POLICY TITLE: Alternative Dispute Resolution

DEPARTMENT: Human Resources
ORIGINATION DATE: 03/01/2007

CATEGORY: Associate Policies
EFFECTIVE DATE: 07/01/2012

SCOPE
This policy applies to all Centura Health facilities, practices, entities, and services (“Centura”) and all Centura associates, except employed physicians and volunteers.

PURPOSE
To outline the alternative dispute resolution process (ADR).

STATEMENT OF POLICY
Centura encourages the resolution of conflict among associates and provides that associates have a formal mechanism for attempting to resolve problems or conflicts that may arise. This policy is meant to speed resolution of conflicts or problems without lessening the quality of the resolution. Centura encourages an informal open door working philosophy designed to encourage its associates to openly express their problems, concerns, and opinions on any issue related to their employment.

Centura recognizes that disputes sometimes arise between an employer and its associates relating to the employment relationship. Centura believes that it is in the best interest of both its associates and Centura to resolve those disputes in a forum intended to provide an outcome where the associate has voice and the decision is thoroughly reviewed. In addition to the open door management philosophy, Centura has established the ADR, a program for resolving employment-related disputes. Associates should be able to use the open door policy and the ADR without fear of retaliation or reprisal. Any claims of such retaliation and/or reprisal are to be resolved under this ADR in a new and separate matter.

The Human Resources (HR) Director or designee is expected to intervene and investigate claims made by the associate throughout any step of the ADR. When appropriate, the HR Director or designee may propose resolutions which would be an alternative means to continuing with the ADR steps so that, if an associates uses the appropriate steps in this dispute process (subject to the exclusions and restrictions listed below), then the issue(s) presented by the associate may be eligible to be heard by the ADR Committee. If an associate fails to meet any of the prescribed deadlines without gaining approval from the facility HR Director or designee for an extension of time, the issue will be deemed resolved and the process concluded. If Centura fails to meet any of the prescribed deadlines, the ADR will automatically proceed to the next step, unless the associate agrees to a deadline extension.

All statements and information made or revealed during the ADR are confidential, and neither the associate nor Centura may reveal any such statements or information, except on a “need to know” basis or as permitted or required by law.

Nothing in the ADR will be construed to create a contract of employment, express or implied, nor does the ADR in any way alter the at-will nature of the employment relationship between the associate and Centura.

All official Centura Health policies are maintained electronically and are subject to change. No printed policy should be taken as the official policy except to the extent it is consistent with the current policy that is electronically maintained.
Centura may change or modify the ADR procedures from time to time without advance notice and without the consent of associates. Additionally, the parties agree that the ADR procedures may be modified by Centura as needed to comply with applicable state or federal law.

PROCEDURE
The ADR covers all disputes relating to or arising out of an associate’s employment with Centura, including the termination of employment. The only disputes or claims not covered by the ADR are those listed in the Exclusions and Restrictions section below. Examples of the type of disputes or claims covered by the ADR include claims for wrongful termination, breach of contract, employment discrimination, harassment or retaliation under the Americans With Disabilities Act as Amended, the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 and its amendments or any federal, state or local discrimination laws, tort claims, or any other claims and causes or actions recognized by local, state, or federal laws or regulations.

Exclusions and Restrictions
1. **Excluded Issues**: Associates may not use this process where there is a disagreement with compensation (merit based and/or incentive payments), performance evaluations, assignment to a pay grade or job title, decisions related to workforce reductions and restructuring, benefits, establishment of a policy, results from an Occupational Health drug and/or alcohol screen, Workers’ Compensation claims, and claims for unemployment benefits.

2. **Restricted Issues**: Sexual harassment complaints. Due to the sensitive nature of claims of sexual harassment, the associate is not required to use Step 1 of the ADR to raise sexual harassment claims. Instead, the associate should follow the steps in Centura’s policy prohibiting sexual harassment. If the associate is not satisfied with Centura’s response to a claim for sexual harassment, they should use the ADR to resolve their claim or dispute.

Informal Open Door Methodology
1. The associate and his/her immediate supervisor should conclude any and all informal open door methods within ten (10) business days from the date of the issue, conflict, or problem giving rise to the meeting(s).

2. If this informal open door approach does not resolve the issue, then associates should initiate the more formal ADR as described in Attachment A to resolve the issue.

DEFINITIONS
1. **Alternative Dispute Resolution (ADR)**: A multiple-step process that promotes an interactive review for associate disputes, review by a panel of Centura associates, and if necessary, ultimately provides for the review of the Chief Executive Officer of the given facility/entity for employment-related disputes.

2. **Business Day**: Monday through Friday, 8:00am to 5:00pm, excluding recognized holidays.

3. **Management Level Associates**: Class 10.

REFERENCES AND SOURCES OF EVIDENCE
N/A

POLICY VIOLATION
N/A

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## REVIEW/APPROVAL SUMMARY

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<th>REVIEW/REVISION DATES: 04/02/2011, 05/31/2012</th>
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ATTACHMENT A

ALTERNATIVE DISPUTE RESOLUTION (ADR) STEPS

The ADR consists of the following five (5) steps that associates should follow to obtain a resolution of a problem, concern, or dispute:

- **Step 1**: Submit written summary of dispute to immediate supervisor and HR (if the problem relates to the immediate supervisor, the associate may consult directly with HR).
- **Step 2**: Appeal supervisor’s decision to department manager or director. If the immediate supervisor is the department manager or director, the appeal of the Step 1 decision will go to Step 3.
- **Step 3**: Appeal department manager/director’s decision to Vice President or Administrator.
- **Step 4**: Appeal Vice President or Administrator decision to ADR Committee. ADR Committee decision may be finally reviewed by the facility and/or Centura CEO as outlined below.

In order to minimize the potential for an adversarial situation during this ADR process, neither the associate nor Centura may be represented by legal counsel. The associate and Centura have the right to consult privately with their own counsel at any time at their own expense. Centura will not provide legal advice to associates.

**Step 1: Immediate Supervisor**
If an informal open door methodology between the associate and his/her supervisor does not resolve the problem, the associate must complete the ADR Response Form (Attachment B) and submit to their immediate supervisor and Human Resources within fifteen (15) business days of the date of the incident at issue to initiate the ADR process. The supervisor will respond to the associate in writing on the form within five (5) business days from the date the supervisor receives the request.

**Step 2: Department Manager or Director**
If the associate is not satisfied with the supervisor’s response to the problem in Step 1, the associate may take the problem to the Department Manager or Director. If the associate should wish to pursue this second step in the ADR, the associate must inform HR in writing of intent to move to next step within five (5) business days of the date of the Immediate Supervisor’s signature/electronic response in Step 1. The Human Resources department then will submit the ADR form/response to the associate’s Department Manager or Director for consideration and response. The Department Manager or Director will discuss the problem with the associate and his/her supervisor (either together or separately), confer with the HR Director or designee, and attempt to resolve the issue. A written response from the Department Manager or Director will be provided to the associate within five (5) business days of the date the Department Manager or Director receive the completed ADR form/response. If the immediate supervisor is the Department Manager or Director, the associate will skip Step 2 and proceed to Step 3.

**Step 3: Vice President or Administrator**
If the response from the Department Manager or Director in Step 2 does not resolve the associate’s issue, the associate may take the dispute to the Vice President or Administrator for his/her area for consideration. If the associate should wish to pursue this third step in the ADR, the associate must inform HR in writing of intent to move to next step within five (5) business days of the date of the Immediate Department Manager or Director’s signature/electronic response in Step 2. The Human

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Resources department will submit the ADR form/response to the appropriate Vice President or Administrator for consideration and response. The Vice President or Administrator will discuss the problem with the associate and his/her department director or manager, either together or separately, confer with HR, and attempt to resolve the issue. A written response from the Vice President or Administrator will be provided to the associate within five (5) business days of the date the Vice President or Administrator receives the completed ADR form/response.

**Step 4: ADR Committee**

If the response of the Vice President/Administrator in Step 3 does not resolve the associate’s problem, the associate may request that the problem be submitted to the ADR Committee. This request must be made within ten (10) business days of the date of the Vice President/Administrator’s signature in Step 3. The ADR Committee will be convened and coordinated by the Human Resources Department. When the matter is submitted to the ADR Committee, the ADR Committee will meet as soon as possible, usually within thirty (30) calendar days of the request. The ADR Committee will promptly, objectively and confidentially discuss the issue(s) presented to it for consideration. The ADR Committee is discussed in more detail in the ADR Committee Process section below. The grievances of management level associates are not subject to the ADR Committee process in Step 4. Management level associate grievances are not eligible for Steps 4 or Step 5 of this policy. Instead, those grievances will be handled by the appropriate level of leadership.

Once the problem or dispute has been submitted to the ADR Committee, the Committee will review the facts and make a decision based on the application of Centura policy and procedure.

The ADR Committee:
1. Can deny the remedy the associate has requested;
2. Can grant the remedy the associate has requested;
3. Can determine an alternative remedy or resolution consistent with Centura policy and procedures;
4. Will award back pay for lost time when suspension or termination is overturned.

The ADR Committee does not have the authority to:
1. Discipline associates
2. Modify benefit plans
3. Establish or change Centura policies or procedures,
4. Award monetary damages other than back pay;
5. Set precedent.

The decision of the ADR Committee is subject to review and endorsement by the facility CEO. In the event that the facility CEO is also the associate’s supervisor, as indicated in Steps 1, 2, or 3, then the endorsement will be made by the Centura CEO. If the facility CEO does not agree with the decision of the ADR Committee, the dispute must be submitted to the Centura CEO for final decision. The Centura CEO may affirm, modify, reverse, or otherwise change the ADR Committee and/or facility CEO decision.

**The ADR Committee Process**

*Development of Pool*

A pool of committee members (both management & non-management) will be compiled by HR for the associate to select from. Potential ADR committee members must:

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1. Be in good standing without disciplinary action in last 3 years;
2. Have at least one (1) year of service with Centura.

**Committee Composition**

The ADR Committee will consist of five (5) associates from the facility. When an ADR Committee is necessary for a facility within Centura Health at Home, Centura Health Physician Group, or the Corporate Service Center, the ADR Committee members for that division may be selected from any of the facilities within that respective division. To ensure objectivity, the committee members will:

1. Include three (3) non-management associates and two (2) management associates;
2. Not be in the same department (and possibly same facility in the case of Centura Health at Home and/or the Corporate Service Center) as the associate; and
3. Not have a close relationship with any of the parties involved in the dispute.

**Chairperson**

The Committee will be chaired by the HR Director or designee (Chairperson). The Chairperson will convene the ADR Committee and will serve as the facilitator for the meeting. The Chairperson is not a voting member of the ADR Committee.

**Committee Members**

ADR Committee involvement is an opportunity to participate in a process intended to resolve associate issues in a prompt and interactive manner. Members must be trained and accept the important responsibilities of membership. All associates selected to serve on an ADR Committee must acknowledge their responsibility to:

1. Render an objective and unbiased decision that is based only on the facts presented and the application of Centura policies and procedures;
2. Maintain strict confidentiality and not disclose any of the information learned during the process; &
3. Participate fully in the ADR Committee process.

**Committee Proceedings**

The proceedings of the ADR Committee will be confidential, informal, and conducted in accordance with the following guidelines:

1. The Chairperson will convene the meeting, introduce the parties, state the issues to be decided and present any pertinent information, including an explanation of Centura policies and procedures involved, if necessary.
2. Each party will be permitted to present his/her case to the ADR Committee in accordance with such guidelines as to duration and manner of presentation as the Chairperson has established and communicated to the parties before the hearing.
3. Any party may present evidence in support of its position, including relevant documents and testimony of witnesses. A party may not present the testimony of more than three (3) witnesses unless the Committee decides that there is good cause to allow additional witnesses. The Chairperson will determine what evidence it will consider and the weight such evidence will be given. The Committee may permit a party to submit a written statement at the ADR Committee meeting setting forth his/her position and the evidence supporting it.
4. If the ADR Committee decides that it needs additional information during its deliberation in order to reach a decision, it may hear additional testimony and/or consider additional documents.
5. After all testimony/evidence has been heard, the parties will be dismissed and the ADR Committee members will convene in private to discuss the case and vote by secret ballot or by open vote on the issues presented. The Committee’s responsibility will be to carefully evaluate the facts presented and reach a decision based on those facts. The Committee decision will be determined by a majority vote (3 of 5).

6. Once the ADR Committee has reached a decision, the decision will be presented to the facility CEO for approval, modification or denial. If approved, a written response will be presented to the associate as soon as possible, usually within five (5) business days of the ADR Committee meeting. If the facility CEO disagrees with the decision of the ADR Committee or if a modification is not acceptable to the associate, the dispute will be submitted to the CEO of Centura. Once the CEO of Centura makes his/her decision, it will be communicated to the associate and facility, and the process will continue on. The CEO of Centura will strive to complete his/her review within ten (10) business days of the facility CEO’s decision. The Human Resources department will ensure that all actions required to implement the decision of the ADR Committee are carried out promptly. This shall be the final step in the ADR process.
ATTACHMENT B

ALTERNATIVE DISPUTE RESOLUTION PROCESS (ADR) RESPONSE FORM

**CONFIDENTIAL**

If an informal discussion between you and your supervisor/manager does not resolve the current problem, concern or dispute, and you would like to access the ADR, you must complete this ADR form. For any questions regarding the process, please review and refer to the Alternative Dispute Resolution policy. Your Human Resources Department is able to provide you with a copy.

The associate must complete the form and submit to the facility Human Resources department and their supervisor/manager/team leader to initiate the ADR within fifteen (15) business days of the incident at issue. Business day is defined as any day within the traditional work week, Monday through Friday, 8:00am to 5:00pm, excluding recognized holidays. The supervisor/manager will respond to the associate in writing on this form as soon as possible, usually within five (5) business days from the date the supervisor/manager/team leader receives the request. If you do not feel comfortable talking to your immediate supervisor/manager/team leader about the problem for any reason, you may consult with a Human Resources representative for guidance and go directly to Step 2 in the process.

After each response, if the associate determines the resolution is acceptable, they shall sign the form and submit to Human Resources.

Supporting documentation or additional details of the problem may be attached to this ADR form if necessary.

Associate Name: ___________________________  Department: ___________________________

Date of Incident at Issue: ____________________________________________________________

Step 1: Submit written summary of dispute to immediate supervisor and Human Resources (if the problem relates to the immediate supervisor, the associate may consult directly with Human Resources)

Associate’s statement of problem or issue: __________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

Requested remedy (please be specific): ___________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

Associate Signature: ___________________________  Date: ___________________________
Date form submitted to and accepted by HR and immediate supervisor: ________________________________

Supervisor Name: __________________________________________________________________________

Response to issue: __________________________________________________________________________

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__________________________________________________________________________________________

__________________________________________________________________________________________

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Supervisor Signature: ____________________________ Date: _______________________

Associate Signature: _____________________________ Date: _______________________

(Associate signs only if resolution is acceptable to associate. Furthermore, by signing here, associate agrees that all issues in relation to this grievance have been resolved and the ADR is concluded. If the associate does not agree with the response, do not sign and proceed to Step 2 within the timeframe set forth in the ADR policy.)

**Step 2: Appeal supervisor’s decision to department head**

Date form submitted to and accepted by HR: ________________________________

Department Head Name: __________________________________________________________________

Department Head response: __________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

________________________________________________________________________________________

Department Head Signature: ____________________________ Date: _______________________

Associate Signature: _____________________________ Date: _______________________

(Associate signs only if resolution is acceptable to associate. Furthermore, by signing here, associate agrees that all issues in relation to this grievance have been resolved and the ADR is concluded. If the associate does not agree with the response, do not sign and proceed to Step 3 within the timeframe set forth in the ADR policy.)

**Step 3: Appeal department head’s decision to Vice President or Administrator**

Date submitted to and accepted by HR: ________________________________

Vice President/Administrator Name: ________________________________________________

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Vice President/Administrator response: _____________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
Vice President/Administrator Signature: _______________________________ Date: _______________________

Associate Signature: _____________________________________________ Date: _______________________
(Associate signs only if resolution is acceptable to associate. Furthermore, by signing here, associate agrees that all issues in relation to this grievance have been resolved and the ADR is concluded. If the associate does not agree with the response, do not sign and proceed to Step 4 within the timeframe set forth in the ADR policy.)

Step 4: Appeal Vice President’s/Administrator’s decision to ADR Committee

Date submitted to and accepted by HR: _____________________________________________________________

ADR Committee response: ________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________
_____________________________________________________________________________________________

ADR Representative Signature: ______________________________________ Date: _______________________

Facility CEO or Centura SVP of HR Signature: ___________________________ Date: _______________________

Centura CEO Signature (if necessary): ________________________________ Date: _______________________

Associate Signature: _____________________________________________ Date: _______________________
(Associate signs only if resolution is acceptable to associate. Furthermore, by signing here, associate agrees that all issues in relation to this grievance have been resolved and the ADR is concluded. This is the final step of the ADR process. If the associate does not agree with the response, do not sign; however, the matter will not be further reviewed within the Centura Health system.)