

Is Paid Time Off (PTO) an HR Policy Option?

You need to understand the pros and cons of this alternative program.

BY LYNN HOMISAK, PRT

To Our Readers: *There are no foolish questions. Chances are that if you have a question or concern in your practice, others are experiencing a similar situation. We're here to help. PM [doctor and staff] readers are encouraged to submit questions to lynn@soshms.com which will be printed and answered in this column anonymously.*

Re: Is Paid Time Off (PTO) an HR Policy Option?

Dear Lynn,

We are thinking about changing our policy and merging individual sick and vacation leave into one clump of paid time off (PTO). I wonder which way is the better way to go. Your thoughts?

What I have learned is generally, policies are not a "one size fits all." There is no perfect system. A policy that works for one particular practice (and each individual in it) creates anxieties in another practice.

Without your team's input, discussion, and understanding, it wouldn't be productive to say what would be your best choice. What will help you, however, is understanding the pros and cons of each option so you can decide the best fit for your practice [See sidebar on next page]

First, before contemplating this benefits change, and to help other readers who may have been planning

practice is willing to support.

PTO time can be allocated either at the start of each calendar year or accrued throughout the year and deposited each pay period. Usually, this is best calculated by hours worked and seniority. A 10-year employee might get one hour of PTO for each ten hours worked, while a 2-year employee might get one hour of PTO for each fifteen hours worked.

PTO time can be allocated either at the start of each calendar year or accrued throughout the year and deposited each pay period.

a similar policy variation, let's define PTO. PTO is an acronym for paid time off. It is a non-traditional bank of hours that can include any number of benefits, e.g., sick time, vacation time, personal time, time to go to the doctor, to take care of a sick child, mental health days, holidays, bereavement, jury duty, Manic Mondays, Tired Tuesdays, Free Fridays, or whatever benefits your doctor/team adopts. Then determine which of these the

As an example of allocated time, an employee might receive 30 days of PTO to start the year—with a certain number of days earmarked for: vacation (15 days), sick leave (5 days), holidays (5 days), and bereavement (5 days). Alternatively, those 30 days can be allotted for the employee to use as s/he wishes.

Or, the employee might earn PTO based on hours worked and applied incrementally. At one hour earned per 10 hours worked, the employee gets four hours each 40 hour week and those four hours apply to PTO or sick leave first, then vacation, then personal, then whatever you decide.

Continued on page 56

PTO (from page 55)

PTO, benefits, earnings, and accruing options are as flexible as you want them to be.

The best environment for a PTO plan is one whose philosophy promotes a work-life balance via modified/flexible work schedules, putting the responsibility of when and why time off is taken in the hands of the employee.

If introducing a PTO program in your practice initially seems like a good idea, here are 10 start-up considerations:

- 1) What is the maximum allowance of PTO days that you are willing to offer to your employees? (Coordinate with what they are currently receiving. Is increasing or decreasing the amount of time off an option?)
- 2) What kinds of absences are included in your PTO bank?
- 3) Are holidays built-in or kept separate?
- 4) Will there be any stipulations?

For example, is there a different allowance for sick, vacation, and personal days? Or doesn't it matter WHY they take off? If limited, will sick days require a doctor's note after X number of days out? Every time? Under certain circumstances?

- 5) Do emergencies fall under personal days? What defines an emergency? These should be clearly defined in writing.
- 6) Will there be any allowances for additional absences if not initially included in your bank (e.g., jury duty, bereavement, etc.)?
- 7) How will policy benefits be determined? Will they coincide with



job positions and/or length of employment? Will they be effective by calendar or employee anniversary date?

- 8) Will you institute a “use it or lose it” policy or will employees be able to carry over unused time? If the latter, will there be a carry-over limit or a (reduced) payout?
- 9) Will days off need management approval?
- 10) Who will oversee the program?

What is important to remember is that your employees are your biggest asset. PTO allows for maximum flexibility for employees; however, because needed rest and recreation create happy, healthy and productive employees, they are encouraged to take their full allocated vacation time each year to recharge their batteries.

Disclaimer: Please be advised that employment laws can vary from state to state. Be sure to check with your individual state before putting any employment policy in writing.

Re: Oops, She Did It Again!

Dear Lynn,

We had to recently let our surgery scheduler go because errors were occurring on her watch. Certain instruments that the doctor requested for a procedure were unavailable, a patient never had a mandatory medical clearance before the surgery (resulting in cancellation), and the last straw was directing our doctor to show up at the hospital on

Continued on page 57

Paid Time Off

PROS

- Upbeat staff—They are given flexibility regarding how and when they use their time and no longer feel they must invent an illness if they need a day off.
- Doesn't distinguish between sick, personal, and vacation days and employees can draw time for whatever purpose.
- From a payroll and administrative perspective, entering and monitoring time is much more efficient.
- Employees will not waste sick or vacation days because they feel that their sick days are theirs to use.

CONS

- May lead to sick employees showing up to work when they really should stay home.
- Employees may actually take all their days off, which may impact your schedule.
- Employees may be tempted to use all their days off early in the year and not have a safety net to fall back on if faced with an illness or emergency.
- Employees are afraid to use PTO time for vacations in case they should need those hours if they come down with a serious illness or injury and have no more time left.
- If employee time off is reduced as a result of linking all benefits, employees could feel shortchanged. •

THE CONSULTANT IS IN

PTO (from page 56)

the wrong day to perform a bunionectomy. We need to implement some kind of foolproof method for our newly hired surgery scheduler that will prevent this from happening again. Any ideas?

A very effective tool that keeps one well-organized and “on one’s toes” when planning surgeries is a thorough checklist that mirrors one’s scheduling protocol.

The top part of the form should include all the necessary patient demographics, date and time of surgery, how much OR time is required, type of anesthesia needed, MD contact info, Diagnosis and Procedure codes and verbiage, name and contact of the assistant surgeon, and whom in the facility was contacted and when.

Next comes the insurance section—primary and secondary insurance information and benefits info. for surgeon and facilities, pre-autho-

rizations, deductible plan, necessary second opinions, waiting periods, and referral requirements.

The last section could be nothing more than useful reminders. X-rays ready? Was a pre-op appointment scheduled with the patient, and when was it? All paperwork completed and submitted? Were all reminder calls made to the surgery facility, assistant surgeon, patient, and was the DOCTOR reminded? Was the surgery date double-checked and marked in the schedule? There should be a note section about any special instruments, equipment, or supplies ordered.

After it serves its purpose in the office, a copy of this checklist should go to the hospital or surgery center with the doctor, so all information is at his/her fingertips for quick reference or if any kind of problem arises.

It is beneficial to have checklists made for both out-patient and in-office surgeries. I would be happy to share a template with you to revise

as necessary. [Email: lynn@soshms.com] While this particular template may not align with your office 100%, it can be used as a great starter document. Once you make changes tailored specifically to your practice and the checklist is faithfully charted—no shortcuts allowed—it will be just the thing for almost ANY staff person to be a master scheduler. **PM**

.....



Ms. Lynn Homisak, President of SOS Healthcare Management Solutions, carries a Certificate in Human Resource Studies from Cornell University School of Industry and Labor Relations. She is the 2010 recipient of

Podiatry Management’s Lifetime Achievement Award and was inducted into the PM Hall of Fame. She is also an Editorial Advisor for Podiatry Management Magazine and is recognized nationwide as a speaker, writer, and expert in staff and human resource management.