

CarePro Health Services ESOP Company of the Year Submission 2018 IA/NE Chapter of the ESOP Association

About

CarePro Health Services was established in 1971 in Cedar Rapids, Iowa. What began as a single pharmacy has evolved into a total healthcare company with locations across Eastern Iowa. CarePro connects patients with the people, products and answers they need across our business lines: Pharmacy, Home Medical and Home Care.

CarePro became a 100% S-Corp ESOP on January 14, 2004. Currently, 77% of active CarePro Health Services employees are enrolled in our ESOP. In the healthcare industry, 2017 was a very challenging year. Our profit margin is largely dependent upon insurance reimbursement rates that are determined by Medicare, commercial insurance and privatization of Medicaid. These rates have drastically declined in the last several years. Although 2017 was complicated, our employee owners held their heads high and banded together to make a positive impact where they could. This is largely due to the employee ownership culture at CarePro.

2017 ESOP Year in Review

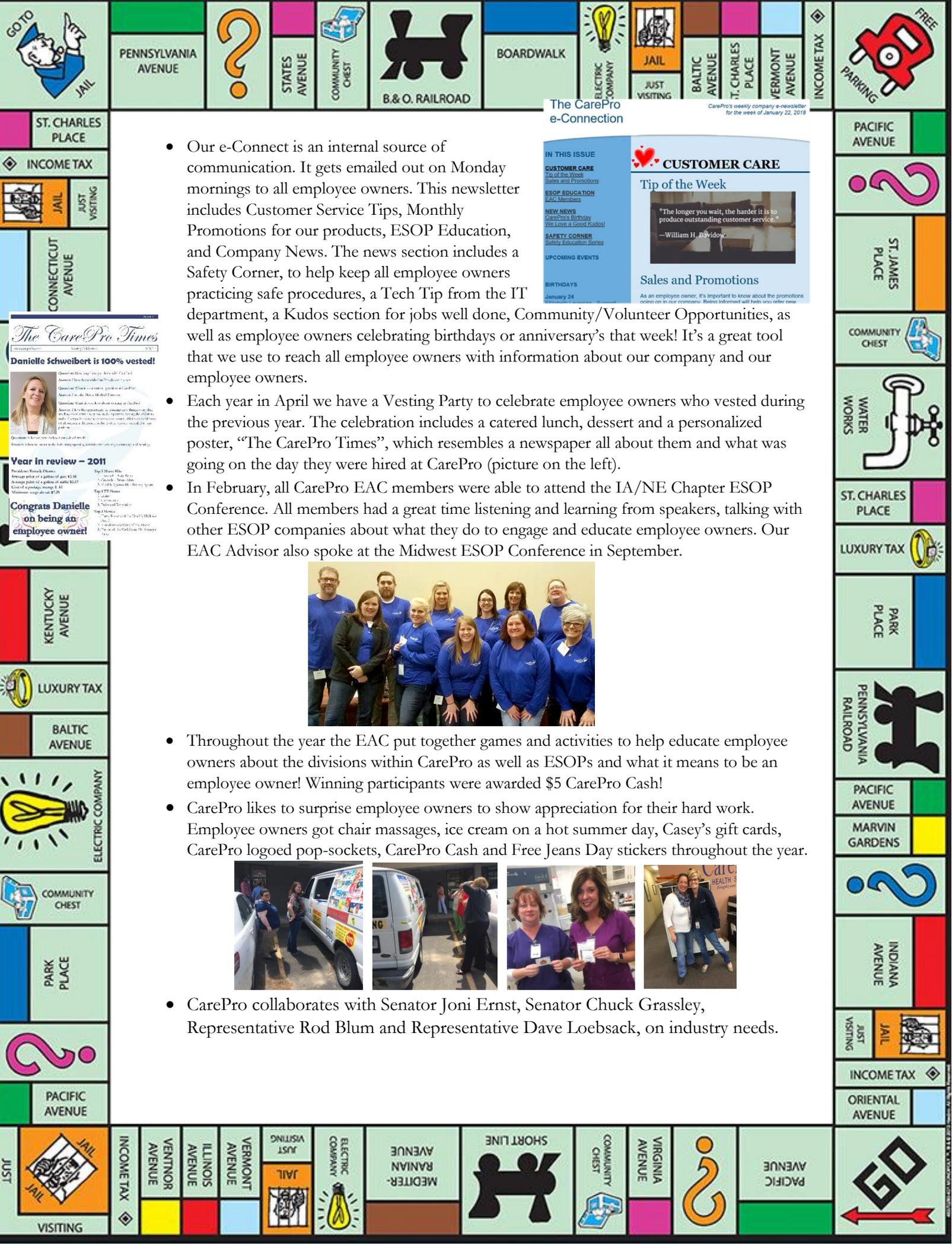
CarePro Health Services reinforces the concepts of employee-ownership throughout the year with many activities planned by the ESOP Advisory Committee (EAC). During the 2016 EAC Retreat, EAC members decided that having a yearly branded theme would give more spark to the education materials and activities being distributed to employee owners for our first year we decided... What is more fun than a game theme!? The EAC worked together to create an EAC game themed logo that we attached to all documents coming from the EAC.



Here are some things CarePro did in 2017. We hope these actions give us strong consideration as the 2018 IA/NE ESOP Company of the Year.

- CarePro began to have monthly Integration Meetings for new hires. Integration takes a deeper dive into all of CarePro's business lines, as well as how our ESOP works. By separating this out after employees have worked for CarePro for a while, it allows them to be more focused and engaged to learn and integrate into our ESOP culture. During Integration an EAC member presents the ESOP learning portion explaining how great it is to be a part of an ESOP, as well as what the EAC does!
- CarePro Cash is awarded when an employee owner sees you going above and beyond! In 2017, employee owners were able to start using their CarePro Cash in the pharmacy locations to buy vitamins and supplements as well as gift merchandise! This is in addition to our CarePro logoed apparel and wellness gift cards.
- During Employee Ownership Month in 2016, CarePro employee owners participated in a contest to create a company-wide traveling trophy to be awarded to a CarePro division that is doing great things. The C.A.R.E. (CarePro's Award Recognizing Employees) Trophy is presented each month at the manager meeting with an explanation/kudos as to why the department is receiving the trophy.





The CarePro e-Connection

CarePro's weekly company e-newsletter for the week of January 22, 2018

- Our e-Connect is an internal source of communication. It gets emailed out on Monday mornings to all employee owners. This newsletter includes Customer Service Tips, Monthly Promotions for our products, ESOP Education, and Company News. The news section includes a Safety Corner, to help keep all employee owners practicing safe procedures, a Tech Tip from the IT department, a Kudos section for jobs well done, Community/Volunteer Opportunities, as well as employee owners celebrating birthdays or anniversary's that week! It's a great tool that we use to reach all employee owners with information about our company and our employee owners.
- Each year in April we have a Vesting Party to celebrate employee owners who vested during the previous year. The celebration includes a catered lunch, dessert and a personalized poster, "The CarePro Times", which resembles a newspaper all about them and what was going on the day they were hired at CarePro (picture on the left).
- In February, all CarePro EAC members were able to attend the IA/NE Chapter ESOP Conference. All members had a great time listening and learning from speakers, talking with other ESOP companies about what they do to engage and educate employee owners. Our EAC Advisor also spoke at the Midwest ESOP Conference in September.

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CUSTOMER CARE

Tip of the Week

"The longer you wait, the harder it is to produce outstanding customer service."
—William H. Davidow

Sales and Promotions

As an employee owner, it's important to know about the promotions posted on in our company. Rules informed will help you order new!

The CarePro Times
Danielle Schweibert is 100% vested!

Year in review - 2017

Congrats Danielle on being an employee owner!



- Throughout the year the EAC put together games and activities to help educate employee owners about the divisions within CarePro as well as ESOPs and what it means to be an employee owner! Winning participants were awarded \$5 CarePro Cash!
- CarePro likes to surprise employee owners to show appreciation for their hard work. Employee owners got chair massages, ice cream on a hot summer day, Casey's gift cards, CarePro logoed pop-sockets, CarePro Cash and Free Jeans Day stickers throughout the year.



- CarePro collaborates with Senator Joni Ernst, Senator Chuck Grassley, Representative Rod Blum and Representative Dave Loebsack, on industry needs.

- The game show theme continued for our Employee Owner Event. Employee owners played an ice breaker game which asked several random questions (ex. Do you have pets? Do you home brew? etc...) which they had to find fellow employee owners that did/had each. Playing in the background were pictures that employee owners had submitted throughout the year. Center pieces on the tables included a variety of games to play while eating or waiting for the program to start! In addition to a business review and the share price being released we recognized the years of service to employee owners celebrating a 5 year milestone. It was great to have these employee owners recognized in front of their fellow owners!
 - Employee Ownership Month is a highly anticipated month by all employee owners here at CarePro! It is a month filled with fun activities that included ESOP Bingo, Bake Offs at each location, written notes regarding Demonstrating Core Values, Pumpkin Decorating Contest, and a Costume Contest! All of these activities awarded the winners with prizes such as CarePro Cash, Free Jeans Day stickers, or a free staff lunch!
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- CarePro was also involved in the community in 2017. Several of CarePro's employee owners volunteered to help with Meals on Wheels twice a month. CarePro also donated to Horizon's Meals on Wheels through the Kernels 'Plating for Plates' campaign and the RoughRiders 'Skates for Plates' campaign. Many of CarePro's employee owners participated in the Especially for You breast cancer walk, wore red to support the American Heart Association, wore yellow to support Childhood Cancer, donated to United Way, Community Health Charities and local food pantries through paycheck deductions each week and much more! CarePro employees are given 4 paid community service hours to use to volunteer for something that is meaningful to them.
 - CarePro also incorporated more "Fun Freebies" in 2017. CarePro started having Work Clothes Yoga once a week for 15 minutes over the portion of the lunch hour. Yoga is led by a CarePro employee owner. Every Friday at 3:30pm is also a fun time to be in the office to participate in the "3:30pm dance party." Employee owners are able to submit song suggestions to the EAC advisor to be played through the overhead system. The dance party is a fun end to the week and another chance to get us moving.
 - At the end of 2017, CarePro Health Services acquired Senior Transitions and we are excited to see this business line of CarePro grow in the coming years.



2017 was a fun and exciting year for CarePro Health Services. We look forward to continuing to educate, empower and engage our employee owners about CarePro and the benefit of being an ESOP. Thank you for considering CarePro Health Services for the 2018 IA/NE ESOP Company of the Year!

Please check out our website www.careprohs.com and Facebook page at www.facebook.com/CareProHealthServices.