

LHC GROUP, INC.	PAY INCREASES & ADJUSTMENTS
EFFECTIVE DATE: 010104	DIVISION: LHC ADMINISTRATIVE
REVISED DATE: 01/01/09, 07/01/16	CHAPTER: HUMAN RESOURCES
APPROVED BY: POLICY COMMITTEE	POLICY NUMBER: 2.2.006
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PURPOSE:

This policy is designed to assist management in planning and allocating merit and promotional increases that:

- Will reward individual performance
- Are market competitive,
- Are internally equitable,
- Are comparable with the Company's operating budget, and,
- Are equitably allocated among individual employees.

POLICY:

LHC Group fairly compensates employees for the value of the work provided. LHC Group's compensation program ensures that the Company is able to recruit and retain a highly qualified workforce, while providing the necessary structure effectively manage the overall operating budget.

PROCEDURE:

1. Prior to the beginning of each calendar year, Senior Management will establish a percentage increase maximum to be tied to the annual performance evaluations conducted during that calendar year.
2. An employee's overall performance and pay level relative to his/her position responsibilities must be evaluated to determine if a pay increase is warranted.
3. Pay increases that are greater than the percentage established by Senior Management must be pre-approved by a member of Senior Management.
4. Out of cycle pay increases must be pre-approved by a member of Senior Management.
5. A request for these discretionary pay increases must be approved by a member of Senior Management for approval. The requesting manager must then submit the approved documentation to Human Resources for appropriate processing and payout of the increased compensation.
6. The manager will not discuss any proposed action for a pay increase with the employee until all approvals are obtained.
7. All pay rate and status changes will be effective at the beginning of the payroll period.
8. A manager may request Human Resources to conduct an analysis of an employee's pay at any time to evaluate the need for a pay increase. If the results of the analysis warrant a pay increase, Senior Management must approve the increase.