



POLICY TYPE:

Corporate

Divisional

EFFECTIVE DATE:

5/12/14

INITIAL APPROVAL DATE:

May 12, 2014

NEXT REVIEW DATE:

May 2017

POLICY NUMBER:

5525

REVISION APPROVAL DATE: 5/14, 11/14, 4/15, 4/16

APPLIES TO PRODUCT TYPE:

Medi-Cal  CMC

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POLICY APPLIES TO:

All Divisions and Departments

CLASSIFICATION SERIES:

Compliance

SUBJECT:

### Corrective/Disciplinary Action Policy

**Policy:** Employment with the Company is at the mutual consent of the employee and the Company. Either the employee or the Company can terminate the employment relationship at will, at any time, with or without cause or advance notice. The Company may also exercise its discretion to take corrective and/or disciplinary action short of termination where, in its sole judgment, the Company determines that the employee's behavior or performance has the potential for correction or improvement to an acceptable level. Such exercise of discretion does not alter the at-will nature of employment with the Company.

**Purpose:** To set forth options for correcting and/or improving employee performance and/or behavior.

When policy is violated and/or behavior or performance falls below Company standards and management believes that the deficiency(ies) can be corrected and do not warrant termination, progressive corrective/disciplinary action may be effected. No formal order or system of corrective/disciplinary action, however, is required. In other words, management may select any form of corrective/disciplinary action that it believes will best produce satisfactory results.

Before formal corrective/disciplinary action is taken, the employee should be presented with the facts or circumstances prompting consideration of formal action and given an opportunity to explain her/his involvement. Following discussion with the employee, management will decide whether corrective/disciplinary action is warranted and the type of formal action that is appropriate. The type of corrective/disciplinary action varies depending past work history, the severity of any violation, behavior, or performance deficiency, and other good business practices. Each circumstance will be considered separately but in consideration of the type of corrective/disciplinary action imposed in similar situations.

Corrective/disciplinary action may include but is not limited to:

- Performance/behavioral coaching
- Oral warning
- Written warning
- Written performance expectations
- Out-of-cycle performance appraisal
- Behavioral contract
- Suspension of duties without pay
- Involuntary demotion
- Change of schedule, duties or work site
- Involuntary reduction in work time
- Denial of a wage adjustment or merit increase
- Other actions designed to correct the deficiency.

Employees may be subject to discipline for, among other things, failing to participate in the CHG's compliance efforts including, but not limited to:

- Conduct that leads to a violation of federal or state law, or conduct that results in violation of any other requirement relating to participation in Medicare (such as submitting a bill for services that were not furnished);



- Failure to perform any required obligation relating to compliance with the Compliance Plan or applicable law (such as the completion of required training ); or
- Failure to report suspected violations of the Compliance Plan or applicable law to an appropriate person, or to assist in the resolution of reported compliance issues.

CHG maintains a "zero tolerance" policy towards any illegal conduct. Any employee engaging in a violation of any laws or regulations (depending on the magnitude of the violation) may be terminated from employment. Any corrective/disciplinary action that results in a loss of work time or loss of pay and any termination action must be approved by the CEO and the Human Resources Manager prior to implementation. Written documentation of any corrective/disciplinary action shall be included in the employee's official personnel file located in the Human Resources Department.

This policy does not in any way constitute a contract for length of employment, a promise of continued employment, or an agreement to implement discipline in any manner, nor does it alter the at-will nature of employment with the Company.

**Procedure:**

1. A supervisor may place any employee on investigatory suspension where the employee is suspected of being involved in serious misconduct and/or the employee's presence in the workplace may pose a threat to the wellbeing of the employee, other persons or operations.
2. A supervisor shall investigate suspicions of performance deficiencies and/or inappropriate behavior prior to implementing any corrective/disciplinary action. Generally, the facts or circumstances discovered as a result of the investigation shall be presented to the employee for her/his explanation prior to taking action.
3. A supervisor may take corrective/disciplinary action less severe than immediate termination if the circumstances so warrant.
4. A supervisor may take corrective/disciplinary action that results in loss of work time or pay, or may affect involuntary termination of employment after consultation with and approval from the CEO and the Human Resources Manager.
5. A supervisor shall have the employee sign the document setting forth corrective/disciplinary action, give the employee a copy of the document and forward the original document to Human Resources for placement in the employee's official personnel file. If the employee refuses to sign the document, the supervisor shall write, "employee refused to sign" on the employee signature line and initial the comment.



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Access Privileges:  All  \_\_\_\_\_

Regulatory:

NCQA:

Attachments: None

Policy Status:  Signed (Signature on File)  Active Draft  Policy in Development

Approved By: Signature: \_\_\_\_\_

Department Head: \_\_\_\_\_ Chief Compliance & Regulatory Affairs Officer

Date: \_\_\_\_\_

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

Division Chief: \_\_\_\_\_ Chief Executive Officer

Date: \_\_\_\_\_