I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare facility in which an Affiliate either manages or controls the day-to-day operations of the facility (each, a “Tenet Facility”) (collectively, “Tenet”).

II. PURPOSE:

The purpose of this policy is to provide direction to supervisors regarding staffing adjustments, which may involve reductions in force and severance pay within Tenet.

III. POLICY:

Tenet knows that job and pay stability is a basic expectation of our employees. Management has the obligation to deliver this expectation through thoughtful planning and active management. Through processes such as forecasting and training, and programs such as labor standards and staff pools, we potentially can minimize mismatches between our supply and demand for labor in any given time, for any given skill set.

Occasionally, however, it may become necessary to make staffing adjustments based on changes to our business strategies or trends in performance or skills requirements in roles. When this occurs based on the business, and not related to individual substandard performance, it is considered an involuntary “not for cause” termination. In this case, Tenet typically offers severance pay to assist the employee with his/her transition to alternative employment. When the staffing adjustment involves a relatively large group of people, it is referred to as a “reduction in force,” and may be subject to external defined processes and reporting. Tenet management reserves the right to make any and all final decisions regarding reductions in force and severance.

In all cases, employees will be treated with the highest level of dignity, respect and fairness as reflected in Tenet’s core values.

IV. PROCEDURE:

A. Position Elimination/Restructuring

If it is determined that a staffing adjustment is necessary, management will determine which positions, classifications, or other designations will be included in the reduction. In making this decision management should consider the following guidelines:

1. Ensure business continuity and available talent to meet current and future business demands.
2. Identify the most effective and efficient use of talent to support achievement of Tenet’s mission.

3. Preserve intellectual capital and sustain a culture of high performance.

4. Promote fair and respectful treatment of all employees.

B. Employee Staffing Adjustment

Once positions have been identified for elimination, the following process should be utilized to determine affected employees:

1. If an employee is categorized as “temporary” he/she should be reduced first.

2. A comparative analysis may need to be done to determine which employees in the affected positions will be reduced. In conducting this analysis consideration should be given to the following factors:
   
   a. the employee’s knowledge, skills and ability.
   
   b. records of performance review and related documents related to the employee in the last year.
   
   c. length of service when other criteria are relatively equal.

3. Communicate staffing adjustment plan to Tenet HR Operations and provide update on implementation process.

4. After receipt of executed agreement, work closely with the local Payroll Department to ensure that there is no lapse in the employee’s wages during the severance period.

The Tenet Facility Human Resources department will monitor and track the comparative analysis performed as documentation of this decision-making process. Staffing adjustment will be reviewed with Legal Department or VP, Labor Relations to ensure compliance with all applicable local, state and federal laws including, but not limited to, the Worker Adjustment and Retraining Notification Act (WARN Act).

C. Severance Pay

If severance is provided, it may only be provided for full-time and part-time (1) employees, whose employment has been terminated as a result of a staffing adjustment decision. Nothing herein requires payment of severance for any reason.
Severance payment amount, if any, and form of payment will be determined by Tenet HR Operations as appropriate for each situation.

An employee whose position is eliminated in a staffing adjustment and who is offered but does not accept a “comparable position” within the organization without relocation, or who is provided the opportunity to be retained for any length of time by a successor employer is not entitled to severance pay benefits under this policy. The following criteria will be used to evaluate whether a position is comparable to an employee’s current position. A position will be considered to be comparable if the following exists:

1. the position has substantially the same job responsibilities;
2. the position is offered at the same or a higher rate of pay;
3. the position start and ending time is within 60 minutes of the employee’s current position;
4. the commuting distance to the new work location compared to that of the current work location is not significantly greater. Consideration should be given to travel resources in the area such as public transportation as well as travel time and distance. In most cases, comparable distance would not exceed more than 25 one-way additional miles.

Unless otherwise agreed, if an employee begins to receive severance pay and is subsequently reinstated/rehired with Tenet or any of its subsidiaries or Tenet facilities during the severance period, severance will cease and regular pay, at the newly agreed upon rate, will start.

D. Approval Authority for Modification to Severance Terms

Any instance where severance pay is provided that is not consistent with the current approved severance terms under this policy or severance pay guidelines must have written approval of the Senior Vice President of Human Resources for Corporate Office Employees and for Tenet facility-based employees. In all cases, modifications must be communicated to Tenet HR Operations for record-keeping.

E. General Release

In order to receive severance, eligible employees will be required to sign a severance agreement and general release prepared by the company. Tenet HR Operations department must be contacted to obtain the most current and appropriate general release. This general release needs to be signed and returned to the appropriate Human Resources department prior to any severance being authorized.
for payment. Employees covered by a collective bargaining agreement should consult their union contract for any deviations from the policy.

F. Corporate Office Human Resources

1. Work closely with management and facility Human Resources to ensure proper handling and communication of any staffing adjustment decision.

2. Consult with the legal department regarding appropriate general releases to be used and any legal issues that may become apparent.

3. Develop and periodically update severance pay guidelines.

G. Facility Human Resources

1. Work closely with facility leadership to provide guidance toward any staffing adjustment plan and implementation.

2. Assist supervisors with comparative analysis process and documentation of employees to be affected.

3. Communicate staffing adjustment plan to Tenet HR Operations and provide updates on implementation progress.

4. Ensure compliance with this policy as well as local, state, or federal laws that may be applicable.

5. Ensure that executed general releases are obtained before arranging for severance pay to commence.


H. Supervisor

1. Continually identify and implement efficient financial operating methods within department that may minimize the need for staff adjustments.

2. As needs require, maximize workforce planning to ensure the right type of number of positions while maintaining appropriate levels of service and quality.

3. Maintain up-to-date and accurate employee records that allow comparative analysis as needed.
4. Communicate with employees the status of cost reduction activities and other appropriate information to maintain morale levels and reduce stress within the work environment.

I. Facility Leadership/ Senior Management

1. Provide organizational guidance on workforce planning and financial efficiencies that minimize the need for staffing adjustments.

2. When and if the need arises, determine the levels of staff reduction to be implemented and establish a plan for implementation.

3. Work closely with Human Resources to ensure proper action steps are taken and approvals obtained.

J. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.