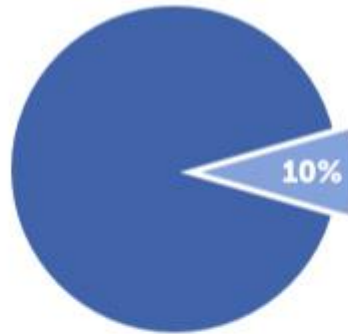


40 million Americans struggle with addiction, but many don't get the treatment they need. It doesn't have to be this way.



Overdoses kill more of us than breast cancer, guns, and car crashes combined.



Only 1 in 10 who need addiction treatment ever receive it.



Each year, addiction costs Americans over \$740 billion.



Only 1 in 4 physicians and nurse practitioners received addiction training.

**137,000
PEOPLE**

in the U.S. are in prison or jail for drug possession

ABC Recovery Center - Our commitment to social justice

In the current movements for social justice, the emphasis is on the breaking of barriers for social mobility, the creation of safety nets, and pursuing economic justice. ABC Recovery Center is working to address the interrelated principles of social justice; equity, access, participation and rights, helping to alleviate these roadblocks to care, within the populations that society often overlooks and when seen, are seen as a burden. ABC Recovery Center believes that everyone deserves the best healthcare possible, regardless of race, sexual identity, ability to pay, religious belief, gender or status of those who come for treatment as wards of the court.



ABC is the oldest program of its kind in the Coachella Valley. We provide care to several of the most underserved and vulnerable segments in our communities: those in poverty or the lower-socioeconomic threshold-the majority of which are an ethnic minority, those who are justice involved, those who are undocumented, those in the LGBTQIA community, and those with mental health issues and in need of treatment.

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. The STOP provides comprehensive, evidence-based programming, and services to parolees released from correctional institutions during their transition into the community in order to support a successful reentry and reduce recidivism.

ABC Recovery Center - Our commitment to social justice

Even before entering a prison or jail, incarcerated people are more likely than those on the outside to have experienced abuse and trauma. An extensive 2014 study found that 30% to 60% of men in state prisons had post-traumatic stress disorder (PTSD), compared to 3% to 6% of the general male population. Trauma is a widespread experience among persons with mental and substance use disorders, inside and outside of the criminal justice system. Rates of traumatic experiences among justice-involved populations, particularly those with mental illness are “so high as to be considered an almost universal experience” (SAMHSA’s GAINS Center, 2015; SAMHSA et al., 2013). A study of over 7,500 inmates in New Jersey found 56 percent of males reported physical abuse as children (Wolff, Shi, & Siegal, 2009), while another study of female offenders found that 88 percent reported some exposure to a traumatic event and 74 percent had childhood sexual or physical trauma. Two-thirds of those imprisoned in federal and state facilities are African Americans and Hispanics, and studies contended that “mass incarceration” is little more than a reworked form of racial and social domination.

ABC Recovery Center is an anomaly in our region in that we accept clients from the STOP, and that we don’t “cap” on how many clients from STOP we will accept at any one time.

Neither Medi-Cal or STOP 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 Center, the opposite occurs because of the significant safety net population that is served.

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. 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.

ABC Recovery Center - Our commitment to social justice

ABC Recovery Center does an extraordinary job of providing a significant safety net for anyone who needs it. 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.

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

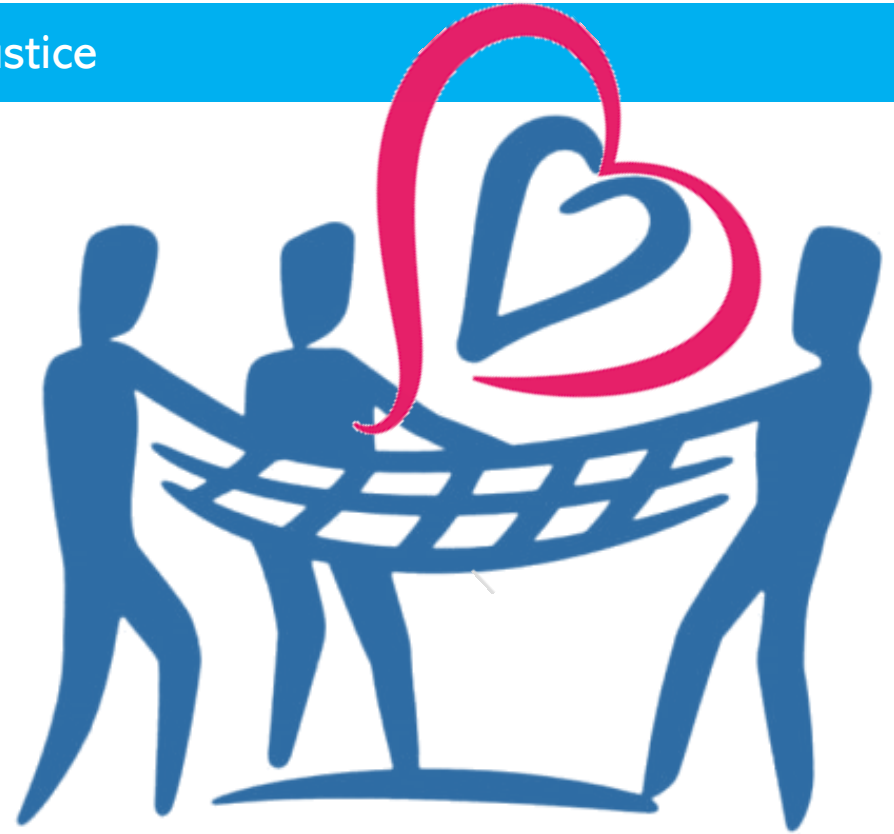
Every \$1 in treatment saves \$7 in law enforcement and other criminal justice

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. ABC Recovery Center is committed to funding our care, so that it can be administered fully and completely to anyone who needs it. This is a significant demonstration of "Social Justice". The right to healthcare for all.



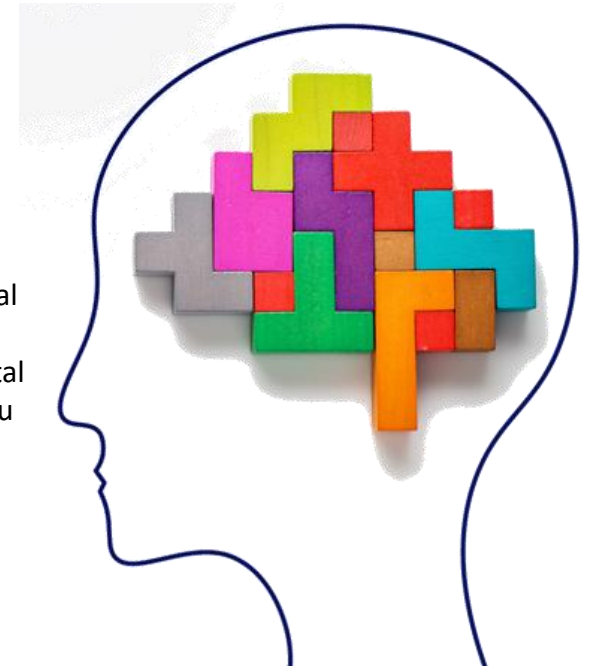
Mental Health and Dual Diagnosis

We do not treat our clients solely through the lens of substance-use - meaning, we treat the entire person. Our Medical Director is a licensed psychiatrist. Every client is screened for mental health conditions, social/cultural factors, and biological conditions that may contribute to their primary substance-use diagnosis. Of the 21 million people in the U.S. with a substance use disorder, 8 million also live with a mental illness. In other words, it's not an exception when nearly one-third of those with substance abuse have a mental illness as well.

ABC Recovery Center is a dual diagnosis (also known as co-occurring disorder) facility. The interactions of the two conditions can worsen both. Although these problems often occur together, this does not mean that one caused the other, even if one appeared first. In fact, it can be hard to figure out which came first. Researchers think that there are three possibilities as to why they occur together:



- Common risk factors may contribute to both mental disorders and substance use disorders. These factors include genetics, stress, and trauma.
- Mental disorders can contribute to drug use and substance use disorders. For example, people with mental disorders may use drugs or alcohol to try to feel better temporarily. This is known as self-medication. Also, mental disorders may change the brain to make it more likely you will become addicted.
- Substance use and addiction can contribute to the development of a mental disorder. Substance use may change the brain in ways that make you more likely to develop a mental disorder.



Someone with a dual diagnosis needs to be treated for both conditions concurrently to have the greatest opportunity for wellness. ABC Recovery Center is the only option for the Medi-Cal population and justice referral population to be treated for dual diagnosis in the Coachella Valley. We are it.



People who identify as lesbian, gay, bisexual, transgender, or questioning (LGBTQ) often face social stigma, discrimination, and other challenges not encountered by people who identify as heterosexual. They also face a greater risk of harassment and violence. As a result of these and other stressors, sexual minorities are at increased risk for various behavioral health issues.

National surveys have estimated that 2%–11% of Americans self-identify as LGBTQ, yet as a population, these individuals have historically been underrepresented in addiction research. As scientists have worked over the past three decades to remediate this gap, substance use characteristics and treatment factors present among the LGBTQ population have begun to emerge.

Since the late 1970s, when substance abuse research first began to include lesbian, gay, and bisexual (LGB) subjects in study findings, scientists have reported significantly higher overall rates of substance use and substance use disorders among sexual minorities as compared to their heterosexual counterparts.

Comparisons of treatment-seeking rates between LGBTQ and non-LGBTQ individuals have determined that LGBTQ individuals seek treatment for substance abuse and mental health disorders at a significantly higher rate than heterosexual individuals. Despite this, there are surprisingly few programs specifically geared toward treating LGBTQ clients. ABC Recovery Center is such a provider.

Several years ago a study was conducted of gay and lesbian alumni from various treatment programs who identified three ideals for service providers: (1) A separate unit or facility welcoming to sexual minorities and LGBTQ allies; (2) Safe and supportive treatment programming including LGBTQ and/or affirming staff; and (3) Specialized treatment modalities for different substances and/or addictions. ABC Recovery Center provides all three of these ideals.

Racial Inequality

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/Latin, 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.

While much of the coverage of the opioid epidemic has focused on white, rural populations, the epidemic affects white, Black and Latin people proportionally. In fact, overdoses are rising more quickly among communities of color. The annual growth rate from 2018 to 2020 for Black individuals (16.1%) and Latin individuals (12.6%) well surpassed the rate of white individuals during the same period (3.8%). What's more, overdoses among Native Americans are above the national average, and the rate continues to grow.

On July 1st of 2022 ABC began serving Imperial County residents as well as Coachella Valley residents, specifically providing residential levels of care for clients coming from this area. Currently, Imperial County doesn't have programs of this type in their region. We are the closest licensed, Medi-Cal Certified residential facility for Imperial County. According to the Census Bureau, Imperial County is 85% Hispanic. The median household income (as of 2019) is \$47,662, with a massive 18% of persons living in poverty. 30.7% of Imperial County's residents are foreign born.

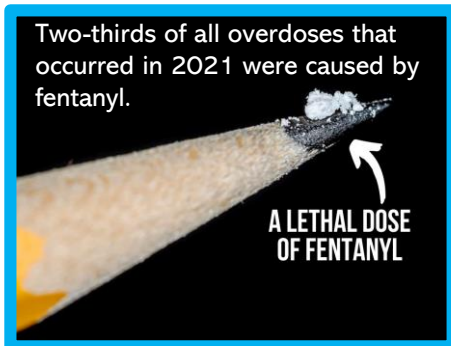
The Coachella Valley is predominately of Hispanic origin. This is 1.3 times the rate of Riverside County, and about 10% higher than the rate in California. Our expansion project would have the ability to provide all our services in Spanish, hiring Spanish speaking professionals and deferential pay structures to those who are bilingual.

There are many studies out there addressing the inequalities in substance-use treatment. One such Yale School of Medicine study really spoke to the issue. According to Cruz, "Although many acknowledge substance use as the number one health problem in North America, data reveals that treatment gaps are enormous. In 2018, only 18% of people identified as needing treatment, received it. These gaps are greater for minoritized communities. For Black and Latinx groups in the US, 90% and 92%, respectively, diagnosed with a substance use disorder (SUD) did not receive addiction treatment.

ABC Recovery Center and the Epidemic of Addiction

The chart provided shares the fatal overdoses by age in Riverside and Imperial Counties from January thru December 2019 and 2020. This data was collected by the IEOCC. **The needs of this vulnerable community are not lessening, they are multiplying.**

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.”



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.

Addiction costs our country more than \$740 billion each year. And the costs keep rising. We're hemorrhaging money on this crisis, and all that spending is not doing much to protect our loved ones.

Our organization is on the frontline of the opioid epidemic. Overdose rates and deaths due to drug overdose have increased in California from 12.7 per 100,000 in 2015 to 24.2 per 100,000 in 2020 overdose was the leading cause of accidental death for those 18 to 45 years of age. Overdoses are the #1 cause of accidental death in our country. According to the CDC, there were over 107,000 fatal overdoses in the U.S. in 2021. That's the highest number of overdose deaths ever recorded in a single year. Overdose deaths involving synthetic opioids such as fentanyl, psychostimulants such as methamphetamine, and cocaine all increased between 2020 and 2021.

With the science we have today, we could save countless lives — and spend a fraction of that amount —by increasing access to addiction treatment with an approach that's compassionate, evidence-based, and rooted in public health.

Expansion of Services

To help meet the growing needs for these vulnerable populations, ABC Recovery Center is expanding our footprint, expecting to break ground in a capital project in 2023 that will enable us to increase our capacity by 160 percent. ABC Recovery Center received a grant of \$27+ million through state funds for such expansion projects. The county of Riverside allocated this funding to us from the tranche of funds the state provided to them. Of 300+ applications for these kinds of projects, only ABC Recovery Center was selected through the grant application process to move forward with our proposed plans.

When completed, our capacity will more than double for residential services. At present we have 75 licensed residential beds. This project would expand that capacity for the two counties served to 195 licensed beds enabling us to serve 1300 more individuals annually. There are only two other Residential Substance-Use Providers in the Coachella Valley, neither of which is expanding facilities currently.

The new capital project would be built on our existing property on an undeveloped 5.9 acres of zoned commercial use space adjoining our current facility. We anticipate building two men's units that would house a total of 80 men, and one women's unit housing 40 women. In addition, to the housing units we would build a new spaces including a commercial kitchen and dining/multi-purpose room (capable of accommodating all 120 participants), a gymnasium where our residents would have the ability to exercise (it is 120 degrees here in the Coachella Valley for about 40% of the year), office spaces for our 10 Primary Therapist/Counselors and offices for our admissions personnel, Medical Director/Psychiatrist and Incidental Medical Services.

Additionally, a dedicated delivery area would allow for deliveries in an area that would not interfere with our services and client safety. Also, in the delivery area, would be a dedicated storage building for facility operations and maintenance.

Our organization has dreamed of making this project a reality for many years. Included with our proposal, the reader will find we have a preliminary schematic drawing of the facility. The buildings in dark grey are the plans this narrative addresses. The buildings titled, phase two, are just ideas of what we could do in the future. We wanted to maximize the use of our current property. The portion of the schematic that states, existing to remain as is, is part of our current facility where we provide recovery residence housing, SUD outpatient services, and our Administration building.

Services to be Provided at the New Site

The new facilities are located within the blue outline below:

- Clinically Managed Residential Withdrawal Management (sometimes referred to as “social setting detoxification”) is an organized service that may be delivered by an appropriately trained staff member who provides 24-hour supervision, observation, and support for clients who are intoxicated or experiencing withdrawal. This level is characterized by its emphasis on peer and social support rather than medical and nursing care. This level provides care for clients whose intoxication/withdrawal signs and symptoms are sufficiently severe to require 24-hour structure and support.

- 24-hour Residential Care for clients who require a 24-hour supportive treatment environment in order to develop recovery skills to avoid relapse. Clients typically have multiple challenges in addition to addiction (trauma history, criminal/legal issues, psychological problems, etc.) which can hinder their full and lasting recovery.



- 24-hour structured living in combination with high-intensity clinical services for individuals with significant cognitive impairment. The cognitive impairments are so significant that outpatient motivational and/or relapse prevention strategies are not feasible or effective and it is unlikely he/she could benefit from other levels of residential care. The impairments may be permanent or temporary and generally result in problems in interpersonal relationships, emotional coping, and/or comprehension.

- Intensive Outpatient Services are provided to clients for 9 hours or more weekly to treat multidimensional instability. Services are designed to treat the individual who meets the diagnostic criteria for a SUD with instabilities or complicating factors, which require high intensity, professionally directed SUD treatment.

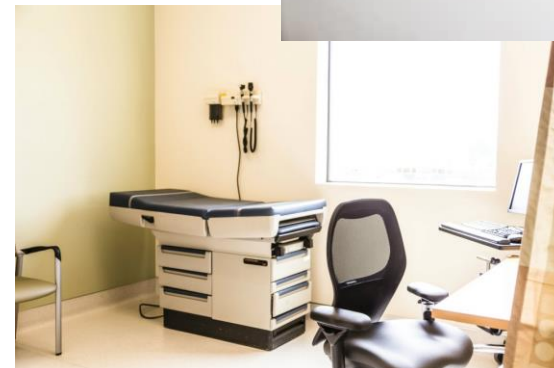
Services to be expanded at the new site

On the proposed schematic on the previous page, we have included:

- Housing units to provide inpatient and detoxification services to men and women
- Ample space to allow for client privacy and staff offices
- An indoor gym for our participants. Learning to take care of one's physical fitness is part of the rehabilitation process.
- Laundry rooms throughout the facility.
- Counseling offices big enough to accommodate a standard caseload of 12 clients at a time.
- An incidental medical services office for the healthcare needs of every participant. Every participant receives a physical exam and mental health screening upon admission in addition to any additionally needed medical care.
- A commercial kitchen with a Dining/MPR room capable of accommodating all our participants.
- Several outdoor picnic/recreation areas for our client's use

In addition, the operations building would provide us with storage space for tools and necessary items to support a campus that services 2300 human beings a year. At present our supplies and storage needs are expensive as we maintain offsite storage spaces.

All of this would be in one area closed off to through traffic. We have clients fleeing from domestic violence situations and being able to monitor access to our campus is critical.



ABC Recovery Center – And all those we care for

The new campus would allow ABC Recovery Center to meet the future:

- We would be able to meet the state's priorities and offer alternatives to incarceration, homelessness, and institutionalization, as we have done for many years through our programs.
- Address the urgent needs/gaps for addiction treatment in our county (Riverside) and Imperial County (a neighboring county with no residential SUD (substance use disorder) services. Both counties are identified in DHCS (Department Healthcare Services) needs assessments as areas with significant service gaps.
- Advance racial equality, as we know Persons of Color are adversely impacted through justice involvement and substance-use disorders.
- Expand our reach into the LGBTQIA communities so that they know we're here for their unique needs.
- Fulfill our obligation to treating mental health needs alongside of addiction treatment.
- Continue contracting with the County of Riverside for a myriad of Medi-Cal levels of care and offer a full continuum of care to our clients.
- Advance our commitment to remain a significant safety net to all those who will need us.

