Cornerstone Behavioral Healthcare PM.8 Family and Medical Leave

In compliance with the Family and Medical Leave Act of 1993 ("FMLA"), Cornerstone Behavioral Healthcare (CBH) will grant up to 12 weeks of unpaid leave during a 12 month period to an "eligible employee" for one or more of the following reasons:

- the birth, adoption, or foster care placement of the employee's child, and to care for that child during the 12 month period after birth or placement
- to care for the employee's child, spouse, or parent, if that spouse, child, or parent has a serious health condition
- a serious health condition of the employee that renders him or her unable to perform the functions of his or her job
- the donation of an organ for a human organ transplant

If an employee is entitled under existing CBH policy to take paid leave, CBH will require that paid leave be exhausted prior to use of unpaid Family and Medical Leave.

A. Employees Who Are Eligible

Employees are eligible to take family or medical leave if they have been employed by CBH for at least one year (the months do not have to be consecutive), and for at least 1,250 hours over the previous 12 months, and if there are at least 50 employees of the company within 75 miles.

B. Meaning of 12 Month Period

The 12 month period during which an eligible employee can take a leave under this policy is measured backward on a "rolling" basis from the date when an employee uses any FMLA leave. Each time an employee takes leave, the remaining leave entitlement consists of any balance of the 12 weeks which has not been used during the immediately preceding 12 month period.

C. Advance Notice Requirement

Whenever the need for leave is foreseeable, an employee must give CBH at least 30 days advance notice before leave will commence. A form for requesting leave is available from CBH.

When the need for leave is not foreseeable 30 days in advance, an employee must give notice to CBH within two (2) working days of learning of the need for leave, or otherwise notice to the extent practical, absent extraordinary circumstances. If timely notice is impossible, then the employee or family member may notify CBH in person or by telephone, fax, or email, describing the circumstances necessitating the leave. If an employee knew about the need for leave, but failed to give timely notice to CBH, CBH may deny the taking of leave until 30 days after the date of the employee's request.

D. Mandatory Medical Certification

Any employee requesting leave because of a serious health condition (of the employee or the employee's parent, spouse, or child) must furnish CBH with a medical certification form provided by CBH. An employee normally must submit the medical certification form along with his or her leave request, and CBH may deny the taking of leave until the required certification is provided. In cases of

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unforeseen leave, the medical certification must be submitted to CBH as soon as possible. CBH may, at its discretion, require any employee seeking leave because of a serious health condition to obtain a second, and possibly a third, opinion at CBH's expense.

When an employee is on leave, subsequent recertification of a medical condition must be submitted to CBH every 30 days or upon the request of CBH in other circumstances, such as when an employee requests an extension of leave or there is a change in circumstances regarding the serious health condition for which the leave is taken.

E. Intermittent or Reduced Leave

When medically necessary, an employee may take "intermittent" leave (two or more separate leave periods) or "reduced" leave (where an employee continues to work, but for fewer hours per day or per week) at CBH's discretion. In such cases, the 12 week limit applies to the total number of hours or days of leave taken by the employee. An employee must make reasonable effort to schedule such leave in a manner that will not disrupt unduly the company's operations. CBH may transfer an employee to an available alternative position with equivalent pay and benefits for which the employee is qualified, although the duties may or may not all be equivalent, if that position can better accommodate recurring periods of leave than the employee's regular job. Intermittent leave is not available for bonding with a child.

F. Benefits

An employee who takes leave will not lose any employment benefits which were accrued prior to the date on which the leave commenced. However, an employee will not accrue any seniority or benefits during the leave period, and will not be entitled to any rights or benefits to which the employee would have been entitled if he or she had not taken the leave. With the exception of health insurance, dental insurance, short term disability, long term disability, and life insurance coverage (see below), no employee benefits will be provided by CBH while the employee is on unpaid leave.

G. Health Insurance Coverage

An employee who is out on leave will be maintained on CBH's group health insurance plan at the same level, with the same coverage, and under the same conditions as if the employee had not taken leave. For an employee on paid leave, the employee's share of premium payments will be deducted from his or her salary in the usual manner. An employee on unpaid leave is responsible for making timely payments to CBH for the employee's share of premium payments, in accordance with the schedule established by CBH before unpaid leave commences, in order to avoid cancellation of the employee's health insurance coverage.

If an employee fails to return to work at the end of the leave period, and the failure to return is not due to circumstances beyond the employee's control (including the continuation, recurrence, or onset of a serious health condition), the employee must reimburse CBH for health insurance premiums paid by CBH while the employee was out on leave. CBH will require sufficient medical certification of an employee's inability to return to work because of such a serious health condition before the employee will be released from the requirement to reimburse CBH for health insurance premiums paid during the employee's leave period.

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H. Employee Reporting Requirements During Leave

An employee on leave must report to CBH every 30 days on his or her status and intent to return to work. CBH's obligations under the FMLA (including maintenance of health insurance coverage and restoration to an equivalent position) cease when an employee gives CBH notice of his or her intention not to return to work.

I. Medical Certification of Fitness to Return to Work

Under circumstances where, in the company's judgment, an employee's serious health condition may post a significant risk of substantial harm to himself or others, the company may require the employee to obtain medical certification of his or her ability to perform the essential functions of the employee's position. CBH will give notice to an employee when such certification is required before the employee will be permitted to return to work.

J. Restoration to Position

Upon return from leave, an employee will be restored to either the same position he or she held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. However, this guarantee of restoration does not apply to certain highly compensated employees, if necessary to avoid substantial and grievous economic injury to CBH's operation.