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Community Health Centers

### **Important Content Note:**

This technical assistance resource was developed prior to the August 2017 release of the Health Center Compliance Manual by the Health Resources and Services Administration's (HRSA) Bureau of Primary Health Care (BPHC). The BPHC Compliance Manual, issued August 2017, indicates where PINS, PALs and other program guidance are now superseded or subsumed by the BPHC Compliance Manual.

See: <https://bphc.hrsa.gov/programrequirements/pdf/healthcentercompliancemanual.pdf>

# HR

## Information Bulletin #10

Updated January 2016

**Note that in all Information Bulletins:**

The term **“health center”** refers to public or private nonprofit entities that: (1) receive grants under Section 330 of the Public Health Service Act (Section 330), including Sections 330(e), 330(f), 330(g) and 330(h) (collectively “Health Center Program Grantees”); and (2) entities that have been determined by the Department of Health and Human Services (DHHS) to meet the Section 330-Related Requirements to receive to receive funding without actually receiving a grant (“health center look-alikes”).

The term **“Section 330-Related Requirements”** refers to requirements set forth in:

- Health Center Program Statute: [Section 330 of the Public Health Service Act \(42 U.S.C. §254b\)](#),
- Program Regulations: [42 CFR Part 51c](#) and [42 CFR Parts 56.201-56.604](#)
- Health Center Program Requirements: <http://www.bphc.hrsa.gov/programrequirements/index.html>

The term **“Grant Requirements”** refers to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: 2 CFR Part 200, as adopted by DHHS at 45 CFR Part 75.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is published with the understanding that the publisher is not engaged in rendering legal, financial or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

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## Developing a Health Center Employee Handbook

The number and complexity of laws, regulations and policies that apply to health care providers in general, and health centers and their employees in particular, can seem overwhelming.

Developing a good resource to provide a health center’s employees with appropriate guidance can significantly improve employee knowledge of management’s expectations and obligations regarding the health center staff, and clarify each employee’s responsibilities to the health center, other staff, and patients.

One way to provide each health center employee with access to specific policy guidance is by creating an employee handbook containing the health center’s current policies and procedures, and which reflects the health center’s unique structure and scope of project. The content of such a handbook will vary according to each health center’s particular circumstances. There is no “one-size-fits-all” handbook – each must be tailored to the needs of an individual health center.

This Information Bulletin explores the development and implementation of an employee handbook appropriate for your health center. In particular, this Information Bulletin explores:

- ◆ The reasons to develop an employee handbook, and its limitations
- ◆ The roles of the board and management in developing and implementing the employee handbook
- ◆ Steps in developing (or updating) the employee handbook
- ◆ Tips on implementing the employee handbook
- ◆ Process to review and revise the employee handbook.

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## WHY EVERY HEALTH CENTER SHOULD DEVELOP AN EMPLOYEE HANDBOOK

### Information Management

The challenges posed by the demands of complying with applicable laws, rules, policies, and other guidance materials, and the need to keep employees informed of management expectations and governing board-approved policies and procedures are common to all health centers. Yet each health center organization is unique and employee guidance must be customized to adequately address the specific issues that affect a particular health center.

The health center's operational policies and procedures should guide the efficient and productive operation of the health center, protect the rights of the patients, help ensure that all employees understand the terms and conditions of their employment, and promote consistent and equitable treatment of patients and employees. Developing a means to provide health center employees with access to, and knowledge of, the many laws and rules that govern the terms of their employment and the performance of their duties requires planning and ongoing attention by the health center's governing board and management team. One resource that can provide such guidance is an employee handbook. Of course, the handbook's effectiveness will depend on its content and accessibility, as discussed further below.

### Employee Handbook Limitations

A health center employee handbook cannot anticipate or address every situation or answer every question regarding health center operations. It should be drafted with the understanding that it is a starting place for employees seeking guidance, and should refer to specific health center rules and policies (and where they may be located). Of course no handbook will address every conceivable issue. Accordingly, the handbook should also:

- ◆ Advise employees to raise specific questions about health center personnel and other policies and procedures with their supervisors or with the Human Resources Director; and
- ◆ Request feedback from employees to help keep policies and guidance current.

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## BOARD AND MANAGEMENT ROLES

### Board of Directors' Role

A health center's board of directors is required to establish personnel policies and procedures for the health center, in accordance with 42 C.F.R. 51c.304 and the policies issued by the Health Resources and Services Administration ("HRSA").<sup>1</sup> Specifically, the board is responsible for developing and reviewing:

- ◆ Personnel policies and procedures, including selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal employment opportunity practices;

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<sup>1</sup> See HRSA PIN # 2014-01: Health Center Program Governance (January 27, 2014).

- ◆ Financial management policies and practices, including a system to assure accountability for health center resources, approval of the annual budget, health center priorities, eligibility for services, including criteria for partial payment schedules, and long-range financial planning;
- ◆ Health care policies, including scope and availability of services, location and hours of services, and quality-of-care audit procedures; and
- ◆ Policies for evaluating health center activities, including service utilization patterns, productivity of the health center, patient satisfaction, achievement of objectives, and development of a process for hearing and resolving patient grievances.

## Management's Role

The Executive Director/Chief Executive Officer is responsible for the **implementation of these policies**. Health center policies and procedures should be reviewed on a periodic basis by both the board of directors and the Executive Director/Chief Executive Officer, and updated as necessary, with input from key staff members. It is advisable to schedule such policy and guidance reviews as part of the board of directors' annual work plan.

*Regardless of the size of the employee handbook, or the amount of information it contains, it is essential that the contents are accurate, up-to-date, and easily accessible by each member of the health center workforce.*

## STEPS TO DEVELOP OR UPDATE AN EMPLOYEE HANDBOOK

Once a health center's board of directors and management team decides to create an employee handbook, or to update a handbook that already exists, the board should appoint a committee or working group of key staff personnel to gather the relevant references and develop (or revise) the handbook's content. A board liaison may be appointed to facilitate communications between the board of directors and staff on any policy questions that arise. One staff member should be designated as a single point of contact to lead the committee/working group. The following steps can help guide the employee handbook development/ revision process:

### 1. Determine the Health Center's Needs

The specific content of the health center's employee handbook should be tailored to meet the needs and resources of the organization. However, regardless of the size of the employee handbook, or the amount of information it contains, it is essential that the contents are accurate, up-to-date, and easily accessible by each member of the health center workforce. Keep in mind that the health center's particular needs and resources typically change over time and the employee handbook should change along with them.

## 2. Identify Applicable Laws, Regulations, and Policies

As the next step, it is important to identify the specific laws, regulations, and policies applicable to the health center's operation.

A comprehensive discussion of all laws, regulations and policies that govern operations is beyond the scope of this discussion. NACHC strongly recommends health centers have their policies and employee handbooks reviewed by qualified legal counsel to ensure all relevant issues are adequately addressed. Some of the more significant requirements to consider are contained in the following laws, rules, and policies:

- ◆ The Fair Labor Standards Act
- ◆ The Family and Medical Leave Act
- ◆ Non-discrimination laws, rules and requirements, including:
  - Presidential Executive Order 11246 - prohibiting discrimination in employment
  - Title VII of the 1964 Civil Rights Act – prohibiting discrimination in employment
  - Title VI of the 1964 Civil Rights Act - prohibiting discrimination based on race, color, or national origin, and addressing limited language proficiency
  - The Equal Pay Act of 1963
  - The Age Discrimination in Employment Act
  - The Rehabilitation Act of 1973 - prohibiting discrimination by government contractors based on disability
  - The Americans with Disabilities Act (ADA) - prohibiting discrimination by employers based on disability, and requires reasonable accommodations
- The Genetic Information Nondiscrimination Act of 2008 – prohibiting the use of genetic information in making employment decisions, including hiring, firing, promotion, compensation, and other terms and privileges of employment
- ◆ The Employee Retirement Income Security Act
- ◆ The Uniform Services Employment and Reemployment Rights Act
- ◆ The Drug Free Workplace Act
- ◆ The Occupational Safety and Health Act
- ◆ State civil rights and employment laws and regulations
- ◆ The Health Insurance Portability and Accountability Act and state medical privacy laws and regulations
- ◆ The Federal Tort Claims Act (“FTCA”)<sup>3</sup> and its implementing regulations and policies<sup>4</sup>
- ◆ Internal Revenue Service Guidance for Non-Profit Organizations
- ◆ Section 330 of the Public Health Service Act and implementing regulations<sup>5</sup>

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3 The Federally Supported Health Centers Assistance Act extends FTCA medical malpractice coverage for Section 330 grantee health centers, qualified employees, and certain other individuals and independent contractors per Section 224 of the Public Health Service Act.

4 The requirements regarding FTCA coverage for health centers are set forth in the following references: 42 C.F.R. Part 6, and PAL 2014-09, the *Federal Tort Claims Act Health Center Policy Manual*, and PINs 2007-16 and 2002-22. These references are available at: <http://www.bphc.hrsa.gov/ftca>

5 42 U.S.C. § 254b, 42 C.F.R. § 51c.304 and §56.304.

- ◆ 45 C.F.R. Part 74 - Department of Health and Human Services (“DHHS”) Administrative regulations for Federal grantees HRSA policies, including the Policy Information Notices (“PINs”) and Program Assistance Letters<sup>6</sup>
- ◆ DHHS Office of Inspector General (“OIG”) Compliance Program Guidance for Individual and Small Group Physician Practices<sup>7</sup>

- Smoking policy
- Keys/alarm system
- Submitting suggestions to management
- Patient complaint procedure
- Employee dispute resolution
- Emergency procedures

### 3. Identify Specific Content Areas

Once the governing requirements have been identified (or verified), the next step is to develop a list of subjects that will be covered (or added/revised) in the employee handbook. To help determine what specific topics to address, we have listed the following areas to consider. *These are only suggestions.* Some may not apply in particular circumstances, and others not listed here might need to be included:<sup>8</sup>

#### General Policies

- Expected standards of conduct, ethics, and conflicts of interest policy
- Safe work environment issues
- Drug-free workplace
- Equal employment policy
- Policy against harassment
- Personal appearance and dress standards
- Hiring practices and immigration law compliance
- Confidential information policy
- Patient and public relations
- Solicitations and distributions (by employees and/or the public)
- Supplies and equipment
- Computer and information security
- Firearms and other weapons policy

#### Employee Compensation and Benefits

- Employee classification
- Hours of operation
- Compensation
- Recruitment and hiring
- Promotion
- Payroll deductions
- Expenses
- Medical/dental benefits (including COBRA)
- Changes in benefits
- Termination
- Retirement
- Paid time off
- Holidays
- Leaves of absence
- Work procedures
- Jury duty
- Military leave

<sup>6</sup> Available at: <http://www.bphc.hrsa.gov/policiesregulations>.

<sup>7</sup> 65 Fed. Reg. 59434 (October 5, 2000), at <http://www.dhhs.gov/progorg/oig/index>.

<sup>8</sup> Additional guidance on employment-related issues which may assist in identifying content for the Employee Handbook is available in other NACHC information bulletins in the Human Resources series, which were updated in 2014.

- Sick leave
- Family/Medical leave
- Bereavement leave
- Workers' compensation
- Payroll records
- Disciplinary action
- Substance/alcohol abuse in the workplace

## 4. Choose the Handbook Format

Similar to the content, the format of the health center's employee handbook should be tailored to meet the needs and resources of the organization. When selecting the format that best meets the health center's structure and budget, consider how the handbook will be initially produced and made available to each employee, and how it will later be updated to keep it current (such as using a loose-leaf binder with separate sections for general subject areas and specific topics, and/or creating an on-line version that can easily be updated). Format options to consider include:

- a. A comprehensive manual containing in-depth discussion of regulations, policies, and procedures;
- b. An abbreviated handbook that can be inexpensively copied for each employee, and that references complete policies kept elsewhere;
- c. An online handbook with links to policies and references; or
- d. A combination of these formats

## 5. Put it All Together

The development of the employee handbook should be a group effort. Once the need to create or update an employee handbook is determined and the policies to include are specified, one individual should be assigned to lead a committee or working group (appointed as discussed above) in gathering references, drafting the employee handbook sections, and tracking the review and updating process. It may be helpful to:

- ◆ Appoint an editor or knowledge manager – someone who is familiar with applicable regulations, policies, and references.
- ◆ Identify and address programs/ policies unique to the organization.
- ◆ Develop a list of subject areas and identify individual subject matter experts to be responsible for the content of each section. Consider updating employment agreements/job descriptions to reflect this specific duty.
- ◆ Gather the health center's regulations, policies and references in one central location.
- ◆ Schedule periodic review of the employee handbook as part of the annual board work plan.

**A word of caution – “sample” handbooks can be helpful, but . . .** While reviewing another organization's handbook as a “sample” or “template” may provide good ideas, simply putting your health center's name on someone else's employee handbook can lead to problems. Each health center must customize its handbook to the unique requirements that apply to its organizational structure, expectations and requirements.

Be cautious of areas governed by state law that may differ based on location – seek qualified legal advice and confirmation of the regulations that apply in each circumstance.

## TIPS ON IMPLEMENTING THE EMPLOYEE HANDBOOK

No matter how good in content, an employee handbook is of no benefit if it is not kept current and/or if it goes unused. Once the health center employee handbook is created and approved (or updated/revised), the next step is to make sure each employee has ready access to it, and understands its contents (and any subsequent changes) by developing appropriate training. Similar to any policy or procedure, the purpose of the employee handbook is not to gather dust, but rather to be a working tool to guide employees in understanding the terms and conditions of their employment and the organization's expectations of them. The following points can help guide the development of an effective implementation plan, which takes into consideration appropriate levels of availability and training:

1. Consider online availability.
2. Incorporate its contents into the orientation procedures for new employees and use it regularly for training.
3. Provide supervisors with training tailored to help ensure consistent understanding and application of the health center's policies and procedures throughout the organization.
4. Encourage employees that, when in doubt, they should ask their supervisor for clarification or additional information.

## A PROCESS TO REVIEW AND REVISE THE EMPLOYEE HANDBOOK

As noted above, all health center policies and procedures, including an employee handbook, must be kept current.

- ◆ **Board members and the health center management team — stay informed** of changes in relevant law, rules, and policies through NACHC, HRSA, DHHS OIG and other resources.
- ◆ **Health center board members, the executive Director/chief executive officer, and other key staff members — review the employee handbook at least annually**, and make revisions as needed.
- ◆ **All employees — participate in training** regarding any updates.

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## CONCLUSION

A health center employee handbook can be an effective resource to help ensure that all health center personnel are familiar with relevant policies and procedures governing health center operations, and the terms and conditions of their employment. In order to develop a comprehensive and appropriate employee handbook, health centers must:

1. Consider their particular organization's structure and unique needs, requirements, and resources.
2. Include key staff members familiar with the various policies to be addressed in the Employee Handbook to ensure accuracy and relevance of the material.
3. Recognize that the creation of an employee handbook is only the beginning of the process of improving staff awareness and compliance with applicable Federal and state laws, rules, and policies, as well as the health center's own policies.
4. Regularly review and update the handbook to stay current with the ever-changing regulations and policies that govern health center operations.

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