

<b>Title:</b>	<b>Focal Point Review</b>	<b>Effective Date:</b>	<b>04/17/2006</b>
<b>Author:</b>	<b>Camille Tanner</b>	<b>Last Review Date:</b>	<b>06/22/2021</b>
<b>Location:</b>	<b>All Locations</b>	<b>Last Revision Date:</b>	<b>10/29/2020</b>
<b>Functional Area:</b>	<b>Human Resources</b>		

### POLICY

A focal point review date is established for each location of Liberty Healthcare Corporation and its affiliates (Liberty), at which time annual performance appraisals are conducted and applicable compensation adjustments are made. The performance of all Liberty employees and independent contractors is appraised annually. Compensation adjustments, within the context of the approved budget, are distributed among personnel based on merit where possible, individual contractual requirements, and applicable collective bargaining agreements. Except as required by contract, any annual compensation adjustments are effective on a single focal point review date for each Liberty location. The focal point review process ensures that job performance is appraised on an annual basis and that compensation adjustments, if any, are based on merit to the extent possible within the parameters of the approved budget.

### PROCEDURE

1. A focal point review date is established for each location by the Contract Manager. Ideally, the focal point review date is two to three months after the annual start date of the contract. The Payroll Department maintains a list of focal point review dates for each Liberty location, which is stored in shared/general access/forms/accounting and payroll.
2. Prior to the beginning of the fiscal or contract year, the Financial Analyst and Contract Manager will update the current year operating budget for the contract. The budget may contain a provision for merit increases, the amount of which, if any, is determined based on projected revenue, contribution margin, the annual CPI, and marketplace considerations. The budget will be approved by the Controller in consultation with other relevant executive staff.
3. Approximately two months prior to the focal point review date the Vice President of Human Resources will send an e-mail to the applicable Contract Manager and/or Director and Payroll Manager to alert them to the beginning of the performance appraisal process. Performance appraisals should be completed at least two weeks prior to the focal point review date. All completed performance appraisals will be sent to the Vice President of Human Resources prior to the submission of the Focal Point Review spreadsheet. A copy of the performance appraisal will be electronically saved in the HR/payroll system.
4. Approximately one month prior to the focal point review date, the Payroll Manager will contact the Contract Manager and Director (if applicable) regarding an increase for employees and a Focal Point Review spreadsheet will be sent if an increase is indicated. The spreadsheet will list each eligible employee, their current compensation, and their proposed compensation if the merit pool were to be distributed equally among all individuals. Proposed increases will be prorated if the employee has worked less than one year since their last increase. Individuals who have worked less than three months prior to the focal point review date are not eligible for an increase and a performance appraisal will not be required. The Director or Contract Manager will review the proposed increases for the employees and adjust the proposed increases if necessary.
5. The Director or Contract Manager will review the Performance Appraisals and the Focal Point Review Spreadsheet and modify the proposed adjustments based on merit and/or requirements of individual or collective bargaining agreements. The total amount of the modified adjustments must match the total amount of the proposed adjustments. If for some (rare) reason the total amount of the modified adjustments exceeds the proposed adjustments, a detailed written explanation must be submitted for the consideration of the Controller. The

Contract Manager forwards the Focal Point Review spreadsheet to the Payroll Manager. The Payroll Manager will obtain all necessary approvals.

6. The Payroll Manager will forward the revised Focal Point Review spreadsheet to the Vice President of Human Resources at least two weeks prior to the focal point review date so that adjustments can be processed on time and to verify that the corresponding annual performance appraisals are on file in the Corporate Office. Compensation adjustments will not be processed until the Vice President of Human Resources verifies receipt of the performance appraisals by signing the Focal Point Review Spreadsheet.
7. The Vice President of Human Resources will forward the Focal Point Review spreadsheet to the Payroll Manager for processing.
8. The actual implementation date of the compensation adjustments will be the first day of the bi-weekly payroll period that includes the focal point review date, unless adjusted by the Controller or Chief Operating Officer.

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

### Revision History

Version	Date	Author	Summary of Changes
#1	04/17/2006	Camille Tanner	Policy Created
#2	11/18/2020	Camille Tanner	Policy reviewed with the following change: replaced VPO with Contract Manager
#3	06/22/2021	Camille Tanner	Hard copy no longer saved in personnel file