or visitors who are violating this policy are encouraged to politely explain the policy and report the violation to the person's supervisor or the Human Resources Department.

Visitors who become agitated or unruly or repeatedly refuse to comply when informed of the tobacco-free campus policy may be reported to a manager. Managers will appropriately respond to the situation according to their professional judgment and the need to maintain a safe environment.

Employees violating this policy will be subject to discipline, up to and including termination of employment.

Those employees who smoke and would like to quit should talk with their doctor and/or call the Tobacco Quit Line, 1-800-QUIT-NOW. The Quit Line can offer information, coaching, and explain other Quit Line Services.

The success of this policy will depend on the thoughtfulness, consideration, and cooperation of both smokers and nonsmokers. All employees and managers share in the responsibility for adhering to and enforcing this policy.

## PERSONNEL POLICIES AND PROCEDURES

Violation Examples	First Offense	Second Offense	Third Offense	Fourth Offense
Smoking outside on property but complies with request to stop.				
Smoking outside on property and refuses to comply with policy.	The supervisor must have verifiable reports of the infractions and/or have witnessed the infraction directly.	The supervisor must have verifiable reports of the infractions and/or have witnessed the infraction directly.	The supervisor must have verifiable reports of the infractions and/or have witnessed the infraction directly.	The supervisor must have verifiable reports of the infractions and/or have witnessed the infraction directly.
Smoking in personal vehicle on campus.				
Excessive absences from the workplace during assigned shift (extra breaks, longer lunch breaks, etc.)	Verbal Counseling documented on the appropriate form and filed in the employee's personnel record.	Written Warning documented on the appropriate form and filed in the employee's personnel record.	Present the employee with a Memorandum of Expectation or a Performance Improvement Plan clearly stating the expectation and consequences if the policy is violated again. Clarify that the behavior will affect the performance rating and may result in further corrective or disciplinary action.	Document the new infraction and forward with previous documentation to the appointing authority for consideration of a meeting for corrective or disciplinary action that may affect pay, status, or tenure and possible termination.
Employee's clothing smells strongly of tobacco smoke.				

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**SUBJECT: Information System Access Control Policy**

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### **PURPOSE**

To maintain an adequate level of security to protect Southeastern Pathology Associates (SEPA) data and information systems from unauthorized access. This policy defines the rules necessary to achieve this protection and to ensure a secure and reliable operation of SEPA systems.

### **POLICY**

Only authorized users are granted access to information systems, and users are limited to specific, defined, documented, and approved applications and levels of access rights. Computer and communication system access control is to be achieved via user ID's that is unique to each individual user to provide individual accountability.

### **APPLIES TO**

This policy affects all authorized system users. System users who deliberately violate this policy will be subject to disciplinary action. This policy applies to all computer and communication systems utilized by SEPA.

#### **I. LABORATORY INFORMATION SYSTEM**

- a. Access controls will be applied to all computer information to ensure that it is not improperly disclosed, modified, deleted, or rendered unavailable.
- b. SEPA system access controls will be used to limit user access to only those

## PERSONNEL POLICIES AND PROCEDURES

- applications and functions for which they have been authorized.
- c. Users will be granted access to the minimum applications and privileges required to perform their job. Access or security levels are assigned according to job activities and functions.
  - d. SEPA system access will not be granted to any user without appropriate approval. Employee names to be given access to the computer system, along with their job title should be submitted to Information Systems on the proper form. Employees will be assigned user name and password along with security access. User access will be revoked immediately if the individual has been terminated.
  - e. Users are prohibited from gaining unauthorized access to any other information systems or in any way damaging, altering, or disrupting the operations of these systems. System privileges allowing the modification of “production data” must be restricted to high level security users only.
  - f. Users are responsible for all actions taken under their sign-on.
  - g. When leaving a work station, the user is expected to properly log out of all application. Unattended workstations have a forced time out, which is in effect if the user leaves the workstation idle for some time. Resumption of access will require the user password to be reentered.

## II. INTERNET CODE OF CONDUCT

Access to the Internet has been provided to staff members for the benefit of the organization and its clients. It allows employees to connect to information resources around the world. Every staff member has a responsibility to maintain and enhance the Company’s public image, and to use the Internet in a productive manner. The following are guidelines for Internet users.

- a. **ACCEPTABLE USE OF THE INTERNET:** Employees accessing the Internet are representing SEPA. All communications should be for professional reasons. Employees are responsible for seeing that the Internet is used in an effective, ethical, and lawful manner. Instant messaging channels may be used to conduct official company business, or to gain technical or analytical advice. Databases may be accessed for information as needed. E-mail may be used for business contacts.
- b. **UNACCEPTABLE USE OF THE INTERNET:** The Internet should not be used for personal gain or advancement of individual views. Solicitation of non-company business, or any use of the Internet for personal gain is strictly prohibited. Use of the Internet must not disrupt the operation of SEPA network or interfere with productivity.
- c. **COMMUNICATIONS:** Each employee is responsible for the content of all text or images that they place or send over the Internet. Fraudulent, abusive, profane or offensive language may not be used.
- d. **PERSONAL USE:** Limited personal use of the Internet is allowed by SEPA. However, the employee-user is reminded that use of any of SEPA property is primarily for the purpose of SEPA business. Any personal use of the Internet is expected to be on the user’s own time and is not to interfere with the person’s job responsibilities.
- e. **SOFTWARE:** To prevent computer viruses from being transmitted through the system there will be no unauthorized downloading of any software. All software downloads require prior management approval.
- f. **SECURITY:** All messages created, sent, or retrieved over the Internet are property of SEPA, and should be considered public information. SEPA reserves the right to access and monitor all messages and files on the computer system as deemed necessary and appropriate. Internet messages are public communication and are not private. All

## PERSONNEL POLICIES AND PROCEDURES

communications including text and images can be disclosed to law enforcement and other third parties without prior consent of the sender or the receiver.

- g. **HARASSMENT:** Harassment of any kind is prohibited. Messages with derogatory or inflammatory remarks about an individual or group's race, religion, national origin, physical attributes, or sexual preference will not be permitted.
- h. **VIOLATIONS:** Violations of any guidelines listed herein may result in disciplinary action, up to and including immediate termination. If necessary, SEPA will advise appropriate legal official on any illegal violations.

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**SUBJECT:            Electronic Devices**

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### **PURPOSE**

The Southeastern Pathology Associates, PC (SEPA Labs) Electronic Devices Policy establishes rules and guidelines for use of electronic devices while at work and safe use by employees while driving.

### **SCOPE**

This policy applies to company and personal devices and technologies and must be followed in conjunction with other company policies governing appropriate workplace conduct and behavior.

### **POLICY**

#### **Personal Electronic Device Use for Telephone Calls**

SEPA Labs recognizes that it is occasionally necessary for employees to make or receive personal telephone calls during working hours. The company requests that employees restrict their personal telephone use to emergency situations. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to others.

Employees are encouraged to make any personal calls on nonworking time when possible and to ensure that friends and family members are aware of SEPA Labs' policy.

#### **Personal Electronic Device Use for Activities Other than Telephone Calls**

Use of personal electronic devices can use a great deal of network resources and thus must be used carefully. Reasonable use is permitted as long as it does not negatively impact the computer network or the user's job performance.

Activities that are prohibited while working include, but are not limited to the following:

- Social Networking
- Any ordering (shopping) of items or services on the Internet
- Playing of any games
- Television or video streaming
- Any form of gambling

These activities should be limited to breaks, lunch, and other nonworking times.

## **PERSONNEL POLICIES AND PROCEDURES**

### **Personal Radios and Music Players**

Employees are cautioned that the use of personal radios and music players in certain areas of the workplace may present a safety concern in that the employee might not hear verbal communication from another employee. When in use, employees need to pay close attention to their surroundings and not put themselves or other employees at risk. Any accidents or incidents that result from the use of these devices will result in progressive discipline.

### **Video, Audio, and Camera-Enabled Devices**

The use of camera phones or other audio or video recording-capable devices within the company may constitute an invasion of employees' personal privacy and may breach the confidentiality of SEPA Labs trade secrets or other protected information.

Employees whose electronic devices are camera-enabled are restricted from using the audio and video recording functions of such devices anywhere in the building or on company property at any time, unless properly authorized by management or permitted by federal, state or local law.

### **Company Provided Electronics**

When job or business needs demand immediate access to an employee, the company may issue a business cellphone or other device to an employee for work-related communications.

Employees in possession of company equipment such as cellphones are expected to protect the equipment from loss, damage or theft. Upon resignation or termination of employment, or at any time on request, the employee may be asked to produce the phone for return or inspection.

### **Safety Issues for Device Use While Driving**

All employees are expected to follow applicable local, state and federal laws and regulations regarding the use of cellphones and other electronic devices at all times. Employees whose job responsibilities include regular or occasional driving are expected to refrain from using their device while driving; use of a device while driving is not required by the company. Safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, employees are required to pull off to the side of the road and safely stop the vehicle before placing or accepting a call; employees may use hands-free operations. Employees are encouraged to refrain from discussion of complicated or emotional matters and to keep their eyes on the road while driving at all times. Special care should be taken in situations where there is traffic or inclement weather, or the employee is driving in an unfamiliar area.

Employees who are charged with traffic violations resulting from the use of their phone or other device while driving will be solely responsible for all liabilities that result from such actions.

### **Special Responsibilities for Managerial Staff**

As with any policy, management staff members are 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.

### **Consequences for Violators**

Employees violating this policy will be subject to discipline, up to and including termination of employment.

### **Federal, State, and Local Law**

SEPA Labs complies with all applicable federal, state and local laws as they concern the

## PERSONNEL POLICIES AND PROCEDURES

employer/employee relationship, and nothing contained herein should be construed to violate any of the rights or responsibilities contained in such laws.

SEPA Labs will not be liable for the loss of personal electronic devices brought into the workplace.

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**SUBJECT:                    Portable Space Heaters**

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### **PURPOSE**

SEPA Labs recognizes that employees have different levels of comfort associated with temperature and heat. A space heater is intended to provide temporary heat to a small space for a short period of time. Use of space heaters can interfere with the normal heating system thermostats causing uncomfortable conditions for people in other areas of the building. They also cause an energy drain contributing to higher utility costs.

Before deciding to use a space heater, contact human resources about a possible adjustment to the heat in your area. If a modification of the heat is not feasible, an employee may utilize an electric space heater as outlined in this policy.

### **POLICY**

SEPA Labs requires the following features to be on all space heaters utilized in any SEPA Labs' office or facility:

- Any space heater must be fan driven and electrically powered with a maximum of 1500 watts
- Heating elements of portable heaters must be limited to not more than 212°F
- U.L. or E.T.L. approved and labeled accordingly. A UL or ETL Listing Mark on a product means that representative samples of the product have been tested and evaluated to nationally recognized safety standards with regard to fire, electric shock and related safety hazards.
- A clearly and permanently marked on and off switch
- Adjustable thermostat control that maintains a constant heat level and automatically shuts the unit off when the set temperature is reached
- Automatic safety shutoff and tip-over switch or capability
- The use of any portable heater that is fueled by kerosene, that produces an open flame, or has an open electrical element is strictly prohibited.

### **Safety Precautions**

- Never place anything on top of the space heater. At least three (3) feet of clearance must always be maintained around the heater. Combustible materials, such as paper, plastic, and cloth must be kept away from the heater.
- Heaters are prohibited in areas where flammable liquids are in use or stored.
- Heaters should be connected snugly into a wall receptacle, whenever possible. If use of an extension cord is necessary, it must bear the label of an approved testing laboratory such as U.L., or E.T.L., and have a wiring thickness of at least #14 or #12 (the smaller the number the greater the thickness of the wire).
- Electric cords must be kept out of foot traffic paths to prevent tripping and should never be hidden under rugs or carpets. Do not place portable heaters near exits or in walkways. Portable heaters must not be located in heavily traveled areas.

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- The heater must be unplugged (not just turned off) any time the room or work area being heated is unoccupied, especially at the end of the workday.
- Portable heaters must be used on the floor. Never place heaters on cabinets, tables or furniture.
- Never use an electric heater in or around standing water unless it is specifically rated for that use.
- Do not use the heater to warm food or other items or dry wet clothing.
- To avoid potential burns, portable electric space heaters should be allowed to cool prior to moving.
- Carefully and completely read the operating and safety instructions for the heater you are using.

### Monitoring Responsibility

Each department's supervisors and managers will be responsible for monitoring employee compliance with this policy through the following means.

- Electric space heaters should be inspected frequently. Although the user of the space heater should inspect the device daily, supervisors and managers will inspect weekly to ensure they are in good working condition with no frayed or damaged cords, missing or damaged guards or controls, and being utilized in a cautious manner.
- Any portable electric space heater found to be in poor operating condition, creating a hazard, damaged, used improperly, does not meet the conditions of this policy, or does not comply with any regulatory standard, will be turned off, unplugged, and removed from the building as soon as reasonably possible.

### Acquisition Requirements

Portable electric space heaters will be purchased by an individual employee and must follow all criteria as provided within this policy. The cost incurred for the electric space heater will be the responsibility of the individual employee.

### Disciplinary Consequences

Failure on the part of an employee to follow the regulations and safety requirements of this policy may result in disciplinary action.

Any employee with a concern regarding this policy should contact his or her manager or the human resources department.

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**SUBJECT:                    Genetic Information Non-Disclosure Policy**

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Southeastern Pathology Associates/SEPA Labs respects all employees' privacy in their genetic information and enforces a strict policy of nondiscrimination on the basis of genetic information. SEPA will never discriminate, harass, or retaliate on the basis of genetic information when it comes to any aspect of employment.

Additionally, SEPA will never use genetic information to make an employment decision.

According to the Equal Employment Opportunity Commission, genetic information includes information about an individual's genetic tests and the genetic tests of an individual's family members, as well as information about any disease, disorder, or condition of an individual's family members (i.e., an individual's family medical history).

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Family medical history is included in the definition of genetic information because it is often used to determine whether someone has an increased risk of getting a disease, disorder or condition in the future.

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**SUBJECT:           Sanction Screening Policy**

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### **BACKGROUND**

Under federal law, no payment will be made by any federal health care program for any items or services furnished, ordered, or prescribed by an excluded individual or entity. The Department of Health and Human Services Office of Inspector General (OIG) note in their compliance guidance documents to hospitals that all employees, medical staff, and all new employees who have discretionary authority to make decisions that may involve compliance with laws or regulations should be matched against the OIG List of Excluded Individuals and Entities (LEIE). They also recommend screening against the General Services Administration (GSA) sanction list included in the System for Award Management (GSA Debarment List). In addition, organizations have the responsibility to conduct a reasonable and prudent background investigation, including a reference check, as part of the employment application and hiring process. Further, the OIG recommends that employees, contractors and medical and clinical staff members be checked at least annually against the LEIE.

Under the Centers for Medicare & Medicaid Services' (CMS) rules, providers must not employ or contract with individuals or entities excluded from participation in any health care program or debarred by the GSA. CMS does not permit payments furnished under the plan by an individual or entity while being excluded from participation. CMS has further advised states that they should require providers to search the HHS OIG website monthly to capture exclusions and reinstatements that have occurred since the last search.

In 2009, CMS issued a letter to State Medicaid Directors emphasizing the importance, and consequences, of making payments to excluded individuals and entities. They require states to screen providers and employees on a periodic basis for purposes of exclusion. As a result, some states call for or mandate independent screening of health care entities against their own Medicaid sanction list.

Finally, organizations have a responsibility to conduct a reasonable background investigation, including a reference check, as part of the employment application and hiring process.

### **PURPOSE**

To ensure that all employees, medical staff, contractors, vendors and others with whom SEPA Labs does business are properly screened for exclusions and are authorized to participate in federal and state healthcare programs.

### **SCOPE**

This Policy applies to SEPA Labs' personnel tasked with conducting sanction screenings for new and current employees, contractors, medical staff and vendors.

### **KEY TERMS**

**List of Excluded Individuals/Entities (LEIE):** The OIG established a program to exclude individuals and entities who have been found to have violated federal law and/or regulations. The OIG has been granted a number of legal authorities under the Social Security Act to affect sanctions and maintains a List

## PERSONNEL POLICIES AND PROCEDURES

of Excluded Individuals and Entities (LEIE). The effect of an OIG exclusion from Federal health care programs is that no Federal health care program payment may be made for any items or services (1) furnished by an excluded individual or entity, or (2) directed or prescribed by an excluded physician (42 CFR 1001.1901). This payment ban applies to all methods of Federal program reimbursement, whether payment results from itemized claims, cost reports, fee schedules or a prospective payment system (PPS). Any items and services furnished by an excluded individual or entity are not reimbursable under Federal health care programs. In addition, any items and services furnished at the medical direction or prescription of an excluded physician are not reimbursable when the individual or entity furnishing the services either knows or should know of the exclusion. This prohibition applies even when the Federal payment itself is made to another provider, practitioner or supplier that is not excluded.

**General Services Administration Sanction List:** The GSA maintains the sanction list to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. The sanction list was created for information of and use by Federal agencies.

**Medicaid State Sanction Data:** Many states maintain their own database of individuals and entities they sanction. Several call for or require health care entities to screen against this list. This is in addition to not in lieu of screening against the Federal sanction information.

**National Practitioner Data Bank (NPDB):** The National Practitioner Data Bank (NPDB) is primarily an alert or flagging system intended to facilitate a comprehensive review of health care practitioners' professional credentials. The information contained in the NPDB is intended to direct discrete inquiry into, and scrutiny of, specific areas of a practitioner's licensure, professional society memberships, medical malpractice payment history, and record of clinical privileges. The information contained in the NPDB should be considered together with other relevant data in evaluating a practitioner's credentials; it is intended to augment, not replace, traditional forms of credentials review. Authorized parties to make NPDB inquiries and for reporting include state licensing boards, medical malpractice payers (authorized only to report to the NPDB), hospitals and other healthcare organizations, professional societies, and licensed healthcare practitioners (self-query only).

### POLICY

- SEPA Labs will not employ or engage in a business relationship with anyone who is currently under sanction or exclusion by the Department of Health and Human Services Office of Inspector General (OIG) or any other duly authorized enforcement agency or licensing and disciplining authority.
- SEPA Labs shall not employ any individuals who have been recently convicted of a criminal offense related to healthcare or who are listed as excluded or otherwise ineligible for participation in federal healthcare programs.
- SEPA Labs shall remove individuals with direct responsibility for or involvement in any federal healthcare program, as well as those pending the resolution of any criminal charges or proposed exclusion sanction. Contractors under pending criminal charges shall be suspended from continued work until the matter is resolved in a Court of Law.

### PROCEDURES

- Prior to establishing employment or a business relationship with any individuals, medical professionals

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or entities, SEPA Labs will screen them against the current List of Excluded Individuals and Entities (LEIE) of the OIG.

- SEPA Labs shall also screen on a monthly basis those individuals and entities with whom it has engaged or otherwise has a business relationship.
- If it is determined upon reasonable due diligence that an individual or entity is listed as excluded by the OIG, the relationship shall be immediately terminated.
- Prospective employees and vendors who have been officially reinstated into the Medicare and Medicaid programs by the OIG may be considered for employment, medical privileges or a contractual relationship upon proof of such reinstatement and a determination that there are no other impediments to such action.
- SEPA Labs shall screen all contractors, consultants, vendors, joint venture parties, and affiliates providing ancillary medically related services or products against the General Services Administration (GSA) System for Award Management (SAM) exclusion list. If it is determined that an individual or entity is under debarment, we shall follow the guidance offered by the GSA on their website and by CMS.
- The following language shall appear on all applications for employment and medical staff privileges:
  - “Have you ever been convicted of any criminal violation of law, or are you now under pending investigation or charges of violation of criminal law? If yes, explain.”
  - “Have you been subject of any adverse action(s) by any duly authorized sanctioning or disciplinary agency for either conduct based or performance based actions? If yes, explain.”
- The following language will appear in the attestation section of any application by a professional who is required to be licensed:
  - "I agree to notify SEPA Labs in writing within five (5) days of receiving any written or oral notice of any adverse action, including, without limitation, exclusion from participation in any federal or state health care or procurement programs, any filed and served malpractice suit or arbitration action; any adverse action by a State Licensing Board taken or pending; any adverse action which has resulted in the filing of a report with the State Licensing Board; any revocation of DEA license; a conviction of any felony or a misdemeanor of moral turpitude; any action against any certification under the Medicare or Medicaid programs; or any cancellation, non-renewal or material reduction in medical liability insurance policy coverage."
- All applications and contracts shall include a statement that accuracy of all information provided is a condition of employment or contract, and that the provision of incorrect information is grounds for immediate termination of employment or contract. Applications and contracts will also include a statement that grants the right to verify all information provided in any employment application or contract agreement.
- SEPA Labs will exercise reasonable due diligence to verify that any party found on an exclusion list is the same individual or entity noted.

## **PERSONNEL POLICIES AND PROCEDURES**

- The Human Resource Department is responsible for carrying out this Policy as it relates to hiring of employees.
- The Procurement Office is responsible for carrying out this Policy as it relates to supply vendors and contractors.
- The Accounting Department is responsible for carrying out this Policy as it relates to all other vendors and contractors.
- The Compliance Officer is responsible for monitoring this Policy for compliance and reporting results quarterly to the Board of Directors, along with any recommendations for remedial actions or improvement to the program.