HAWAII HEALTH SYSTEMS C O R P O R A T I O N *"Touching Lives Everyday"* **Policies and Procedures**	**Department:** Office of the President	**Policy No.:** **ADM 0018** **Revision No.:** 1
	Issued by: President & CEO	**Effective Date:** January 25, 2007
Subject: ***Educational Assistance & Tuition Reimbursement***	**Approved by:** HHSC Board of Directors By: Jean Odo Its: Secretary/Treasurer	**Supersedes Policy:** July 13, 2006 **Page:** 1 of 3

I. PURPOSE: To establish and define approval criteria for educational assistance and tuition reimbursement for a designated number of eligible full-time employees who obtain a Masters degree or MHA degree for the purposes of pursuing a healthcare Administration career with HHSC.

II. POLICY: All full-time employees (Executive Management Team members not eligible) who meet certain eligibility criteria and are interested in pursuing a healthcare Administrative management career with HHSC shall be eligible to apply for consideration of educational assistance and tuition reimbursement for an accredited MBA or MHA degree. Employees must meet the eligibility criteria and be approved by the employee's respective Regional CEO (RCEO) or HHSC President and Chief Executive Officer (PCEO), as applicable, in advance. HHSC will grant and determine a designated number of sponsorships per year based on the availability of funds. Only Masters programs deemed appropriate by the employee's respective RCEO or HHSC PCEO, as applicable, will be approved. The employee must also commit to the retention and repayment agreement provided. In the event the employee fails to obtain the advance degree and monies were provided for tuition and books in advance, the employee is responsible for the repayment of all monies paid on behalf of the employee to HHSC or its facilities.

III. ELIGIBILITY CRITERIA:

The following criteria must be met in order for an employee to be deemed eligible under this policy:

A. Years of Service – the employee must have a minimum of **three (3)** years of continuous service with HHSC and/or the State of Hawaii;

B. Educational Background Requirements – the employee must possess a 4-year Bachelor's degree from an accredited University, preferably in Healthcare Administration or Business Administration;

C. Performance Ratings – the employee must have received above satisfactory performance ratings over the most recent, past three (3) years;

D. Exceptions may be granted on a case-by-case basis by the employee's respective RCEO or HHSC PCEO, as applicable, and deemed appropriate;

E. Employee must satisfactorily meet the commitment in obtaining the advance degree. If the employee does not obtain the degree, the employee will be responsible for repayment of all funds paid on behalf of the employee to HHSC or its facilities.

IV. PROCEDURE:

A. All requests for educational assistance and tuition reimbursement should be submitted to the employee's RCEO or HHSC PCEO, as applicable; the RCEO or HHSC PCEO, as applicable, will review the application request and ensure all items and eligibility criteria have been met before approving the application.

A request for approval shall minimally include the following documentation (Form 1):

(1) Name and position (including name of facility);
(2) Name of University or College;
(3) Program Information on the degree being obtained;
(4) Dates of anticipated enrollment and schedule;
(5) Details of anticipated reimbursable costs;
(6) Performance Evaluation ratings over past two years; and
(7) Description of other educational classes taken by the employee during the current and past fiscal year.

B. All reimbursement expenses will be processed by the regions and Corporate, as applicable, and charged to their respective budgets.

C. HHSC and its facilities will not be responsible for reimbursement of any costs that occurs prior to or without the timely approval as specified herein. In such a case, the individual employee will be responsible for all costs.

D. The Educational Assistance Expense Form (Form 2) shall also be completed.

V. REIMBURSABLE/COVERED EXPENSES:

A. Reimbursable and/or Covered Expenses Include:
1. Tuition (75% of cost)
2. Books
3. Accredited on-line programs (pre-approved) creditable towards the degree

B. Reimbursement/payment of expenses with pre-approval of the employee's respective RCEO or HHSC PCEO, as applicable, shall be made on the HHSC Educational Assistance Expense Form (Form 2) upon proof of satisfactory completion of coursework leading to the advance degree for which approval was given or upon proof of enrollment and proof of purchase of books.

VI. REPAYMENT & RETENTION:

A. The employee must agree to remain employed with HHSC for three (3) years following the receipt of his/her Masters degree and sign the HHSC Educational Assistance Repayment & Retention Agreement (Form 3).

B. In the event, the employee does not fulfill his/her obligation and commitment in VI. A. above, he/she will be responsible for full reimbursement of HHSC's expenses paid to the employee or paid on his/her behalf by HHSC.

C. In the event the employee is not awarded the advance degree for which the approval was given in the time specified by HHSC, the amount paid by HHSC to

the employee or on behalf of the employee shall be considered overpayment and HHSC shall recover the advance through the overpayment procedures or as otherwise may be mutually agreed to by the employee and HHSC.

VII. EXCEPTIONS TO POLICY:

Exceptions to this policy shall be raised to the attention of the employee's respective RCEO or HHSC PCEO, as applicable, for discussion and consideration on a case-by-case basis.

VIII. NON-TAXABLE INCOME:

Section 127 of the Internal Revenue Code of 1986, as amended, may provide for an exclusion of up to $5,250 per calendar year from an employee's gross income for amounts received by the employee under an educational assistance program for active employees that meet the requirements under the Code. Please refer to IRS, Code Section 127, for details on the requirements in making this determination.

Attachments:

	Form 1	Request for Educational Assistance & Tuition Reimbursement
	Form 2	Educational Assistance Expense Form
	Form 3	Educational Assistance Repayment & Retention Agreement
	Form 3A	Repayment & Retention Schedule

REQUEST FOR EDUCATIONAL ASSISTANCE AND TUITION REIMBURSEMENT

Employee Name:_____ Date:_____

Position:_____ Facility: _____

I would like to request consideration for the reimbursement or advancement of monies for Educational Assistance to obtain an advance degree (Masters or Masters of Health Administration).

1. Name of College/University: _____

2. Program information on degree being obtained is attached.

3. Dates of anticipated enrollment and schedule:_____
   _____

4. Anticipated Tuition Costs:_____

5. Anticipated Expenses for Books:_____

6. Performance Evaluation forms and ratings for the past three years are attached.

7. Please describe any other educational classes you have taken at or outside work during the current and past fiscal years.
   _____
   _____
   _____

8. Please describe/tell us about your healthcare career goals.
   _____
   _____
   _____

9. Employee must complete and sign. Educational Assistance and Retention Agreement is attached.

Employee Signature:_____ Date:_____

Approved/Not Approved (circle one)

_____ _____

Regional CEO or HHSC PCEO Signature Date

Form 2

Educational Assistance Expense Form

Employee Name: _____ **Date:** _____

Position: _____ **Facility:** _____

Covered Expense	Cost	Reimbursement Amount	Direct Billing/Other Amount

Total to be reimbursed to employee: $ _____ **Payment to 3rd party: $** _____

Employee Signature: _____

Approvals (as applicable):

_____ _____

REGIONAL CEO or HHSC PCEO **DATE**

Please attach all applicable receipts and invoices.

Form 3

EDUCATIONAL ASSISTANCE REPAYMENT & RETENTION AGREEMENT

Dear _____(Employee's Name)_____ :

Hawaii Health Systems Corporation (HHSC) has proposed to advance or reimburse educational assistance expenses to cover the following:

_____

_____ ,
to be incurred by you in connection with your educational course(s). The purpose of this letter is to document the conditions under which these monies will be advanced.

These monies will be advanced or reimbursed to you as an accommodation to facilitate your continued education. However, if you continue in your employment for certain periods of time, you need not repay these monies in accordance with the enclosed schedule. (Attachment A)

By signing this agreement, you specifically acknowledge that if for any reason your employment is voluntarily terminated prior to the above periods of time, the balance due must be repaid immediately to HHSC. In order to facilitate repayment, you do hereby specifically authorize HHSC by this writing to deduct **all lawful amounts due to the Corporation from your total compensation and apply such amounts towards the balance due under this Agreement** at the time your employment terminates. Amounts owed in excess of those which can be recaptured through your **total compensation must be paid to the Corporation immediately upon termination of your employment.**

So that there will be no future misunderstanding, you also specifically acknowledge that nothing in this letter constitutes a contract of employment for any particular period of time. The sole purpose of this letter is to document the amount of money to be advanced to you for educational assistance and to specify the conditions upon which some or all of these monies might have to be repaid by you to HHSC.

If the foregoing is satisfactory to you, please so signify by executing the original copy of this letter and returning it to HHSC.

Very truly yours,

HHSC

_____
(RCEO or HHSC PCEO Signature)

Date: _____

Agreed and Accepted:

_____
(Type or print employee's name)

_____
(Employee signature)

Date: _____

EDUCATIONAL ASSISTANCE & TUITION REIMBURSEMENT
REPAYMENT & RETENTION SCHEDULE

ATTACHMENT A

The following is the expected retention and repayment requirements as provided in the Educational Assistance Repayment & Retention Agreement. In the event, the employees does not fulfill the following retention commitment following the receipt of the advance degree that was approved and paid for by HHSC and/or its facilities, the employee is responsible for the repayment of monies paid by HHSC on behalf of the employee as follows.

Retention Following Receipt of Degree	**Repayment %**
Less than 3 months of continued service	100%
3 months	91.67%
6 months	83.34%
9 months	75.01%
12 months	66.68%
15 months	58.35%
18 months	50.02%
21 months	41.69%
24 months	33.36%
27 months	25.03%
30 months	16.70%
33 months	8.37%
36 months	0%