

DEVELOPING A UNIFIED  
ADDICTION TREATMENT PROVIDER  
PLATFORM

NAATP  
NATIONAL  
2017



**NATIONAL ASSOCIATION**  
OF  
**ADDICTION TREATMENT PROVIDERS**

Voice. Vision. Leadership.

# NAATP National 2017

Welcome to NAATP

*39<sup>th</sup> Annual National  
Addiction Leadership Conference*

*Barton Creek Resort  
Austin, Texas*

**Carl Kester** - NAATP Board Chair  
Lakeside-Milam Recovery Centers

**Peter Palanca** - 2017 Conference Chair  
TASC



Voice.  
Vision.  
Leadership.



# NAATP National 2017

## *The Value of a Professional Community*



**NATIONAL ASSOCIATION**  
OF  
**ADDICTION TREATMENT PROVIDERS**

Voice. Vision. Leadership.

**Marvin Ventrell**  
NAATP Executive Director



# Thank you for your support!

600 Attendees / 110 Exhibits / 55 Sponsors



Awakenings Recovery



Hazelden Betty Ford  
Foundation

cumberland  heights<sup>TM</sup>

  
caron



Voice.  
Vision.  
Leadership.





*NAATP National 2017*

# Charting our Field's Trajectory

## *The NAATP Provider CEO Perspective*

Douglas Tieman, CEO  
Caron Treatment Centers

Mark Mishek, CEO  
Hazelden Betty Ford Foundation

Philip Eaton, CEO  
Rosecrance Health Network

*Moderator: Carl Kester, CEO - Lakeside-Milam*





## **Where Are We Going?**

Good to Know How We Got Here!





# What Can We Learn From History?

## Dr. Jekyll and Mr. Hyde

“...You’ve asked me how I feel about whiskey...

If, when you say whiskey, you mean that devil’s brew, the poisoned spirit, the bloody monster that defiles innocence.....

I am certainly against it with all my heart.

Henry William Blair



# What Can We Learn From History?

## Dr. Jekyll and Mr. Hyde

“...But, if when you say whiskey, you mean the oil of conversation, the philosophical wine, the ale consumed when good fellows get together, that puts a song in their hearts and laughter on their lips....

....then certainly I'm in favor of it.

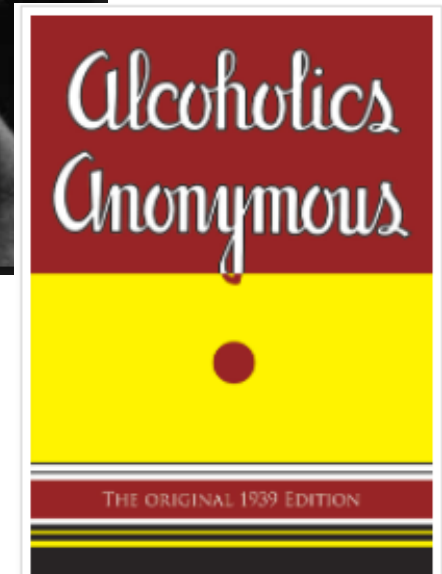
This is my stand and I will not compromise”



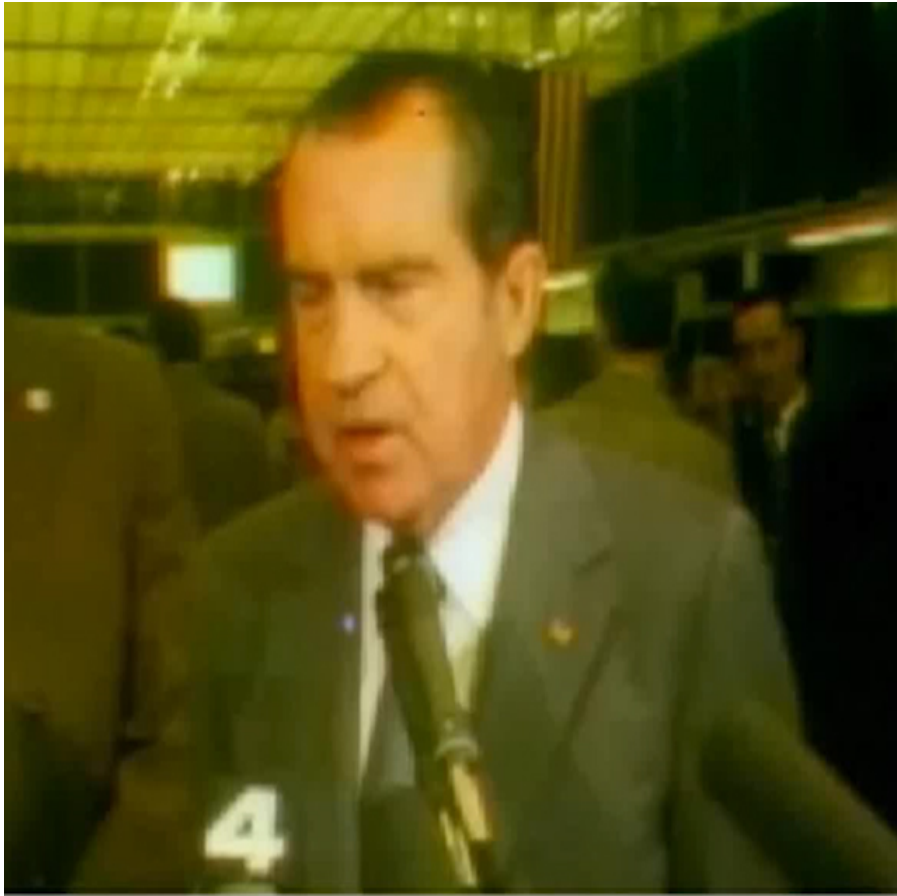
# A History Lesson – How Did We Get Here?

## Modern Treatment Birth/Evolution 1935-1970

- AA
- Minnesota  
Model
- Mission/Service  
Work
- Localized



# Industry Created 1970s



## Funding a Reality

- Insurance
- Government
  - Hughes Act
  - “War on Drugs”

[Nixon speaks to NY reporter](https://www.youtube.com/watch?v=bsrxpVUkuk0)

(:44) <https://www.youtube.com/watch?v=bsrxpVUkuk0>



# Industry Created 1970s

## The Field “Collaboration & Cooperation”

- Professionalize
  - Standards/Credentials/Ethics
  - Accreditation/Licensure
- All Mission Work



# The Results

## 1970s

Year	Treatment Programs
1973	500
1977	2400



# The BOOM and...

## 1980s

- Betty Ford & Public Acceptance
- Emergence of Large “For-Profits”
- Field Matures
  - Professionalism
  - Association
  - Conferences/Conventions
  - NCA

I know I was an alcoholic because I was preoccupied whether alcohol was going to be served or not.

(Betty Ford)





# The Results

## 1980s

Year	Treatment Programs
1973	500
1977	2400
1987	6800
1991	9057

Some states annual prevention and treatment budgets went from a few million dollars in the 1970s to more than \$200 million in the 1990's.



# Then...We Got Greedy

## 1980s

- Profiteering and “Competition”
- Census Replaces Care
- Observations
  - James Kemper
  - Dan Anderson



# Public Policy Changes 1980s

- Just Say “No”
- Zero Tolerance
- Not a Disease –  
Peale/Finagerette
- Moderation Management
- Insurance – Managed Care &  
UR



# The Results



Significant decrease in

- Length-of-Stay
- Spending
- Benefits



# The Crash 1990s

Chicago Tribune

## Parkside Plans To Shut Up To 11 Treatment Units

November 08, 1990 | By Steven Morris.



Recommend 0



Tweet



share

49

Lutheran General Health Care Systems will sell or close up to 11 of the 22 centers its Parkside Medical Services Corp. unit owns for treating alcohol and drug abuse, eating disorders and mental illness, officials said Wednesday. Administrators blamed a sharp decline in occupancy at such facilities, caused partly by the increasing unwillingness of insurers and employers to pay for the treatment.

Industry watchers said the move signals the beginning of a shakeout in the industry, but wondered whether a retreat by participants as well-regarded as Lutheran General might leave a vacuum in the provision of needed services.

- Parkside
- NME
- Compcare
- PIA
- Charter



# Rebound in the Late 1990s

## Public Policy - The Problem Didn't Go Away



[Traffic \(2000\)](#)

(1:07)

[http://www.metacafe.com/watch/8854714/traffic\\_2000\\_thinking\\_outside\\_the\\_box](http://www.metacafe.com/watch/8854714/traffic_2000_thinking_outside_the_box)



# Late 1990s Rebound

- Economics
  - Rehab is cheaper than jail
- Brain Chemistry
  - Leshner and NIDA 1997
- Chronic Illness
  - Continuum of Care
- Clear Demarcation of Payer Mix
  - Pick a path





# Reinvention and Growth 2000-2008

- Recovery Entrepreneur/Private Equity
  - California and Florida Explosion
  - New “softer” treatment modalities
  - Amenities race
  - Internet marketing
- Profitability and Growth
- Bain/CRC/Sierra Tucson – “Game Changers” in 2005



# The Boom 2.0

## 2008-2016



- Why?
  - Excess cash to invest
  - Huge demand
  - ACA and parity
- Bullish financials
  - \$35 Billion
  - 30% EBITA
  - 10 multiples
- Internet



# The Boom 2.0

## 2008-2016

### Impact

- Positives
- Negatives
- Competition for dollars/and markets
- Customer Centric vs. Clinical Centric
- Wants vs. Needs



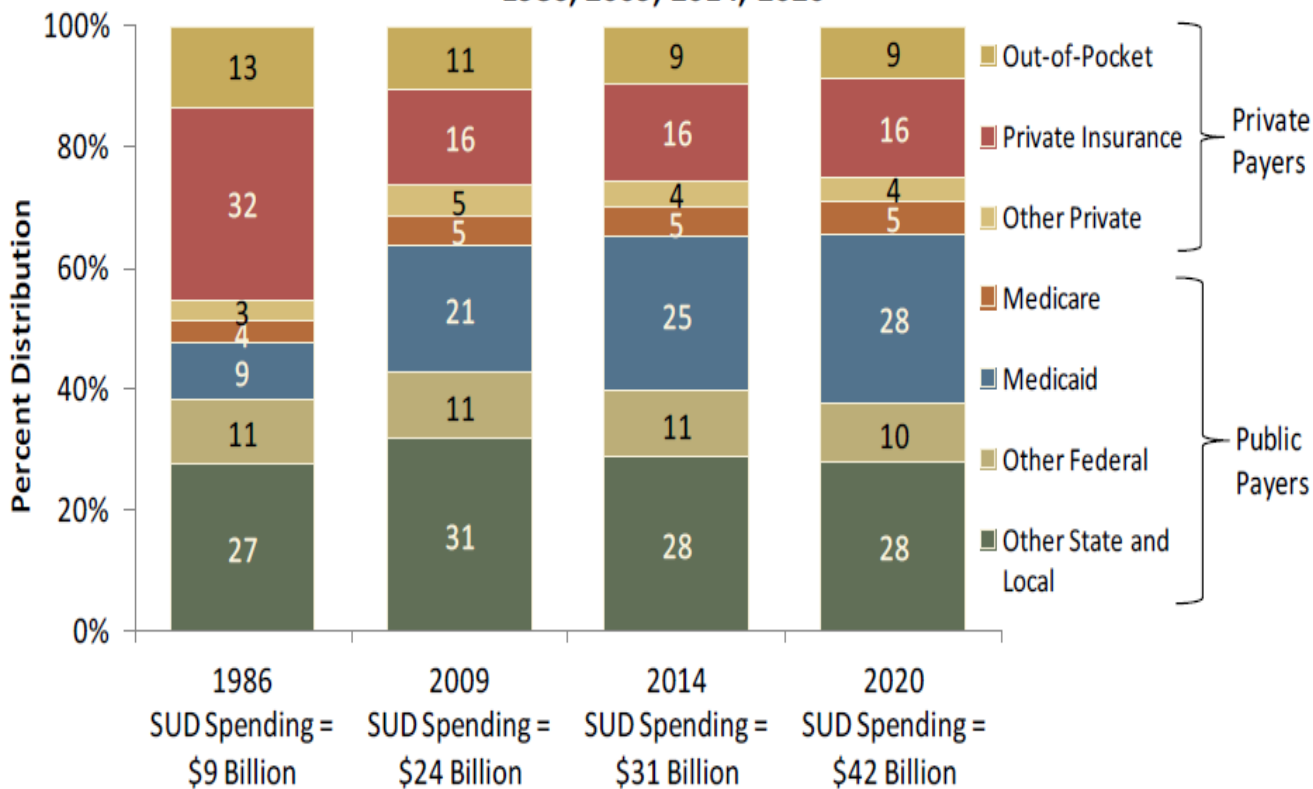
# Today....The Issues

- Effectiveness
- Insurance
- Government
- Profitability
- Modality
- Ethics



# Tomorrow – Our Future

Distribution of SUD Spending by Payer,  
1986, 2009, 2014, 2020



Note: Percentages may not add to 100 due to rounding.

Source: SAMHSA Spending Estimates.



# Tomorrow – Our Future

## Will the 1990s be Repeated?



- Greedy
- Treatment doesn't work
- Is it a disease?
- Government and insurance intervention
- Incarceration
- Market Exit?

**Can't Be the Story**



# So What Is the Story?

## The Facts

According to the Substance Abuse and Mental Health Services Administration's (SAMHSA's) 2015 National Survey on Drug use and Health

**21.7**

only

**2.3**

**Million**

people 12 years of age and older needed treatment for an illicit drug or alcohol abuse problem

**Million**

of these individuals --11 percent -- received treatment at a specialty facility.

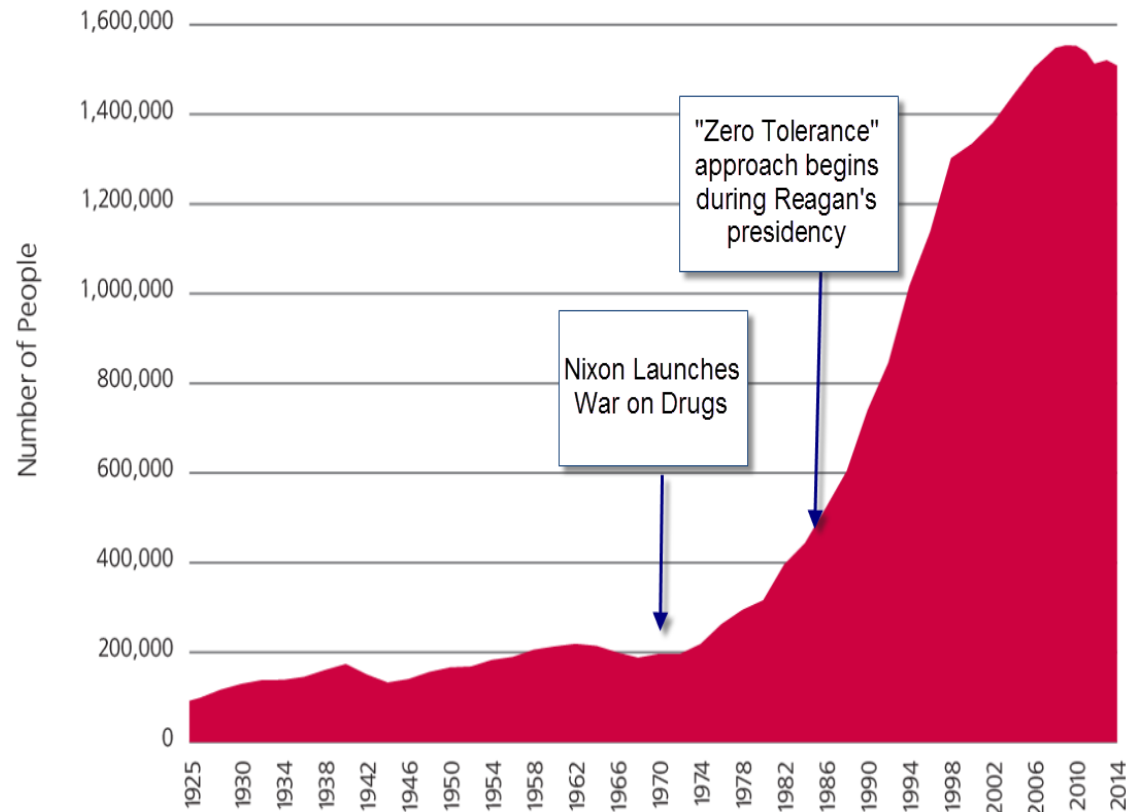




# So What Is the Story?

## The Facts

U.S. State and Federal Prison Population, 1925-2014



Source: Bureau of Justice Statistics *Prisoners Series*.



# So What is the Story?

## The Facts: Treatment Saves \$



- Saves \$7 in Criminal Justice Costs
- Saves \$4 in Health Care Costs
- Saves \$12 in the Workplace



# So What Is the Story?

## The Facts

“It is interesting that the high relapse rates among diabetic (30-50%), hypertensive (50-70%) and asthmatic patients (50-70%) following cessation of their medications have been considered evidence of the effectiveness of those medications, the need to retain patients in the medical monitoring and the need for compliance enhancement strategies. In contrast, relapse to drug or alcohol use (40-60%) following discharge from addiction treatment has been considered evidence of treatment failure.”

*Is Drug Dependence a Chronic Medical Illness: Implications for Treatment Insurance and Outcome Evaluation*

A. Thomas McLellan, Treatment Research Institute



# The Story Should Be...

## Cooperate and Collaborate for More \$

- Treatment on Demand vs. “Rationing”
- Research Equity vs. “Second Class”
- Cures 21 a Moral Victory vs. “The Real Deal”



# Tomorrow – Our Future Or, Will There Be Enlightenment?

- Use of Technology, Medicine, EBT to Reduce Costs and Improve Results
- Integration of MAT
- True and Verifiable Outcomes
- Behavioral Health Part of ACOs
  - Define how to pay for chronic disease treatment
- Visible/Respected/Credible Spokespeople



**And If We Don't...**



It's like déjà-  
vu,  
All over again.

Yogi Berra





# Caron's Plans for the Future

## -Financial-

- Double Down on Core Competencies
  - People with Choices
    - Premier Programs & Facilities
    - Self-pay and Contracts with Discerning Payors
  - Our Community
    - Charity Care
- Energetic Philanthropic Growth



# Caron's Plans for the Future

## **-Clinical-**

- Behavioral Health Expertise
- Effective Use of Technology & Medicine
- Increase Regional Recovery Center Services
- Academics/Research/Training Center
- Outcomes Sophistication

## **-Overarching-**

- Cooperate & Collaborate



# Charting our Field's Trajectory:

## The NAATP Provider CEO Perspective



Hazelden Betty Ford  
Foundation

- **Mark Mishek**
- **President and CEO**
- **Hazelden Betty Ford Foundation**



# Current Trends and Trajectories

- Continued growth of national for-profit providers
  - Universal Health Services
    - Talbott
    - Foundations Recovery Network
  - Acadia
    - CRC
    - Timberline Knolls
  - American Addiction Centers
  - Recovery Centers of America
  - Origins Behavioral Health
- Fragmentation and Undercapitalization



# Current Trends and Trajectories

- Rampant Industry Abuses
  - black hat marketing
  - fraudulent/abusive billing of out-of network benefits
  - payments for referrals
  - drug testing
    - over-utilization
    - self-referrals
    - over-pricing
- Consumer demand to use in-network insurance benefits
- Payer curbs on out-of-network benefits due to abuses



# Hazelden Betty Ford Strategic Direction

- Serve more people through a full continuum of integrated services
  - Robust growth of day treatment and intensive outpatient services
  - Standardized approach to clinical care supported by a common EHR
- Embrace third-party payers as partners
  - Contract with all national payers
  - Engage in value-based contracting
- Measure everything we do and publicly report outcomes
- Expand opioid treatment pathways (COR-12) throughout HBF and across the field
- Grow size and scale to offer a national system of care



# Our Trajectory

Philip W. Eaton  
*President/CEO*



rosecrance®



Voice.  
Vision.  
Leadership.

Thank you!

