

ACADIA
HEALTHCARE

Integrative
Behavioral Health
Partnerships

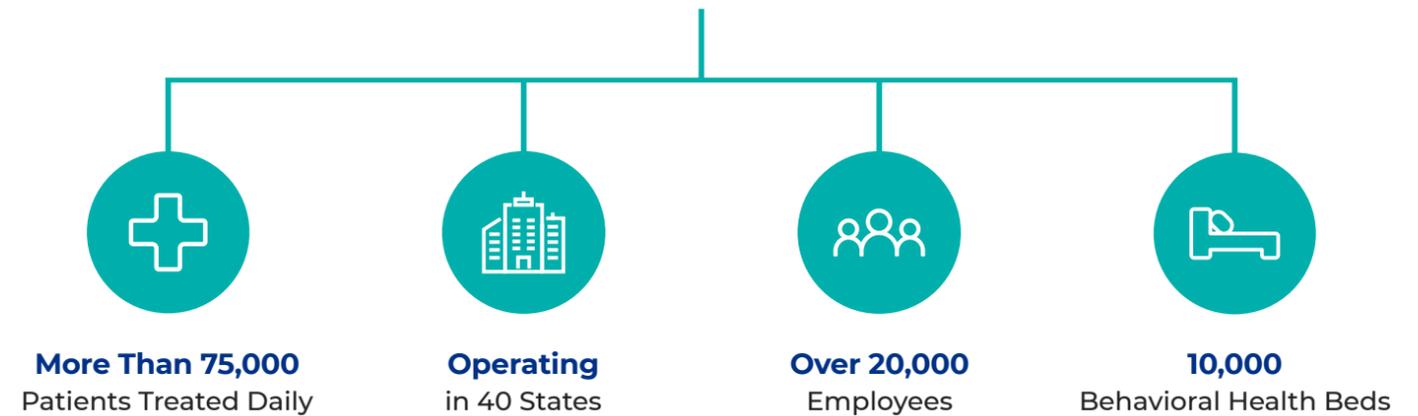
**TWO MISSIONS.
ONE VISION.
IMPROVING LIVES.**



Premier Behavioral Health Service Provider

ACADIA
HEALTHCARE

Key Highlights in the U.S.



Acadia Healthcare is a leading provider of inpatient and outpatient behavioral health and substance use treatment, offering a full continuum of care that includes inpatient services, residential care, partial hospitalization programming (PHP), intensive outpatient programming (IOP), medication-assisted treatment (MAT), traditional outpatient services, and telehealth. Our core principles include an unwavering focus on innovation, clinical excellence, and superior service, coupled with an unparalleled commitment to our patients and their families, our employees, our professional partners, and the local communities we serve. Solely dedicated to the advancement of behavioral health, Acadia is the partner of choice for many non-profit and for-profit health systems and hospitals around the country.



Surge in Demand for Behavioral Health Services

The United States is in the midst of a well-documented mental health and substance use (including opioid addiction) epidemic. More than 44 million Americans are currently living with a mental health condition, suicide rates are increasing among various age groups, and rates of depression and anxiety, particularly among children and adolescents, continue to rise. Studies conducted by the U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) and other leading organizations reveal that only 40%–50% of patients in need of treatment get the help they need. Consequently, healthcare institutions across the country are experiencing significant increases in demand for behavioral health services.

1 IN EVERY **5**

Adults in America Will Experience a Mental Illness Within Their Lifetime.

Favorable legislative and regulatory changes in recent years (e.g., Mental Health Parity, ACA, and IMD Exclusion revisions) have in many cases expanded insurance coverage for mental health and addiction services. Ongoing awareness efforts are reducing stigma, shame, and stereotypes regarding mental illness while elevating the public's understanding of the many benefits of effective treatment.

At the same time, new and innovative care delivery models and expanding population health initiatives are creating additional imperatives for providers to better integrate physical and mental health services.



Acadia Healthcare's Partnership Areas

Acadia's Integrative Behavioral Health Partnerships help to address health systems' and hospitals' need to meet the growing demand for behavioral health services while innovating integrated care models.

The changing market demands have prompted many systems to seek partnership opportunities to resolve numerous clinical and business challenges, including:

- ▶ Alleviating emergency room and hospital inpatient capacity overutilized by psychiatric patients;
- ▶ Repurposing psychiatric beds for other specialties—while simultaneously meeting the current and future behavioral healthcare needs of the communities they serve;
- ▶ Addressing operational, clinical, and financial difficulties in managing existing psychiatric units due to lack of expertise in the service line or lack of capital to replace or upgrade existing facilities;
- ▶ Filling current and anticipated gaps in services for specialized behavioral health services in their market (adolescent, geriatric, med-psych, chemical dependency, dual diagnoses, etc.);
- ▶ Expanding the full continuum of care to include outpatient programs and services

Irrespective of the challenges, Acadia Healthcare is committed to providing innovative, value-added solutions and developing successful, long-term partnerships that expand access to behavioral health services and improve the lives of patients, families, and communities.

Each integrative behavioral health partnership is tailored to meet the specific needs of the system and unique dynamics of the local community. We work diligently to ensure that priorities, mission, and values are aligned while meeting all appropriate regulatory requirements and leveraging the best of both organizations.



Southcoast Behavioral Health in Dartmouth, MA | 144-bed JV de novo facility opened in August 2015
Partnering with Southcoast Health System

Acadia Healthcare's Partnership Areas

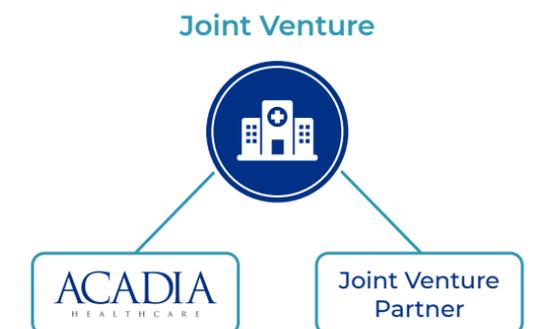
Understanding that to succeed in today's healthcare environment, strategic collaborations, alliances, and partnerships are critical, Acadia partners with health systems in several ways, including:

JOINT VENTURES

Joint ventures are created to build a de novo freestanding behavioral health hospital and full continuum of complementary outpatient services. Acadia's joint venture hospitals can be located on a mutually agreed-upon off-campus location, on the health system's main hospital campus, or on floors/units inside the hospital through a "hospital-within-a-hospital" model. Our team is experienced in evaluating existing real estate for the construction, renovation, or conversion to behavioral health services.

Joint venture partnerships can consist of a health system contributing its behavioral beds/service line and use of its brand while Acadia contributes capital and behavioral health expertise. Examples of our contributions include:

- ▶ Quality care/evidence-based programs
- ▶ Operations guidance
- ▶ Marketing and business development
- ▶ Medical personnel recruitment
- ▶ Licensure and regulatory compliance
- ▶ Capital to build, replace, or upgrade existing facilities
- ▶ Experience in the construction of new psychiatric hospitals and development of the full continuum of care





Acadia Healthcare's Partnership Areas

Acadia is the operating partner of the joint venture hospital responsible for the day-to-day operations through a management agreement with oversight provided at the board level. Board governance is split 50/50 between Acadia and the partner system, regardless of financial contributions and profit distribution. Engaging a third-party valuation is an important part of establishing an accurate value of the party's in-kind capital contributions to the joint venture (existing beds, CON, real estate, etc.) to determine equity ownership and appropriately develop partnership financial models.

ACQUISITION OF A HEALTH SYSTEM'S BEHAVIORAL HEALTH OPERATION

Health systems may wish to exit the behavioral health service line altogether and divest of the business in order to focus on other core medical services or redeploy the proceeds for other capital projects. Acadia has extensive experience in acquiring behavioral health operations in a timely manner that provides a seamless transition with no disruption to patient care. When possible, existing staff will be integrated into the behavioral health team. Through an affiliation agreement, Acadia supports the ongoing needs of the health system by providing continued integrated behavioral health services.

EMERGENCY DEPARTMENT PSYCHIATRIC SERVICES MANAGEMENT

Delivering high-quality emergency care for individuals experiencing psychiatric and/or substance use crises is critical in reducing emergency department boarding time, evaluating patients' clinical needs, and expediting treatment to the most appropriate level of care. Acadia has the clinical expertise and team to support and help manage a health system emergency department, ensuring continuous coverage.

MOBILE ASSESSMENT

Acadia provides mobile assessments not only in the emergency department, but also on health systems' medical/surgical floors. Our team of experienced mental health professionals provides consultation and liaison services to link patients to the appropriate providers, ensuring timely access, diagnosis, and treatment. Mobile assessments are provided by our team of clinicians either in person or remotely through telehealth.



Acadia Healthcare's Partnership Areas

TELEHEALTH

Acadia's telehealth services are available to individual patients, hospital systems' emergency departments and medical floors, and primary care/specialty clinics. The ease of use, cost efficiency, and open access to qualified mental health services have extended the reach of care beyond brick-and-mortar facilities to virtual care in different settings. Acadia's telehealth assessment and treatment services are delivered through audio/video-ready technology that is secure and HIPAA-compliant. Telehealth services give patients in urban and rural areas more treatment options that meet their specific needs and allow typically underserved groups to access care and improve outcomes.

POPULATION HEALTH

Population health initiatives continue to gain momentum as a model for reducing healthcare costs and delivering better care. As health systems around the country increasingly enter into risk-sharing and value-based care reimbursement arrangements, closely integrating behavioral health into population health strategies is critical to improving care coordination, treatment adherence, and overall well-being of patients.

Many patients with chronic diseases experience high rates of depression and other mental health issues. Leveraging Acadia's core competencies in behavioral health, substance use treatment, and dual diagnosis, we work collaboratively with our health systems' partners in seamlessly imbedding skilled behavioral health clinicians and services in primary and specialty care environments to treat the whole person—mind, body, and spirit. This coordinated care approach ultimately achieves long-lasting overall health improvements and better value.

Acadia is collaborating with health system partners to improve integration of behavioral healthcare in order to decrease unnecessary emergency department visits, reduce unwarranted inpatient admissions, and enhance compliance with treatment, thus improving clinical outcomes, preventing readmissions of patients after discharge, and ultimately increasing efficiencies and patient satisfaction.



Partnering with Acadia Healthcare

Integrative behavioral health partnerships and joint ventures with Acadia Healthcare are characterized by a dynamic blend of local authority and centralized support, taking into consideration the unique needs and preferences of each partnership. The following are among the many ways we can add value to your system:

- ▶ **Resources:** We provide industry expertise, operational best practices, exceptional brand legacy, and capital.
- ▶ **Experience:** We have extensive experience in structuring joint ventures consistent with health systems' tax status and mission.
- ▶ **Priorities:** We are focused on quality patient care and responsible stewardship in the communities we serve.
- ▶ **Brand:** Acadia Healthcare has earned a reputation for superior patient-centered treatment and adherence to the highest ethical standards.
- ▶ **Personnel:** With our national physician recruitment department and well-established network of psychiatric providers, Acadia is uniquely positioned to attract quality medical professionals to new partnership hospitals.
- ▶ **Services:** Our experts can work with you to enhance and expand your services, develop new programming, and improve patient outcomes.

Acadia has the national experience, behavioral health expertise, quality treatment services, and proven partnership track record that make us an ideal partner. Working together, we can improve delivery of care and expand high-quality services to patients, families, and communities.

To learn more about Acadia's Integrative Behavioral Health Partnerships, contact us at:

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ACADIA
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