



Problem

Neurological Institute (NI) leadership has challenged the Alcohol and Drug Recovery Center (ADRC) to become a Center of Excellence. But, inadequate present facility hampers growth, marketing, service and programs.

Proposal

Enlarge the scope and size of the ADRC; move to new, expanded facility; upgrade facilities and operations; maintain small, acute detox unit at Marymount Hospital.

Where Would You Rather Go?



Present ADRC home on P-47



Proposed new home for ADRC

Why Do It?

- Can't compete with other world-class Centers.
- Needed for program growth and expansion.
- Will foster "disease-oriented" focus of the NI.
- Need to vacate the P Building.
- Will relieve backup in ER's, med-surg units throughout CCHS
- Can attract VIP patients from around the world.
- An attractive, suitable property may be available.
- Can acquire facility economically, operate Center with positive margin.

What is the Proposed Plan?

- Acquire and operate a "world class facility."
- Provide subacute detox, partial hosp., residential, and OP there.
- "Acute detox" at Marymount or other CCHS hospital.
- Raise capital from donations.
- Market aggressively, continually.
- Use internet aggressively.
- Contract with corporations to be a first-tier provider.
- Attract referrals with service, facility, quality improvement.
- Continually improve payor mix, collections.
- Develop charity fund for uninsured patients.
- Build on past successes in patient care, research, teaching.
- Grow teen drug prevention and treatment services.
- Change ADRC leadership to "NI Center Director."
- Raise donations for one or more honorary chairs.
- Do the project economically.

A Model Rehab Site: Former Marycrest School For Girls Independence, Ohio

Advantages:

- Low cost: \$2 million to buy, \$5-8 million to renovate, equip.
- Very cheap financing climate.
- Great esthetics and visual appeal.
- Excellent layout of buildings (88,000 sq. ft.) for rehab.
- Great space (22 acres), natural setting.
- 12+ beds subacute detox; 50+ beds residential
- Lots of outpatient space.
- Easy access from I-77, I-480.
- Proximity to Marymount, Crown Center.
- Can be shared with VIP Adult Psych, Psych Pain Management.
- Easy to market, promote. Compares to the best.
- An excellent model or prototype for ADRC needs.

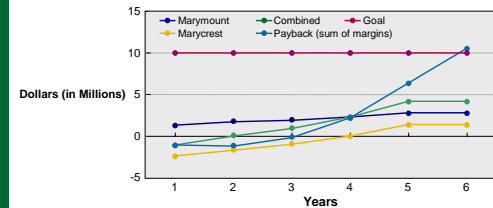
Negatives:

- Under contract to a buyer; may be sold.
- Zoning problematic.
- Extensive repairs, renovations needed.
- Volume dependent on new book of business;
- Payment/reimbursement method not clear as yet.

Financials

- Positive margins expected from year two.
- Could pay back initial \$10M investment in 6 years.

Hospital Site Margins



Risk

- Low to moderate. Could take longer to mature and be profitable.

Exit

- Sell the improved facility or the land. Reassign staff.

Recommendation

- Seize the opportunity for a good facility and location, cheap financing, and strong existing program base to expand to world-class level as part of NI Center of Excellence development plan.