A Case for Support

Strength

Sevenity &

ABC recovery center

Addiction Being Conquered

ad·dic·tion

Addiction is a treatable, chronic <u>medical disease</u> involving complex interactions among brain circuits, genetics, the environment, and an individual's life experiences. People with addiction use substances or engage in behaviors that become compulsive and often continue despite harmful consequences.

American Society of Addiction Medicine, Inc

Think about what life would be like if you had a behavioral health condition, a disease that was widely misunderstood and stigmatized. A disease of the mind, body and spirit. A condition that involves a physical and psychological craving or compulsion to use mood-altering substances that will affect every aspect of your life negatively.

Think about what it would be like to be a family member of this person - the desperation of wanting your mother, father, sister, brother, child, to have a full life. And imagine a day when they might be able to attain sobriety. A day when you can sleep through the night and not wake



worrying if they are okay, alive, safe and secure. Think about being provided the emotional support you need while gaining the knowledge of how to help them in their pursuit of a full life.

This presentation informs how we can help the individuals and family members in our care — and at any one time, there are hundreds of them. ABC Recovery Center continues to support an ever-growing community of people who need our multi-disciplinary services for weeks and months at a time to help them overcome their addictions and live productive, full lives. We provide empathetic care to those brave enough, tired enough, and sick enough to reach our doors.

Together we can provide our clients with the medical interventions and the therapies they need. Together we can enable greater opportunities for their futures to be happy, meaningful and bright. Together we can help to support their family members, as they make their lifetime journey with their loved one in pursuit of a sober life.

Think about investing in the power of making it possible for someone's new start. For someone's second chance. For helping to provide life-changing, life-saving care.

Together, we can make that happen, and so much more.

"I wanted my kids to know there is no shame in getting help when you need it, and to be a source of strength for anyone out there who needs help but is afraid to take the first step."

Ben Affleck. Academy award winning writer, actor, producer, in recovery

In a small house in the City of Indio, California, a struggling couple opened the doors of their home to eight men in need of alcohol and drug recovery in 1963. They hosted AA meetings nightly and provided their guests with the support needed to abstain from using.

From that simple gesture of generosity and dedication and these humble beginnings, ABC Recovery Center was realized. Fifty-eight years later, ABC Recovery Center occupies twenty-four buildings on a 11.8 acre campus including the couple's original home which still stands on the edge of the property.

Named as one of Newsweek magazine's "Best Addiction and Treatment Centers" in 2021, ABC Recovery Center continues to evaluate its services and offerings to meet the critical demands of an ever-expanding community who need support and services. Newsweek's list highlights the nation's top facilities based on quality of service, reputation and accreditation relative to in-state competition. Facilities in the 25 states with the highest number of addiction treatment centers, according to the Substance Abuse and Mental Health Services Administration (SAMHSA), were included in the survey. The rankings feature the top 300 inpatient/residential and long-term addiction treatment centers.



As one of Southern California's leading destinations for addiction treatment, ABC Recovery Center promotes wellness and healing for all stages of recovery. Our clients are welcomed without judgment and provided our individually tailored holistic and multi-disciplinary approach that has successfully helped tens of thousands overcome their battle with drug and alcohol addiction. ABC Recovery Center is licensed and certified by the California Department of Drug and Alcohol Rehab Programs.

ABC Recovery Center offers a full continuum of services for those who have made the decision to make significant changes to their lives through the following programs: Detoxification, Primary Residential Treatment, Perinatal Residential Treatment, Individualized Day Treatment, Intensive Outpatient Programs and a Sober Living Program.

We're here for those who need us. We will change their lives in dramatic and sustainable ways. We will offer hope for futures free from addiction and in doing so, we will positively impact not just our clients lives but the lives that surround them, extending our reach even further.

"I was killing myself with all the drinking and the pills." "With work, I allowed myself to feel the traumas."

- Jessica Simpson, singer, actor, businesswoman, in recovery

who we are (continued)

We offer treatment plans that are both effective and financially accessible. More than 200 individuals utilize our Detox Program each year, nearly 1,000 utilize the Residential Treatment program and approximately 190 register each year in our Outpatient Treatment programs.

The service area covered by ABC Recovery Center spans the entire Coachella Valley and County of Riverside. It extends through the high desert area to Yucca Valley, Twenty-nine Palms and the California border town of Blythe. 95% of our treatment population comes from the Coachella Valley.

For the past 23 years we have operated a 40 bed Transitional Living Village for homeless men and women. We provide life-skills classes, access to job training programs through our local EDD office, assistance with job applications, replacing lost identification & social security cards and medical care with our visiting doctors & nurses' clinical program. This stable housing and the included supportive services give formerly homeless individuals the much-needed assistance to transition back to normal lives. More than 3,000 individuals have lived in our Village since its inception. The majority of those we have assisted have come as the referrals from our local shelters or as former clients of our treatment program.

ABC is the oldest program of its kind in the valley. At ABC Recovery Center's inception, little was known about the treatment of alcoholism and addiction. Since our beginning in 1963, the industry has transformed into large corporations with the resources to provide evidence-based curriculum, as well as resort-like amenities. Today the addiction treatment field is a \$35 billion dollar a year industry, with some local for-profit providers charging as much as \$35,000.00 for 30 days of on-site treatment. ABC Recovery Center provides our community with comparable services for as low as \$7,500 for a thirty-day period up to \$25,000 which bills on a sliding scale depending on the financial abilities of the client. These costs are further mitigated as ABC Recovery Center is one of only a few local recovery centers that accepts Medi-Cal for payment and accepts clients who have no means of payment.

Our campus can house as many as 135 men, women, and our client's children under certain circumstances. ABC Recovery Center has the only perinatal program in the Coachella Valley, treating addicted women with children in utero, and helping them into recovery, while caring for their unborn and/or newborn child.

Our campus is equipped with the ability to take an individual off the street into our detoxification program and support them for up to 2 years. The length of stay is one of the reasons ABC Recovery Center has so many success stories. Most other like-organizations in our area provide a limiting 30 day stay in residential treatment before returning the client to the environment from which they came. ABC returns our clients to an environment of greater comfort and security should that be their choice. Our program managers make sure that when clients depart, they are prepared for the outside world. They have money, a phone, a place to live, and job assistance.

ABC Recovery Center cares for family members as it cares for the client, as each family member will be impacted, often profoundly. That's why we offer them inclusion in the client's therapeutic program when possible.

The members of client families are encouraged to be engaged in therapeutic sessions, to their comfort level. This way, they are better able to bond with their relative throughout the duration of therapy. This enables them to gather the "tools" so that they become better equipped to manage continuing care once the client is no longer receiving onsite services.

"I understood, through rehab, things about creating characters. I understood that creating whole people means knowing where we come from, how we can make a mistake and how we overcome things to make ourselves stronger."

- **Samuel L. Jackson** – Academy Award winning actor, in recovery

impact statement

According to the National Center for Drug Abuse Statistics, non-sanctioned/non-medical/non-prescribed use of controlled substances is considered drug abuse and is likely to create physical or psychological dependence. 9.5 million or 3.8 percent of adults over the age of 18 have both a substance abuse disorder (SUD) and a mental illness.

In 2017, the cost of drug abuse in the US was nearly \$272 billion, accounting for crime, healthcare needs, lost work productivity and other impacts on society. Americans are in crisis when considering the sweeping escalation of addiction.

- Among the 15 million individuals with Alcohol Use Disorder (AUD), less than 8% receive treatment.
- In 2018, 5.2 million young adults or 1 in 7 aged 18-25 needed substance abuse treatment with only 1.6% or 547,000 receiving treatment.
- 15.1 million adults or 1 in 14 aged 26 or older needed substance abuse treatment with only 1.4% or 3 million receiving treatment.
- In 2015, opioids were being prescribed at <u>a rate that would medicate every American around the clock (5mg of hydrocodone every 4 hours) for 3 weeks</u>.

Drug overdoses now kill more than 100,000 Americans a year – more than vehicle crashes and gun deaths combined.

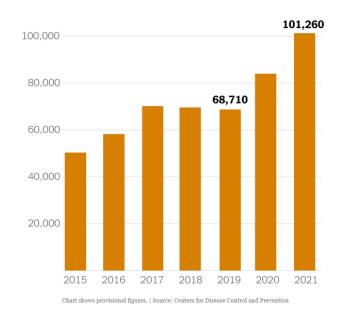
From the New York Times on Sunday, February 13, 2022: "No other advanced nation is dealing with a comparable drug crisis. And over the past two years, it has worsened: Annual overdose deaths spiked 50 percent as fentanyl spread in illegal markets, more people turned to drugs during the pandemic, and treatment facilities and other services shut down."

The needs of this vulnerable community are not lessening, they are multiplying.

Our clients are your family members, friends, colleagues and neighbors. Addiction knows no socio-economic or gender preference. We need to provide every opportunity possible for our clients and families to overcome their disease and learn to live without the substances they have depended on.

Drug overdose deaths in the U.S.

Annual deaths ending in June of each year below



Addiction and mental health go hand-in-hand. When we are called upon to provide services and support, it's at a time of desperation, medical necessity, or crisis. When people call on us, they are at their most vulnerable, and we want to provide for their recovery through therapeutic intervention to help mitigate their challenges so that the prospects of an independent life can be foreseen for most of those we care for.

impact statement (continued)

In the 2019 survey conducted by the Desert Healthcare District (DHCD) as a needs assessment for mental and behavioral health, where semi-structured interviews were administered to 23 individuals. These key stakeholder interviews were structured to gather information about the mental and behavioral health needs of Coachella Valley residents from a systems-level perspective. The Provider Survey was developed and provided online to individuals who directly assist community members with their mental and behavioral health needs, including providers from a wide range of county, private, and non-profit agencies who serve residents of the Coachella Valley.

Table 1. Zip Codes and Cities Served by the Desert Healthcare District & Foundation

Zip Codes	City
92201	Indio
92203	Indio, Bermuda Dunes
92210	Indian Wells
92211	Palm Desert
92234	Cathedral City
92236	Coachella
92240	Desert Hot Springs
92241	Desert Hot Springs, Desert Edge, Sky Valley
92253	La Quinta
92254	Mecca, North Shore
92260	Palm Desert
92262	Palm Springs
92264	Palm Springs
92270	Rancho Mirage
92274	Thermal, Oasis, Vista Santa Rosa
92276	Thousand Palms

According to the DHCD survey, In addition to ABC Recovery Center, there are nine other service providers within these areas that provide behavioral health services:

- · Oasis Behavioral Health
- Windstone Behavioral Health
- Betty Ford Center
- Desert Comprehensive Treatment Center
- Michael's House
- Bella Monte Recovery Center
- 417 Recovery
- Ranch Recovery Centers
- Addiction Therapeutic Services

83% of the respondents shared that there is "a lot" of need for expanded services for alcoholism and addiction.

When reviewing the offerings of these other fine agencies, very few have the services that are available at ABC Recovery Center, and if they do have the services the costs are prohibitive for many of the clients who would need them. Oasis Behavioral Health doesn't offer addiction care. 417 Recovery is for adolescent not adult clients. Windstone, the Betty Ford Center, the Desert Comprehensive Treatment Center, Michael's House, and Bella Monte Recovery Center and Addiction Therapeutic Services either don't accept Medi-Cal, or they cap services after reaching a certain client load who are on Medi-Cal. Or they end treatment once the client's commercial insurance coverage is expended.

This leaves ABC Recovery Center and Ranch Recovery Centers as the only resources within the Coachella Valley that will treat and accept clients who don't have commercial insurance and who lack the ability to pay. Cost shouldn't be the primary consideration when it comes to the human services that can be the difference between life and death.

Based on need, ABC Recovery Center is planning to expand our campus and services. We know there's the need and we are doing all we can to meet it to the best of our abilities.

"My identity shifted when I got into recovery. That's' who I am now, and it actually gives me greater pleasure to have that identity than to be a musician or anything else"

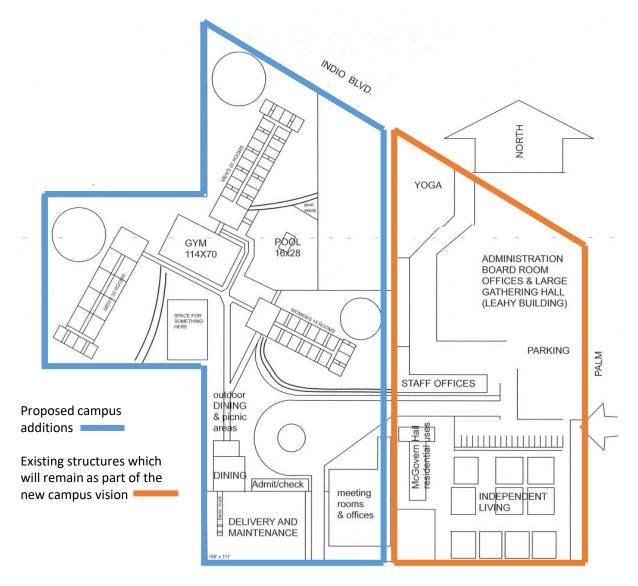
— Eric Clapton. Singer, songwriter and awarded 18 Grammys, in recovery

expansion for a growing need

We envision expanding our services from 75 beds to a 110-bed facility. Currently ABC Recovery Center owns several neighboring properties and would like to bring these neighboring services onto an expanded campus were we could offer greater convenience to our clients and staff as they navigate their programmatic needs, clinical needs and housing needs. This single interconnected campus also allows us to provide for greater security.

ABC Recovery Center owns the vacant lots where the expansion is set to take place. In addition to increasing the number of clients we will be able to serve at one time, we are looking forward to expanding the campus amenities such as a gym, pool, gathering/multi-purpose areas and gardens.

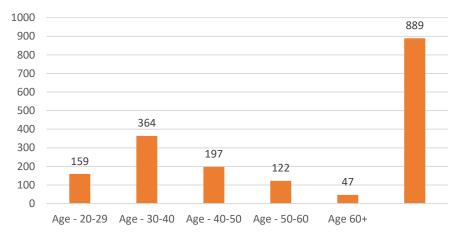
We will also be providing additional clinical and office space for our staff which will grow exponentially as our service capacity grows.



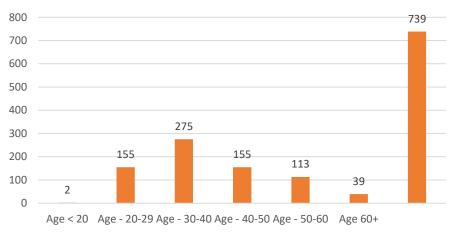
"I can't think of anything I wouldn't have done for it."

— Oprah Winfrey. 18 Daytime Emmy Awards, Lifetime Achievement Award, Chairman's Award, two Primetime Emmy Awards, a Tony Award, a Peabody Award and the Jean Hersholt Humanitarian Award, in recovery

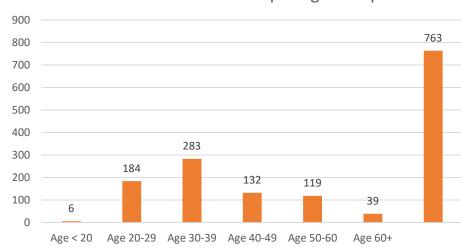
2019 - Number of Clients per Age Group



2020 – Number of Clients per Age Group



2021 – Number of Clients per Age Group



ABC Recovery Center provides addiction treatment for adults. Our clients are 18 years old, or older. Pediatric medical needs differentiate significantly from adult needs which is the main reasons ABC Recovery dedicates its resources to serving adults.

We don't consider age (if the client is a legal adult), sexual orientation, gender, how long the client may need services or their ability to pay. Our concern is getting them well.

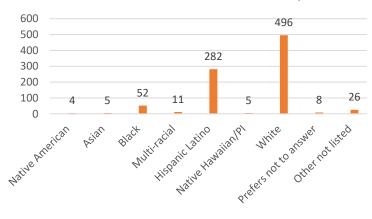
When reviewing the last three years of our client demographics, you see most of our clients are in their thirties. From the data shown to the left, the age groups represented don't vary much by year within in age group category.

The following page provides information on the race/ethnicity of our clients from years 2019-2021. The greatest number of our clients identify as "white"/Caucasian.

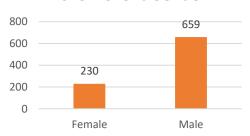
The next largest category is "Hispanic /Latino". When considering the service area of the entire Coachella Valley, our client demographics closely match the area's ethnicities.

The next page also shares charts providing data that approximately 31 percent of our clients are women and approximately 69 percent are men.

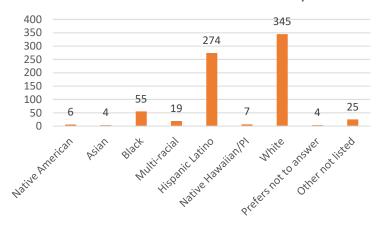
2019 Client Race and Ethnicity



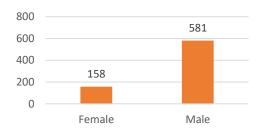
2019 - Client Gender



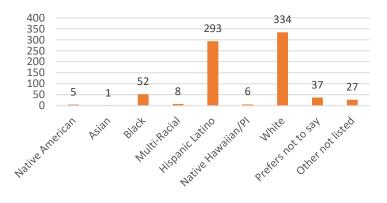
2020 Client Race and Ethnicity



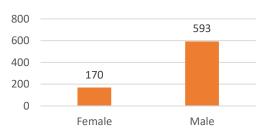
2020 – Client Gender



2021 Client Race and Ethnicity



2021 – Client Gender

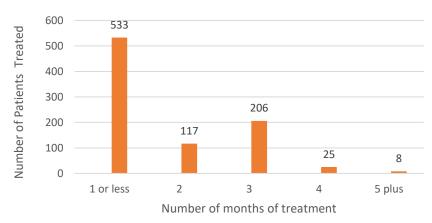


"We numb ourselves with drugs and alcohol and people and shopping and shit, to cover up what's really going on inside." "You're doing it to cover up something."

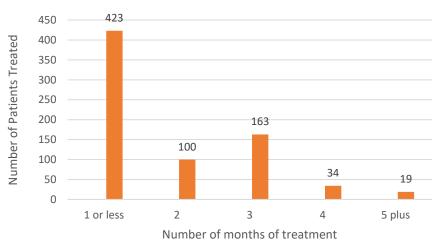
- Mary J Blige. Sold more than 50 million albums and won nine Grammy awards, in recovery

depth of treatment, length of client stay

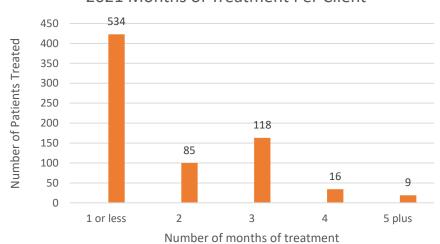
2019 Months of Treatment Per Client



2020 Months of Treatment Per Client



2021 Months of Treatment Per Client



When reviewing the data on the left, most of our clients receive treatment for a month or less. Treatment can involve significantly more time once the client has "detoxed" and has gone through a thirty-day treatment program.

There are many complex reasons why clients opt-out of receiving less than 30 days of treatment.

For those clients who need and want more significant and long-term support, we're here for them. About one-third of our clients need two or more months of treatment before they are ready to leave ABC Recovery Center.

This could include a 30-90 day intensive residential treatment program that immerses the client in the recovery process. They will have a treatment team that includes a therapist (Marriage and Family Therapist or a Social Worker and a primary counselor (Certified Addition Counselor).

Clients participate in daily group therapy lead by a licensed therapist and receive individual counseling each week. Clients also participate in ongoing education sessions, experiential therapy, educational assessment, and relapse prevention programs.

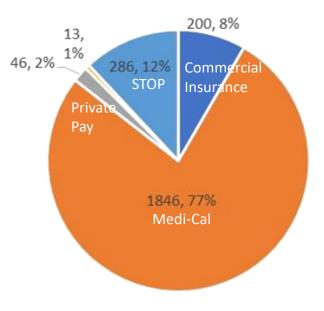
Clients are also introduced to a 12step recovery that prepares them for maintaining life-long sobriety.

serving more, with less

In 2010 President Obama signed the Patient Protection and Affordable Care Act (ACA). Along with the Health Care and Education Reconciliation Act of 2010, the law put into place comprehensive health insurance reforms. ACA has made health insurance available to more Americans than ever before in history. Large corporations and venture capitalists seeing a market, bought up addiction treatment centers, and billed huge sums to insurance companies. Our organization is currently in the process of positioning itself to adapt to the ever-changing landscape within the addiction-treatment industry.

ABC has provided services to clients for many years from a social model approach to treatment. However, in 2014 the Amendment for Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver was created to further regulate and organize the delivery of substance-use disorder services. The waiver requires providers to adhere to sound evidence-based practices that reflect

Service Revenue 2019-2021



benchmarking standards for substance use disorder treatment. For example, a physician will be the party responsible for making an initial diagnosis, and licensed, masters-level providers will oversee therapists and counselors to ensure quality care is provided to those seeking services.

Most of our funding comes from service reimbursements: 77 percent comes from Medi-Cal who are disbursing state funds, 8 percent comes from commercial insurance and just 2 percent from private paying clients. We also help to subsidize care for clients who fall below the poverty level and don't qualify for other forms of funding. This is uncompensated care which accounts for 1 percent of our "revenue". STOP (Specialized Treatment for Optimized Programs) represents 12 percent of ABC Recovery Center's service revenue.

None of these sources for funding reimburses ABC Recovery Center fully for services. The gap between our necessary operating expenses and our reimbursements grows as we do. For most businesses, having more clients helps to close their gap in funding. For ABC Recovery, the opposite occurs because of the significant safety net population that is served through Medi-Cal.

As examples, the rate for our services per day for Detox is \$1,080. STOP only reimburses us \$200 per day for the clients that they refer to us. Medi-Cal reimburses us \$300 for this same service. The gap in funding for services is significant when you consider that STOP and Medi-Cal, together, are 89 percent of our reimbursement revenues.

In order to provide a more complete picture of our service reimbursement revenue, we utilized three years' worth of data to include a year pre-pandemic and our last two years during of the pandemic to provide the percentages being used in the chart above, covering years 2019-2021.

the cost of caring

ABC Recovery Center has created a fund that will help sustain the ongoing needs of the organization that do not get compensated through reimbursements. This fund's name, "The Cost of Caring", will be used to encourage giving for non-specific projects.

"The Cost of Caring" would be utilized to fund:

ABC's doctor/patient visits \$250,000 annually
Uncompensated pharmacy costs \$15,000 annually
Uncompensated care/charity care \$235,000 annually
Gap funding from service reimbursements that don't fully cover treatment \$13,550,000 annually*

Total needed to compensate for all care that isn't reimbursed \$14,050,000 annually

Last year, ABC Recovery Center had almost \$19 million in billable client revenue. The monies realized after receiving the reimbursements for these billable services was just over \$5.65 million.

As with most multi-disciplinary care models, which afford the client the greatest opportunities for wellness, full reimbursements aren't made whether from the commercial insurer or government agency. Taking care of the whole client, meeting their physical addiction as well as their mental and emotional needs takes multi-disciplinary caregivers working in tandem with each other in order to provide the most successful outcomes.

Additionally, ABC Recovery Center does an extraordinary job of providing a significant safety net for anyone who needs it. Social justice is part of our commitment to care. If the underserved are not provided opportunities to have their significant healthcare needs addressed, the issues for this demographic exacerbate. It resolves itself in joblessness, homelessness, and more significant mental health conditions.

Addiction involves complex interactions among an individual's brain circuits, genetics, the environment, and their life experiences. Racism disproportionately shapes the environment and life experiences of Black, Hispanic/Latinx, Asian, Pacific Islander, Native American, and other racially oppressed and disenfranchised people (hereinafter collectively referred to as Black, Indigenous, People of Color (BIPOC), adversely influencing both their risk of developing addiction and their access to evidence-based addiction treatment services.

From the Recovery Research Institute, in 2007, the direct and indirect costs of illicit drug use (excluding alcohol) totaled almost \$200 billion. These numbers include costs associated with crime, healthcare, and loss in productivity due to drug use.

Here is the cost-to-benefit of early intervention:

Every \$1 in treatment saves \$4 in healthcare costs

Every \$1 in treatment saves \$7 in law enforcement and other criminal justice

Medicaid cost reduction:

\$185-\$192 per member per month after receiving a brief intervention

\$238-\$269 per member per month in costs associated with inpatient hospitalization from emergency department admissions.

Cost shouldn't be the primary consideration when it comes to the human services that can be the difference between life and death. That's the reason for the creation of the Cost of Caring fund. So that care can be administered fully and completely to anyone who needs it.

^{*}This total does not include the costs associated with Transitional and Sober Living, which would bring these numbers higher.

in conclusion

The previous pages have shared that addiction is quite literally, everywhere. It's a disease that is growing at an incomprehensible rate, exacerbated by the isolation of a global pandemic and the epidemic use of opioids. Just a fraction of our addicted population seek treatment. Why? Because addiction is stigmatized. It's not shown the empathy and compassion of other life-threatening diseases. Why? Because mental health is so closely associated with addiction. ABC Recovery Center treats both the physical disease as well as the mental/phycological disease. We are a dual diagnosis facility.

Once those struggling with substance abuse confront their addiction and seek help, they need to knock on a door they know will open. Only a fraction of organizations provide for those who do not have the resources to commit to care, or they enter a facility that will treat them for as long as their insurance will provide reimbursement, and then will leave their client's continuum of care unfulfilled.

Addiction is now a perfect storm. There is a growing number of people who need services, amidst the lessening of services available. ABC Recovery Center is the shelter from the storm for many. We will accept anyone who needs us regardless of their ability to pay. And we will care for them until they identify when they are ready to leave our facility.

Philanthropic support not only enables us to keep our doors open, it helps us care for clients at the lower end of the income spectrum who need our services desperately but cannot afford them. Philanthropy enables us to close our compensation gap and provide a significant safety net for anyone who needs us.

Community philanthropy also allows us to plan for and make significant investments in our facilities, staff and technologies so that our therapeutic offerings, as well as our technological abilities, can be representative of the quality of care we provide.

As you read through this presentation, there were orange quote boxes at the bottom of the pages. These quotes were from athletes, actors, singers, writers, and others who are all in recovery. Often, we can't provide the identities of those in recovery because of our commitment to maintaining the anonymity of our clients. But we wanted you to know that there are plenty of people who you know of, who are in recovery. They're folks to be admired and respected. At some point, they asked for help. We've also included in green boxes below and on the next page, some of our team who are in recovery and their heartfelt thanks for all that their recovery is doing to help others.

We are helping to ensure a future for approximately 1,000+ people per year*. And that doesn't include the number of people whose futures will be impacted when our clients are returned to them, sober, and safe. When we first greet the people who arrive at our door, we don't know what their future will hold. We just know we need to provide them every opportunity to have the future they want.

We are deeply grateful for all you might consider on our client's behalf. For questions or additional information please contact:

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"I am overwhelmed when thinking about my old life and my life now." "I'm here. I'm clean. The people I used to know can think, if he can do it, I can too."

Chris Vingling. GEO. ABC Becomes Control in recovery.

Chris Yingling. CEO, ABC Recovery Center, in recovery

^{*}This figure is pre-pandemic. During the pandemic we were serving approximately 750 people per year.

our core values & mission

Our Core Values share our depth of commitment to you, our clients and each other. We are grateful to be of such significant service to those in our community who need our care, desperately.

We Value . . .

- . . . An organizational culture and delivery of service promoting the belief that no one life is more important than another. We value every person, every client as an individual and respect their journey, providing dignity, and empathy to everyone seen and served.
- . . . Those who are like minded and adhere to the science that addiction is a disease and those challenged with this disease deserve compassion, encouragement and every opportunity in attaining a new beginning.
- ...Our work towards an organizational future when we will have the capacity to open our doors to anyone who will need our services without concern for compensation.
- . . . The search for and incorporation of leading therapies, treatments, and care models that provide our clients the greatest opportunity for successful sobriety
- . . . The unlimited courage of our clients who seek treatment, for their life-affirming decision to say, "no more" and taking difficult steps that will be life-changing.
- . . . All those who encourage and support our clients and help shepherd them on their life-long journey, as we extend our care by incorporating family members whenever possible.
- ... The time, education, training, effort and sacrifice of the employees at ABC Recovery Center, as they administer care to those we serve, often under difficult circumstances. Each serving ethically and benchmarking our industry's highest standards.
- . . . The fostering of teamwork and the creation of a culture that encourages collaboration rather than competition. Everyone on our team is an integral cog in the wheel, in support of our client's services.
- ... The support of our donor community, whose contributions we steward with the utmost care.
- . . . The legacy of all clients served and how their journey further affirms our dedication and informs our mission.

Our Mission

To provide an environment for those with substance-use disorders to achieve lifelong sobriety and re-enter the community as healthy and responsible individuals.

"ABC Recovery helped me build a life I always dreamed of. Now I get to watch so many people come and do the same thing for themselves and their families."

Ally Anderson, Director of Programs, ABC Recovery Center, in recovery

