

The cover features a dark blue background with several decorative teal lines. In the top-left corner, three parallel lines extend diagonally towards the center. In the bottom-left corner, three parallel lines extend diagonally towards the center. On the right side, a series of overlapping, parallel teal lines form a large, abstract shape that resembles a stylized 'C' or a series of nested rectangles, extending from the top-right towards the bottom-right.

**2019
CORPORATE
SOCIAL
RESPONSIBILITY
REPORT**

CARTER HEALTHCARE



CARTER COMMUNITY FOUNDATION

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WELCOME

On the following pages, you will find Carter Healthcare's 2019 Corporate Social Responsibility report. This marks the third year that we've put this report together, and every year it seems to get better. Carter Healthcare began creating this report as a culmination of our annual charitable activities through the company, our foundation and by our employees.

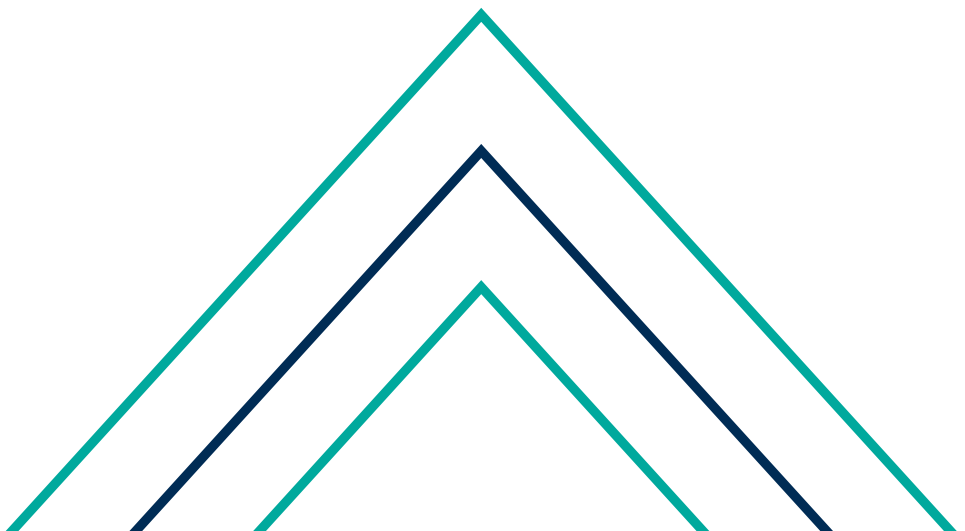
This year we had our employees in each state vote on local charities that their individual contributions and activities would benefit. All fundraising activities performed by each employee directly benefited their designated local charity.

Additionally, we marked a record-breaking year for the Carter Community Service Squad. Our employees volunteered a record number of hours (2,359) and earned donations for their charities through this program. Our employees have continued to make a huge impact on our local communities through the Carter Community Foundation.

I look forward to helping provide opportunities for all of Carter Healthcare to benefit those in need.

Brad Carter

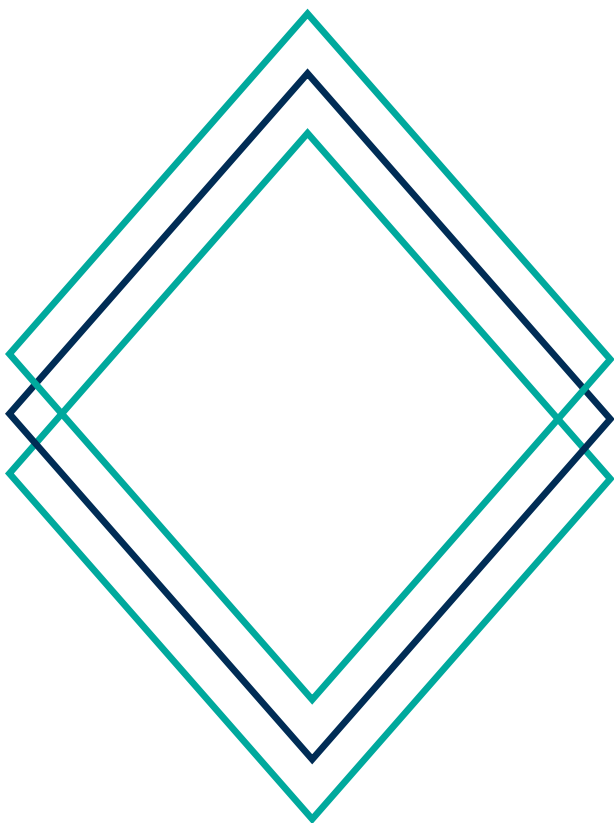
Director of Corporate Finance & Acquisitions, Carter Healthcare
Co-Founder, Carter Community Foundation



CARTER COMMUNITY FOUNDATION

SUPPORTING CHARITABLE ORGANIZATIONS
IN THE COMMUNITIES WE SERVE THROUGH

FUNDRAISING
COMMUNITY OUTREACH AND THE
CARTER COMMUNITY SERVICE SQUAD

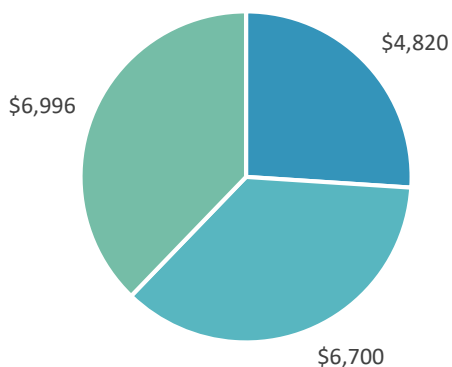


Carter Healthcare established our philanthropic arm, the Carter Community Foundation, in 2015 to place a stronger emphasis on our community involvement. Whether it be through financial support or by volunteering our time, skills, and expertise, the Carter Community Foundation realizes every small bit can have an enormous impact.

Our mission is helping people live better lives through the support of charitable organizations in the communities we serve. Priority focus is on communities where Carter Healthcare has offices, in the following states: Florida, Kansas, Missouri, Ohio, Oklahoma, Pennsylvania, Texas, and West Virginia.

FUNDRAISING

2019



■ Event Proceeds ■ Sponsorships ■ Employee Contributions

- Be The Match was the beneficiary of fundraising activities at Carter Healthcare’s 2019 employee appreciation party, [CarterFest](#).
- Carter Healthcare sponsored many [Walk to End Alzheimer’s](#) events in our communities.
- Employees of Carter Healthcare purchased 30th anniversary commemorative [T-shirts](#) to support our charities of choice. These charities, selected by our employees in each state, were Be The Match (Oklahoma), Brady Hope From The Heart (Texas), Catholic Charities (Ohio/Pennsylvania/West Virginia), National MS Society (Kansas/Missouri), and Relay for Life (Florida). Each T-shirt was personalized with the employee’s last name and year of hire on the back.
- Carter Healthcare introduced [payroll deductions](#) as a way for employees to contribute to the Carter Community Foundation.



FUNDRAISING



COMMUNITY OUTREACH

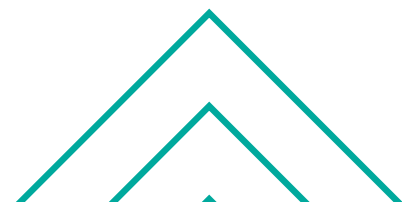
5

WALKS ATTENDED

Carter Healthcare employees participated in local Walk to End Alzheimer's events in our communities in 2019.



Professional Services Coordinator Lane Rackets (Irving, TX) and Professional Services Coordinator Assistant Amanda Walker (Melbourne, FL) were among the top fundraisers for the Alzheimer's Walks in their communities. Lane raised nearly \$2,000 for the Northeast Tarrant County event, while Amanda raised more than \$1,000 for the Space Coast event!



COMMUNITY OUTREACH



139

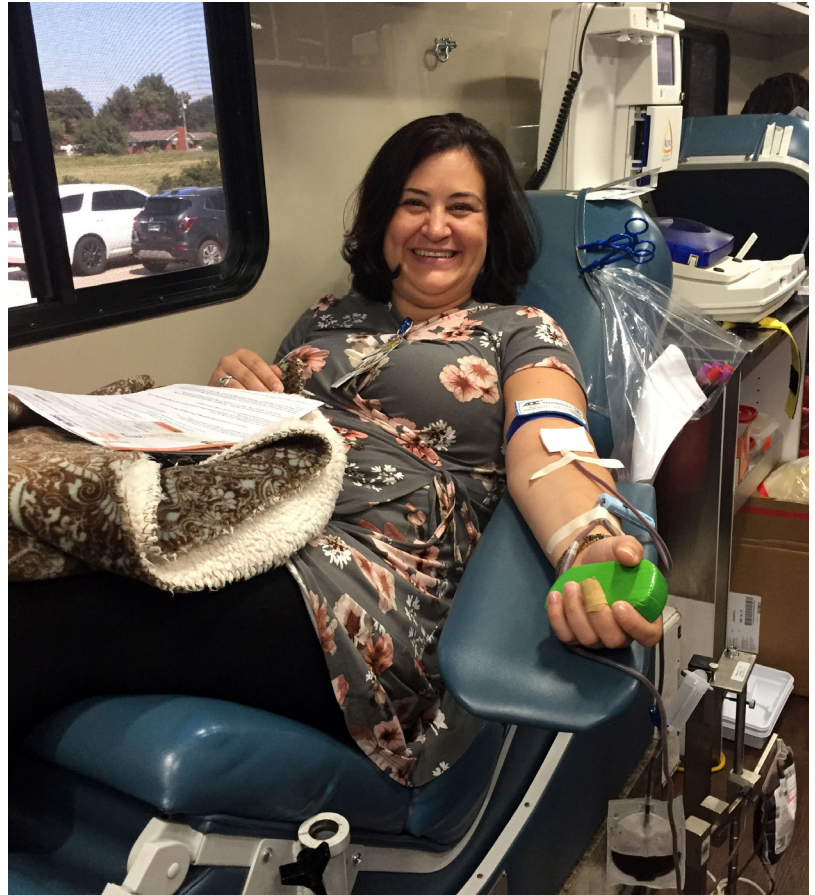
FOOD ITEMS DONATED

During Carter Healthcare's annual Bedlam Food Drive, employees at our Corporate office in Oklahoma City donated 139 cans, boxes, and bags of non-perishable food items to the Regional Food Bank of Oklahoma.

126

LIVES SAVED

In partnership with Oklahoma Blood Institute, Carter Healthcare hosts Blood Drives at our Corporate office in Oklahoma City. In 2019, blood donations from Carter Healthcare employees saved the lives of 126 Oklahomans.



COMMUNITY OUTREACH

Professional Services Coordinator Ben Pena served up fresh juice shots to patients visiting the health fair at Dr. Bajaj's cardiology building in Orlando, FL.

Tahlequah, OK, Clinical Coordinator Tiffany Walker, RN, gave TB shots to members of the Tahlequah Fire Department. *(below)*



Jacksonville, FL, Professional Services Coordinators Frank Fleming and Dan Myers delivered bagels to the Sulzbacher Center, northeast Florida's largest provider of comprehensive services for homeless men, women, and children.

Employees throughout the company wore red on February 1st in support of the American Heart Association's National Wear Red Day.

In his volunteer role with the Fort Pierce Lions Club, Professional Services Coordinator Bill Wink (Port St. Lucie, FL) conducted diabetes screenings at the St. Lucie County Fair.

Carter Healthcare was a sponsor of the American Red Cross Blood Drive held March 6th at Villagio at Bradford Village in Edmond, OK.

Carter Healthcare co-sponsored a luau for residents at Parkview Pointe Senior Living in Laverne, OK.

Professional Services Coordinator Allen Noble (Oklahoma City) served as a panelist in the "fishbowl" discussion at the March meeting of Norman Area Care Transitions, a community coalition whose members work together to improve care coordination and reduce hospital admissions.

Professional Services Coordinator Sheryl Weissbach (Royal Palm Beach, FL) sponsored a coffee for case managers at Good Samaritan Medical Center and a Nurses Day thank-you event at Florida Cancer Specialists, both located in West Palm Beach.

Our San Antonio, TX, office kicked off the city's annual Fiesta San Antonio celebration with their third annual Fiesta networking event, bringing together referral sources, physicians, and representatives from assisted living and skilled nursing facilities. *(below)*



Kansas/Missouri Professional Services Coordinators Scott Boswell, Holly Bachali, and Tiffany Ford represented Carter Healthcare at the Case Management Society of America - Kansas City Chapter's 26th Annual Conference and Exhibit in Independence, MO.

Professional Services Coordinator David Hare served as Board Vice President for Adult Protective Services Partners, a nonprofit serving Abilene, TX, and surrounding counties.

COMMUNITY OUTREACH

Employees from our Corporate office in Oklahoma City distributed T-shirts to finishers at the 24th Annual Oklahoma City Memorial Marathon. (below)



Hospice Case Manager Carrie Gardner, RN; Volunteer Coordinator Pat McGowin; and Professional Services Coordinator Allen Noble (all of Oklahoma City) represented Carter Healthcare at the Senior Options Seminar in Norman, OK. This annual community event is an opportunity for the senior population to meet with, and learn more about, agencies that provide services to seniors.

Carter Healthcare was a sponsor of two Aging Gracefully seminars, held in Cocoa Beach and Rockledge, FL. Topics included memory loss, maintaining a healthy brain with age, and caring for an elderly parent or spouse.

New Port Richey, FL, Clinical Coordinator Patty Perlmutter, RN, and Professional Services Coordinator Kajal Patel represented Carter Healthcare at an in-service for case managers at Medical Center of Trinity.

Jacksonville, FL, Professional Services Coordinators Frank Fleming and Ashley Hicks represented Carter Healthcare at a marketing event for Riverside Pain Physicians, welcoming Dr. Kisha Thomas to the team.

Professional Services Coordinators Tiffany Bosarge (Topeka, KS) and Kevin Rogers (Overland Park, KS) represented Carter Healthcare at a sock hop for seniors, hosted by the local Area Agency on Aging.

Melbourne, FL, Professional Services Coordinator Assistant Amanda Walker served on the Brevard Virtual Dementia Tour Team for the second consecutive year. The group facilitated interactive experiences designed to give participants a better understanding of the physical and mental challenges of those with dementia.

New Braunfels, TX, Case Manager Breana Litzner, RN, and Clinical Coordinator Tammy Nelms, RN, volunteered with the American Red Cross Sound the Alarm home fire safety and smoke alarm installation event. Working alongside members of the local fire department, they installed free smoke alarms, replaced batteries in existing alarms, and educated families about fire prevention and safety in a local high-fire-risk neighborhood. (below)



Professional Services Coordinator Maria Wells (Bartlesville, OK) assembled gift baskets for Legend Senior Living in Tulsa, to help raise money for the Alzheimer's Association through raffle ticket sales.

COMMUNITY OUTREACH

Professional Services Coordinator Michael Vok represented Carter Healthcare at the Valley Hospice/ YMCA Health Fair in Steubenville, OH.

Brady, TX, Professional Services Coordinator Misty Urban represented Carter Healthcare at the Be Heart Strong Health Expo, held at the Brady Housing Authority. *(below)*



Carter Healthcare co-sponsored the Walk to End Alzheimer's kickoff luncheon for the Abilene/ Brownwood, TX, chapter of the Alzheimer's Association.

Carter Healthcare sponsored the photo booth at the Legend of Rivendell Memory Care Family Reunion Block Party in Oklahoma City.

For the fourth year, Professional Services Coordinator Assistant Autumn Gulliford (Enid, OK) hosted a blood pressure clinic at the monthly Waynoka Senior Citizens Lunch in Waynoka, OK.

Professional Services Coordinator Ashley Sirna (Austin, TX) hosted an education luncheon for Dr. Brian Sullivan's staff at Southwest Orthopaedic Group.

Carter Healthcare co-sponsored an end-of-summer bash for residents and the community at Providence Place Assisted Living Center in Woodward, OK.

Our New Braunfels, TX, office joined the Wimberley Valley Chamber of Commerce.

Clinton, OK, Professional Services Coordinator Taylor Tocknell and Clinical Coordinator Stacey Yearwood, RN, represented Carter Healthcare at the 31st annual Western Oklahoma Wellness Expo in Weatherford, OK.

Professional Services Coordinator Jodi France (Sarasota, FL) and Regional Director of Business Development Jenna Collins (Tampa, FL) represented Carter Healthcare at the Manatee Memorial vendor fair in Bradenton, FL. *(below)*



Professional Services Coordinator Danielle Darzentas hosted a breakfast at Marcus Neuroscience Institute in Boca Raton, FL.

Professional Services Coordinator Jennifer Piwonka (Spring, TX) hosted a popcorn social for The Medical Clinic of Houston.

Enid, OK, staff members Clinical Coordinator Miranda Martinez, RN; Professional Services Coordinator Connie McDonald; and Professional Services Coordinator Assistant Autumn Gulliford set up a flu shot clinic at the Enid Senior Center.

COMMUNITY OUTREACH

Carter Healthcare hosted a balance clinic at Legend at Mingo Road in Tulsa, OK, during Fall Prevention Month—using cornhole as a way for residents to work on their balance! *(below)*



Professional Services Coordinator Jodi France (Sarasota, FL) represented Carter Healthcare at the September “P.E.P. Pros” meeting—a networking opportunity for healthcare professionals in the communities of Palmetto, Ellenton, and Parrish.

Professional Services Coordinator Taylor Tocknell (Clinton, OK) represented Carter Healthcare at both the AllianceHealth Clinton Health Fair and Cordell Memorial Hospital’s annual health fair in Cordell, OK.

Professional Services Coordinator Shellie Boston (Woodward, OK) was the guest speaker at Newman Memorial Hospital’s October “lunch and learn” in Shattuck, OK.

Assistant Director of Nursing Lisa Stewart (Clinton, OK) coordinated a toy drive for Children’s Hospital in Oklahoma City.

Professional Services Coordinator Assistant Amanda Walker (Melbourne, FL) represented Carter Healthcare at the Brevard Association of Human Services’ (BAHS) monthly meetings and was elected to the 2020 BAHS Board.

Tulsa, OK, Professional Services Coordinator Stephanie Pond and Physical Therapy Assistant Cindi Cathey volunteered at Bellarose Senior Living’s Thanksgiving feast for residents and family members.

Largo, FL, Professional Services Coordinator Lori Salley handed out bags of potatoes at Northdale Rehabilitation Center’s Thanksgiving Turkey Trail event. Case managers from four area hospitals toured the facility and received part of their Thanksgiving meal at each station. *(below)*



Regional Director of Business Development Jenna Collins (Tampa, FL), along with family members, boxed more than 1,100 Thanksgiving meals for the homeless in Hillsborough County.

Employees from our Corporate office in Oklahoma City went Christmas caroling at two local nursing facilities. Residents even walked with the carolers and sang along!

CARTER COMMUNITY SERVICE SQUAD

The Carter Community Service Squad is a program to build upon the Carter Community Foundation's involvement in local communities by encouraging employees to volunteer for causes that are important to them. Each selected charity must be a 501(c)(3) non-profit organization as established by the IRS, and all volunteer hours must be accumulated during the employee's non-working hours.

To join the Carter Community Service Squad, employees must complete 32 community service hours from January through December. Qualifying employees receive a small reward of Carter Healthcare gear and a guarantee of a donation going to the charity of their choice at the end of the year. The final amount is determined by the hours completed cumulatively and within each quarter.

Right: Brandi Jackson, LPN (Tulsa, OK) was the top volunteer for the Carter Community Service Squad in 2019. Brandi volunteered 897 hours of her time outside of work to the local nonprofit Joy In the Cause.



2,359

HOURS VOLUNTEERED

Carter Healthcare employees volunteered a record number of hours—2,358.88—to charities that were important to them in 2019.



16

EMPLOYEES

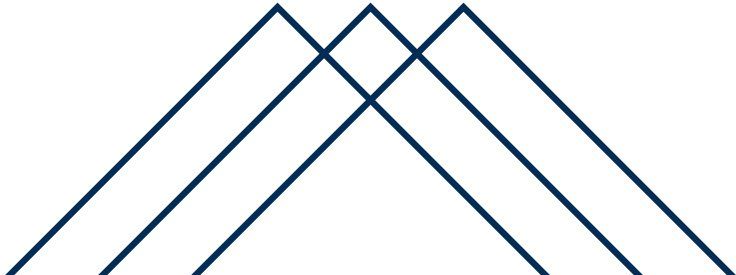
Sixteen Carter Healthcare employees earned a donation to their favorite charity as a result of their volunteer efforts in 2019.

CARTER COMMUNITY SERVICE SQUAD

6,800

DOLLARS EARNED

Carter Community Service Squad members earned \$6,800 for their favorite charities through their community service efforts in 2019.



COMMITMENT TO EXCELLENCE

THE HIGHEST QUALITY IN PATIENT CARE,
ETHICAL STANDARDS AND COMPLIANCE

QUALITY & RANKINGS AND CORPORATE COMPLIANCE

At Carter Healthcare, we provide in-depth clinical home health or hospice education, using classroom, distance, and preceptor programs. Our clinicians apply this training in the field through our CARE At Home case management model and an interdisciplinary approach to patient care. We are proud to have been recognized within our industry and in our local communities for our quality outcomes and patient satisfaction scores resulting from these practices.

We pledge our full commitment to upholding all compliance standards as we fulfill our mission of healthcare excellence. This includes compliance with formal guidelines issued by both federal agencies and private regulatory agencies.

Carter Healthcare is committed to fostering an environment that is conducive to success in compliance. We do this by providing effective communication and training programs for our employees, by instituting an established code of conduct that must be agreed upon by all employees, and by encouraging employees to share their concerns about company policies and procedures.

QUALITY & RANKINGS

Quality Assessment & Performance Improvement Plans

Carter Healthcare strives to work toward and maintain the highest levels in patient satisfaction and outcomes. We utilize individualized Quality Assessment & Performance Improvement Plans to help conduct real-time data analysis and make corrections to quality domains.

Carter Healthcare also utilizes leading technology in performance improvement for post-acute providers. By analyzing and benchmarking real-time data, we are able to make an actionable difference in daily care provided to patients.

Patient Outcomes

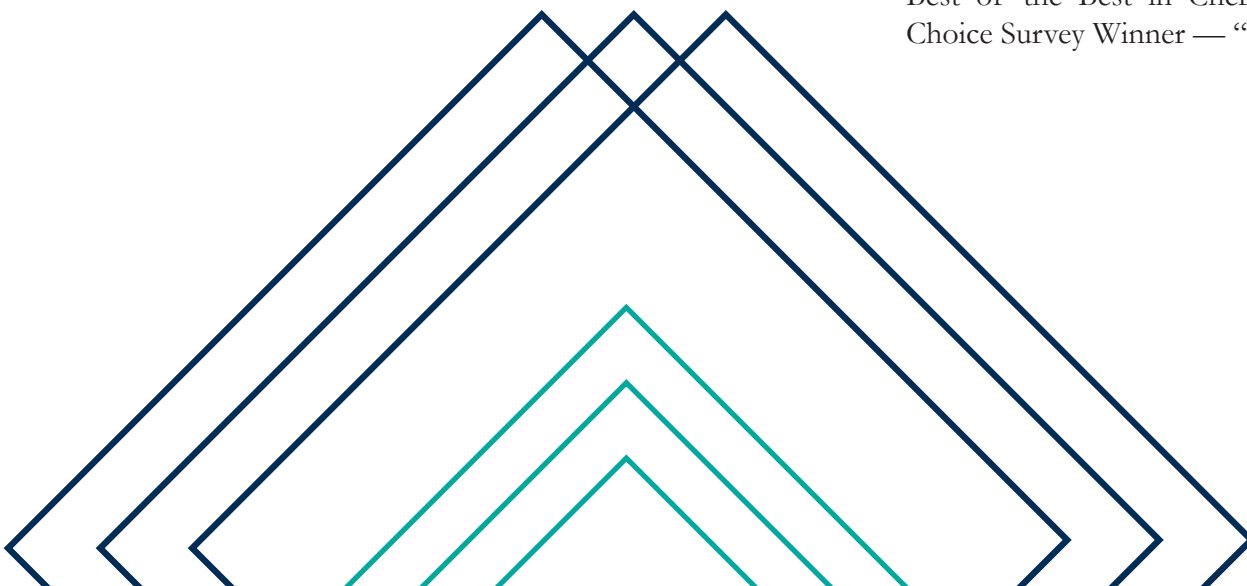
Carter Healthcare strives to reduce the hospitalization rate of our patients to promote better self-care management and transition processes out of the hospital. Our goal is to reduce avoidable hospital re-admissions. We are able to achieve this goal by working with each patient to implement individualized care plans in the home.

Industry Awards and Ratings

- SHP*Best* Home Health Patient Satisfaction Award — Premier Performer
- SHP*Best* Home Health Patient Satisfaction Award — Superior Performer
- BKD/SHP Benchmark Leader Award Winner
- Centers for Medicare & Medicaid Services 5-Star Ratings for Quality Measures
- Centers for Medicare & Medicaid Services 5-Star Ratings for Quality of Patient Care
- HomeCare Elite Top 100 Agency
- HomeCare Elite Top 500 Agency
- HomeCare Elite Top Agency
- The Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) Gold Seal of Approval

Community Recognition

- The Oklahoman Readers' Choice Winner — “Best Home Health Care Provider”
- Journal Record Reader Rankings Awards Winner — “Best Home Care Agency”
- Best of the Best in Cherokee County Reader's Choice Survey Winner — “Best Home Care”



CORPORATE COMPLIANCE

Corporate Compliance Committee

MISSION

The Corporate Compliance Committee is responsible for the ongoing assessment and prioritization of legal compliance risk areas, the sharing of compliance best practices, and the development of monitoring to increase companywide compliance efficiency and effectiveness.

MEMBERSHIP REQUIREMENTS

Committee members are appointed by the Chief Compliance Officer, who serves as Chair of the committee. Members are expected to do the following:

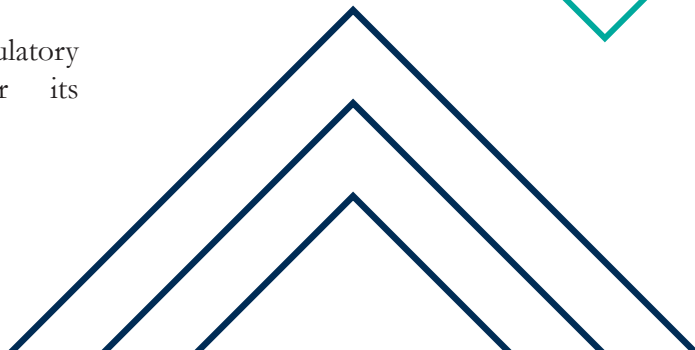
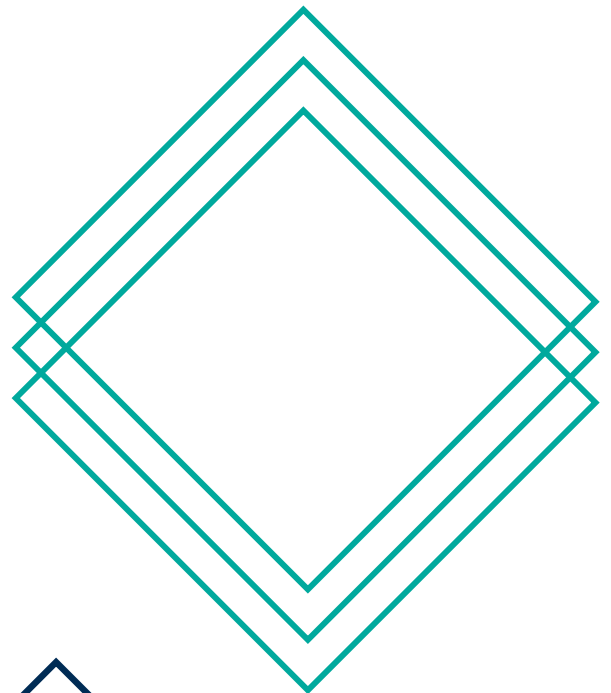
- Attend quarterly meetings to review Compliance program activities.
- Be generally knowledgeable about compliance issues facing the healthcare industry.
- Assist the Chief Compliance Officer in fulfilling his/her duties and oversight responsibilities relating to the Company's compliance with applicable laws and regulations, the Company Code of Conduct, and related Company policies and procedures, including the Corporate Ethics and Compliance Program. The committee shall review matters concerning or relating to the Company Code of Conduct, the Corporate Ethics and Compliance Program, and compliance with the requirements of federal health care programs. The committee shall make regular reports to Executive management regarding these responsibilities.
- Oversee the Company's healthcare regulatory Compliance program and monitor its performance.

Patient Privacy and HIPAA

Safeguarding our patients' security and privacy is a core mission at Carter Healthcare. In addition to ensuring each patient's physical safety, we also assure safety in privacy of medical records and personal information.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) ensures that personal medical information a patient shares with doctors, hospitals, and others who provide healthcare is protected information.

Carter Healthcare's Compliance department works with the Chief Security Officer and Chief Privacy Officer to keep information about patients' health information confidential, sharing it only with people who need that information in order to do their jobs.



CORPORATE COMPLIANCE



Program Overview

Carter Healthcare is continually striving to achieve high ethical standards through both company and employee practices. The mission of Carter Healthcare's Compliance team is to detect and prevent fraud, waste, abuse, and any unethical conduct in home healthcare.

Our program incorporates formal guidelines that are issued by the Federal Health and Human Services Office of Inspector General to prevent illegal conduct and monitor compliance with applicable laws, rules, and regulations.

At Carter Healthcare, we pledge our full commitment to upholding all compliance standards as we fulfill our mission of healthcare excellence.

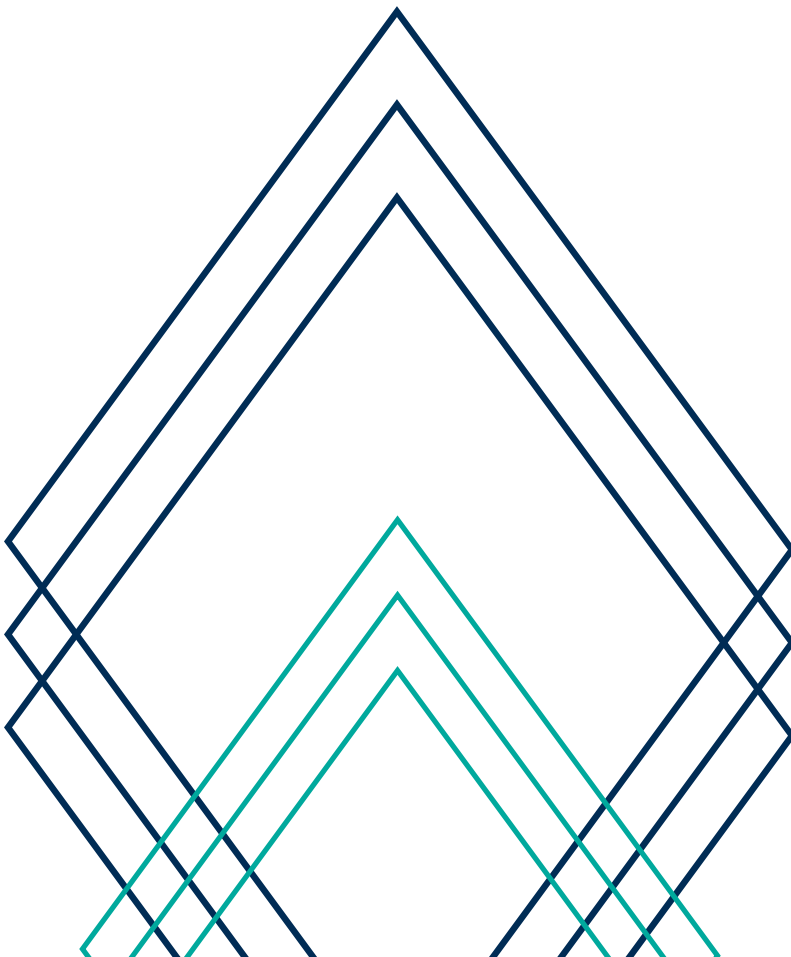
Our success is built on a culture of integrity. Carter Healthcare expects all employees to follow our culture of integrity by practicing the following behaviors:

- Act fairly and honestly.
- Adhere to ethical standards in all you do.
- Comply with the law, regulations, and policies set forth.
- Report suspected violations.

Fundamental Elements of Compliance

Fundamental Elements of Compliance are described on the following pages. These elements are as follows: Employee Obligations, Code of Conduct, Training & Monitoring, Sharing Concerns, Consequences of Non-Compliance, and Achieving Compliance.

Carter Healthcare's Compliance program is constantly evolving to meet the requirements of local, state, and federal programs. We work continuously to review and enhance our Compliance program to uphold the highest standards.



CORPORATE COMPLIANCE

EMPLOYEE OBLIGATIONS

We are committed to providing our employees with a workplace that is conducive to success in compliance. We expect our employees to work responsibly toward:

- knowing, understanding, and following Carter Healthcare's policies and procedures;
- participating and utilizing the provided training and education; and
- understanding when and how to report potential compliance issues.

CODE OF CONDUCT

Carter Healthcare is committed to establishing and observing high standards and ethical conduct in its business and operational practices. A Code of Conduct has been established to help direct employees with following ethical and legal standards in their daily operations.

Carter Healthcare employees are required to certify that they have read, understand, and will comply with the Company Code of Conduct. The Code of Conduct, along with all Carter Healthcare policies and procedures, is available to all employees at any time through our online portal.

Being able to ensure quality patient care and patient safety is a valuable asset to attain and keep. Every day, we expect our employees to live up to the standards in our Company Code of Conduct and continue Carter Healthcare's mission of helping people live better lives.

TRAINING & MONITORING

Effective communication and training programs help alert employees to their responsibilities and facilitate ongoing engagement of education. Communication and training is implemented with all new employees during orientation and scheduled periodically throughout their time at Carter Healthcare.

Specific trainings and identification of needed resources for certain areas can lead to further training throughout our departments.

Compliance monitoring is a key component to ensure Carter Healthcare is following the regulations and policies we have implemented but also to identify risks for improvement. Periodic reviews of each department are done to evaluate and assess risks.

SHARING CONCERNS

At Carter Healthcare, we share the value that each employee shall have the responsibility to notify his or her supervisor in a timely manner of any violations or suspected violations of standards for ethics and legal conduct. We provide several ways for employees to share their concerns, ask questions, or report suspected violations, as follows:

- A Compliance hotline, email, and online reporting form are available to all employees who may wish to seek advice on certain policies or procedures, or who wish to report an actual/perceived violation of the law/applicable to Carter Healthcare's policies and procedures.
- Personnel can call our Compliance hotline at **(405) 688-2103** and ask to speak to Chief Compliance Officer Sue Douglas. This is a confidential line that will maintain the caller's anonymity unless the caller wishes to share his or her personal information.

CORPORATE COMPLIANCE

SHARING CONCERNS, continued

- If an employee is uncomfortable calling to report an incident, he or she can email the information to compliance@carterhealthcare.com or they can use the **online reporting form**, located under the Corporate Compliance tab on the Carter Healthcare Web site, www.carterhealthcare.com. The online report also has the ability for anonymous reporting.
- Employees will not be subject to reprisal for reporting, in good faith, actions they feel violate the law or established standards. Any employee engaging in any act of reprisal for any good faith reporting shall be subject to discipline or discharge.

In addition to our Compliance department, we encourage employees to contact their managers, the Human Resources department, the Education department, or other supervisors within the company with questions or concerns they may have regarding Carter Healthcare's policies and procedures or how to proceed in a given situation.

CONSEQUENCES OF NON-COMPLIANCE

Failure to follow the Compliance plan and the Company Code of Conduct can bring serious consequences to employees, patients, and/or Carter Healthcare.

Carter Healthcare has delegated a Compliance department that works with management and all staff members to implement an effective compliance program to ensure employees know what is expected of them and how to make the right decisions.

The Compliance department works to ensure policies and procedures are implemented throughout the company and that appropriate actions are taken when non-compliance is suspected or found.

ACHIEVING COMPLIANCE

Carter Healthcare's Compliance program includes ongoing efforts to prevent, detect, respond, evaluate, and define compliance within the company. Our Compliance department has implemented measures to ensure these steps are in place for ongoing monitoring and prompt responsiveness to compliance-related areas:

PREVENT

- Ongoing Education | Communication | Culture

DETECT

- Reporting Channels | Auditing

RESPOND

- Root Cause Analysis | Communication Resolution | Correction Action

EVALUATE

- Policy and Procedure Review | Benchmark Analysis | Performance Improvement

DEFINE

- Assess Risks | Define Risks | Realign policy and procedures to risk

Clients who have questions about a particular policy, practice, or procedure should contact the supervisor of the office providing service for clarification.

Employees should contact their supervisors for clarification on policies, practices, or procedures.

Anyone requiring further assistance can contact:

Chief Compliance Officer Sue Douglas
Chief Privacy Officer Leah McLennon
Chief Security Officer Dakota Denton

(405) 947-7700

Compliance Hotline:

(405) 688-2103

(anonymous reporting available)

Email:

compliance@carterhealthcare.com



CARTER COMMUNITY FOUNDATION



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