

POLICIES AND PROCEDURE MANUAL

Chapter:	Human Resources		
Title:	Employee Compensation Policy		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/> Page: 1 of 2	Review Cycle: Biennial Author: Deputy Director	Adopted Date: 11.04.2014 Review Date: 09.09.2025	Related Policies: Personnel Manual Position Management

Purpose

This policy is established to provide guidelines for compensating all Mid-State Health Network (MSHN) direct employed positions.

Policy: The MSHN Chief Executive Officer is the Board-designated individual with the authority and responsibility to oversee MSHN's compensation and human resources administration systems, to approve any changes to the agency compensation program, to ensure compensation is within board approved budgets, to make exceptions or to otherwise implement the agency compensation program in line with the following MSHN policies and applicable regulations and statutes.

- A. Objective: It is a MSHN objective to have a total compensation program that enables the organization to attract, retain, and motivate the number of high-caliber employees needed to achieve the organization's objectives as cost effectively as possible. Thus, the total compensation is intended to:
 - a. Provide for equitable treatment of all employees;
 - b. Be efficient to administer;
 - c. Be easy to understand and communicate; and
 - d. Comply with all applicable laws and regulations.
- B. Strategy: To accomplish its objective, MSHN has adopted specific compensation program goals to:
 1. Provide base compensation at or near the market median;
 2. Provide a total compensation program (including pay and benefits) that attracts and retains the qualified staff needed to accomplish our mission;
 3. Provide suitable working conditions that promotes high degree of morale and job satisfaction. (including in office items such as coffee/tea/bottled water/snack items)
MSHN will also supply a refrigerator, microwave and paper/plastic goods for employee use during break and meal periods while in office.
- C. Position Descriptions: MSHN maintains a job description for each of its employed positions.
- D. Position Titles: The Deputy Director will work with the Chief Executive Officer (CEO) to develop the appropriate job title for a new or changed position. Effort shall be made to assure position titles and descriptions are comparative to industry norms so compensation levels can be reasonably compared.
- E. Position Evaluations: Position evaluation is the process by which MSHN determines the relative value to be placed on various jobs within the organization through their placement within the pay structure.
- F. Salary Grade Assignments:
 1. The Deputy Director shall evaluate any newly created job before the recruitment process begins.
 2. The CEO shall review and approve all grade assignments. New employees may be placed in a salary grade at the discretion of the CEO commensurate with their level of education and experience.

- G. **Pay Increases:** Pay increases are intended to keep pay levels competitive to the marketplace. To do so, employees may receive three (3) types of pay increases depending on their pay rate, the competitive market conditions, and the availability of resources. A market increase may be granted when pay ranges are adjusted to keep them competitive with the market. A cost-of-living increase may be granted to ensure salaries are updated with cost-of-living factors. The other type of pay increase is a “step” increase, that is based on the length of time an employee is in a job classification.
- H. **Special Circumstances:** MSHN operations are often impacted by internal and/or external events that require management action relating to compensation of MSHN employees. The MSHN CEO may develop special compensation arrangements (such as but not limited to project pay, retention incentives, severance programs) as needed. Special compensation arrangements will be reported to the Board Executive Committee to ensure transparency and accountability.
- I. **Communication:** All employees will receive general information regarding the administration of the compensation program, and will be informed of changes to program components, as appropriate.
- J. **Periodic Review:** Mid-State Health Network shall procure a market salary study not less than once every three years and will adjust salary scales based on the evidence accumulated in the market salary study for all positions.
- K. **Severance Pay:** Severance pay is typically not offered to employees exiting employment but depending on circumstances and agency needs, may be authorized in the judgment and at the discretion of the CEO and is typically, but not always, reserved for mass severance circumstances not caused by employee or MSHN actions such as permanent contractual responsibility reductions, permanent loss of funding, loss of contracts, and similar events.

Applies to:

- ☒ All Mid-State Health Network Staff
- ☐ Selected MSHN Staff, as follows:
- ☐ MSHN’s Affiliates: ☐ Policy Only ☐ Policy and Procedure
- ☐ Other: Sub-contract Providers

Definitions:

CEO: Chief Executive Officer

MSHN: Mid-State Health Network

Other Related Materials:

Human Resources: Employee Compensation Procedure

References/Legal Authority:

Fair Labor Standards Act

Change Log:

Date of Change	Description of Change	Responsible Party
09.2014	New Policy	Chief Finance Officer
11.2015	Annual Review/Update	Deputy Director
06.2017	Annual Review	Deputy Director
05.2018	Annual Review	Deputy Director
05.2019	Annual Review	Deputy Director
02.2021	Biennial Review	Deputy Director
02.2023	Biennial Review	Deputy Director
03.2025	Biennial Review	Deputy Director