March 29, 2003

Mr. Joe Rhodes, Chairman
Board of Directors
WYSTAR
1003 Saberton
Sheridan, WY 82801

Re: Final Report

Dear Mr. Rhodes and Board Members:

CER Professional Consultants is pleased to submit this final Feasibility Study and Report, which responds to your initial request that we:

1. Determine the cost to run the existing programs.
2. Determine the feasibility of integrating new programs.
3. Develop costs for the new facilities and programs.

The preliminary design of the Women’s Campus at the Saberton site and the financial forecasts incorporate WYSTAR’s expanded services and operations to comply with the new substance abuse treatment standards.

The Feasibility Study and Report were prepared to assist WYSTAR with the preparation of a new budget to submit to the Department of Health as part of the state contract renewal. The Report financial projects and cost estimates are an important part, but only a portion of the overall budget that WYSTAR will prepare and submit to the state.

The consulting team believes that WYSTAR is well positioned to remain a premiere service provider to men and women seeking care because of substance abuse. We appreciate the opportunity to assist with this worthy project.

Sincerely,

Thomas L. Barker, P.E.
Project Manager
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1.0 Report Summary

Introduction

A passion to help individuals stay clean after treatment led members of Alcoholics Anonymous, a minister, and other individuals to establish the Sheridan Halfway House in 1977. The founders contributed the money to make use of the Old Sheridan County Hospital and pay staff members to provide inpatient and outpatient services to people challenged by drug addiction. Later, the State of Wyoming provided financial assistance through contracts, culminating with a three-year contract ending on June 30, 2003.

Today, WYSTAR serves about 47 inpatients; about half receive short-term treatment at the former hospital building at 1003 Saberton Avenue and the other half receive long-term (30 to 120 days) in Building 64 at the Veterans' Administration Medical Center. The $1.2 Million annual income from the State Department of Health, supplemented by about $150,000 from patients, matches an average cost of about $77.00 per bed day. That operating cost of about $2,500 per month is well below other facilities that also care for people battling substance abuse; about $6,000 per month at Thunderchild and $9,000 per month at Rimrock Foundation in Billings, Montana.

Severe revenue limitations have held WYSTAR's operating budgets below levels considered optimum for long-term financial stability. For instance, the former County Hospital needs renovation. Long-term patients reside in a hospital building at the VA designed for veterans challenged by a variety of physical disabilities, yet is now serving men and women who are generally in relatively good physical health. The current occupants need meeting rooms and exercise facilities that do not exist. There are many other reasons that the two old hospital buildings need renovation to create higher quality space to allow current science-based treatment programs to be more effective.

New Treatment Standards

During the 1990's, substance abuse in Wyoming increased dramatically. Concerned about these apparent trends, the Wyoming Department of Health’s Substance Abuse Division compiled alarming statistics from various state agencies. Compared to national averages,
rates of alcohol and drug consumption and its involvement in vehicle or other accidents, homicides, suicides, hospital visits, criminal activities, and domestic abuse was far worse in Wyoming.


Implementation of new standards in response to that report is intended to help Wyoming lead the country with the lowest rate of substance abuse. The Blueprint outlines a comprehensive plan for substance abuse prevention, intervention, treatment, and control for the entire state.

Some of the reasons that Wyoming residents face greater substance abuse challenges than people in other states is that addiction treatment, early intervention, and prevention services have been historically underfunded. Lack of revenue has resulted in:

- Lack of training to keep service providers current with new treatment techniques;
- Barriers to recruiting and training sufficient numbers of high quality professionals;
- An insufficient number of beds to allow the proper lengths of stay for all who need treatment;
- Inconsistent case management and transition programs for people re-entering society;
- And worst, lengthy waiting lists preventing people from receiving treatment when they desperately need it the most and when they are most ready and motivated;
- Inadequate measurements of program success resulting in very little data describing treatment effectiveness.

Planning Only Grant Feasibility Study

Against this backdrop of rampant substance abuse, causing debilitating impacts on a stunning number of young people and many others, WYSTAR applied for a planning-only grant to conduct a feasibility investigation. Purposes of this study, culminating in a final report, were to
evaluate existing services and recommend new programs and facilities that would comply with the new treatment standards in a financially cost-effective manner. The report describes a vision for comprehensive new treatment programs supported by renovated and new buildings designed to make the updated treatment services successful. Feasibility Study Report recommendations for new and expanded services and facilities present and amplify a vision established by WYSTAR Board members and staff.

The Treatment Vision

1. WYSTAR endorses the goals and objectives of the Blueprint responding to Wyoming House Bill 83.
   - Launching a rapid scope of activities that can produce a fifty percent reduction in substance abuse and related problems in five years for targeted groups;
   - Reinforcing a broad, statewide consensus for action by individuals, groups, and communities throughout our state;
   - Averting the terrible financial, emotional, and social costs of substance abuse and related problems across all ages of Wyoming residents;
   - Providing accountability for all who participate, that our collective and individual actions are helping.

2. WYSTAR commits to implementing the new treatment standards mandated by the Comprehensive Blueprint. WYSTAR’s new service programs are:

   2003:
   - Create distinct treatment strategies for men and women and separate the locations of their treatment.
   - Renovate the former hospital on Saberton to create a 20-bed facility compatible with the new treatment programs for women.
   - Construct improvements on the third floor in Building 64 at the VAMC campus to create a new 50-bed facility compatible with new treatment programs for men.
2004 – 2008:

- Strengthen admissions procedures, including detoxification for all potential WYSTAR clients. The existing administrative facility would be renovated into a freestanding admissions and detoxification building.

- Incorporate physical wellness elements into the new treatment programs, including a variety of exercise activities and information related to the benefits of excellent nutrition. The wellness activities would occur in a new multipurpose space that includes an exercise area with related amenities and classrooms.

- Offer new transitional services - WYSTAR’s original objective in 1977 - by coupling intensive outpatient counseling with residential housing on campus that replicates independent residential living. One and two-bedroom apartments will provide living space compatible with the new treatment standards.

- Provide new food service preparation and dining compatible with the new treatment standards. The kitchen and dining space will be designed for capacity of 50 meals with space for up to 90 meals prepared at one setting. A new kitchen and dining facility will be constructed in conjunction with offices for the administrative staff.

- Improve organizational efficiency by implementing greater use of computer technology and data management facilitated by new space in the administration building.

- In summary, WYSTAR will be offering twenty inpatient beds for women in Phase I treatment and transitional housing for women in Phases II, III, or IV of treatment. New dining facilities will be available specifically for women. New services may be offered to mothers with young children on the Saberton campus.

Fifty inpatient beds will house men in all four phases of treatment at the VA. New admissions and wellness services will be incorporated into the treatment programs for all of WYSTAR’s inpatient clients. New intensive outpatient
services will be provided to men and women from a new building on the Saberton campus.

2009-2020:

- A more specific vision for this period will be developed during the next five years. Potential improvements in services and facilities include creating a new men's campus near the women's facility.

Financial Feasibility

WYSTAR anticipates achieving adequate funding from the Wyoming Department of Health that will be equivalent to about $150 per bed day. While still well below what other substance abuse treatment providers charge, the higher rates will pay for new upgraded patient substance treatment and subsequently including medical, dental, and psychiatric services in state-of-the-art facilities that will facilitate treatment success. Additional revenue from patients will enhance cash reserves so that WYSTAR can continue to improve its programs and facilities.

By exceeding new treatment standards described in the Comprehensive Blueprint, WYSTAR will become a leading provider of superior inpatient and outpatient substance abuse related services in Wyoming.
2.0 Project Concepts and Objectives

Introduction

WYSTAR, a nonprofit organization designed to provide a wide variety of substance abuse treatment services to clients in Wyoming and neighboring states, has provided residential inpatient programs for more than 23 years. The Wyoming Business Council awarded WYSTAR a planning-only grant for $33,300.00 in 2002. WYSTAR then retained CER Professional Consultants to conduct a feasibility investigation and prepare a Feasibility Study and Report describing existing service elements and anticipated programs. Requested plan elements were:

- Determine costs to operate existing treatment programs;
- Evaluate the feasibility and costs of integrating new programs to meet short and long term goals;
- Develop unit and aggregate costs for new programs and facilities;
- Research current zoning and public access and identify impacts on surrounding property owners;
- Prepare a final plan report and present its contents to the Sheridan County Board of County Commissioners.

Conducting the feasibility study coincided with the promulgation of new treatment standards, which therefore became integrated into the evaluation of new programs. Consequently, the Blueprint for the new standards is an important component of this Feasibility Study Report.

Origin of New Treatment Standards

In 1999, led by increases in substance abuse during the previous fifteen years, Wyoming Department of Health’s Substance Abuse Division commissioned Bernard Ellis & Associates to compile statistics from several state agencies to assess substance impacts. The report’s findings were alarming. Alcohol and drug abuse in Wyoming was substantially higher than national averages. Preparation of the report represented the first effort to plan and develop a statewide, comprehensive substance abuse model.

The report pledges that by the year 2020, Wyoming will lead the country with the lowest rate of substance abuse. The Blueprint outlines a comprehensive plan for substance abuse prevention, intervention, treatment and control.

"Our leaders -- from the Governor to the Legislature -- have heard these tales, and have been touched. The stories have not been about "those people over there." The stories have been about our friends, our relatives, our co-workers, and our neighbors' children." Reclaiming Wyoming: A Comprehensive BLUEPRINT for Prevention, Early Intervention, and Treatment of Substance Abuse -- A Study Prepared in Response to Wyoming House Bill 83.

Based on the BLUEPRINT, the Substance Abuse Division found: (Blueprint, p. 121-122)

- Wyoming addictions treatment, early intervention, and prevention services have been historically under-funded.

- This under-funding has resulted in only token services being available in small counties and an inability to deliver integrated services in every county on a collaborative basis. This has resulted in the system to inadequately provide the appropriate amount of attentive care necessary for effective treatment.

- Under-funding prevents necessary training to keep those working in the system current with new treatment techniques.

- Under-funding creates barriers to recruiting and retaining not only sufficient numbers of staff but also the highest quality professionals.

- Significant gaps in services, such as an insufficient number of beds and allowed lengths of stay allowed; inconsistent case management; sporadic transition programs, and
lengthy waiting lists preventing people from getting into treatment when they are most motivated and allowing the continuation of the abuse.

- Because nominal monitoring of programs occurs, there is little data available that the programs are actually effective.

The goals and objectives set forth by the BLUEPRINT are:

- Launching a rapid scope of activities that can produce a 50% reduction in substance abuse and related problems in five years for targeted groups.
- Reinforcing a broad statewide consensus for action by individuals, groups, and collaborating communities throughout our state.
- Averting the terrible financial, emotional, and social costs of substance abuse and related problems across all ages of Wyomingites.
- Providing accountability for all who participate that our collective and individual actions are helping. (p. xviii)
3.0 Problem Description

What is Substance Abuse?

Substance abuse is defined as having three or more of the following: (Blueprint, p. xx):

- The substance is taken in larger amounts or over a longer period than the person intended;
- The person has a persistent desire or has attempted one or more unsuccessful efforts to cut down or control substance use;
- A great deal of time is spent in activities necessary to get the substance (e.g. theft), taking the substance (e.g. chain smoking) or recovering from the effects;
- Increased periods of frequent intoxication or withdrawal symptoms than expected for major role obligations at work, school, or home (not going to work because of hangover, intoxicated while caring for children) or when substance use is physically hazardous to self or others (driving under the influence);
- Important social, occupational, or recreational activities given up or reduced because of substance use;
- Continued substance use despite knowledge of having a persistent or recurrent social, psychological, or physical problem that is caused or exacerbated by the use of the substance (e.g. consistent family arguments over use, cocaine-induced depression, or a worsened ulcer due to alcohol);
- Marked tolerance - need for ever-increasing amounts of the substance (at least a 50% increase) in order to achieve intoxication or desired effect, or markedly diminished effect with continued use of the same amount;
- Characteristic withdrawal symptoms (not occurring with all substances);
- The substance is often taken to relieve or avoid withdrawal symptoms (again, this does not occur with all abusive substances).

While these are common symptoms of substance abuse, recent research has provided insights into scientific and biological components of addiction.

Organic changes within the brain cause the addicted to not only depend on the drug to simply feel good but to feel normal. As time passes and drug use continues, a person progresses from...
being a voluntary to a compulsive drug user. The fact is, drug addiction is a brain disease, according to Dr. Alan Leshner, Ph.D. and Director of the National Institute on Drug Abuse. Furthermore, alcoholism and other forms of addiction result from individual genetic structures. The genes that are involved vary from person to person. (Blueprint, p.14)

Overuse of alcohol and other drugs can relax a drinker's inhibitions and impair his judgment to the point that the drinker poses a risk to himself and others. For some persons, alcohol abuse can contribute to aggressive behavior and trigger violent acts. For others, regular alcohol abuse can develop into a compulsion to overuse and abuse leading to a level of alcohol dependence that overwhelms all other responsibilities and diminishes the alcoholic's health and other life circumstances. Finally, in the worst cases, alcohol can lead to the death of the user, either through direct use or as the result of being under the influence. The abuse of alcohol remains the single greatest contributor to preventable death and disability, to crime, and other public disorder, in Wyoming and throughout the nation.

According to the National Institute on Drug Abuse and using figures derived from the 1995 Drug Control Strategy, The White House Office of National Drug Control, the total economic cost of alcohol and drug abuse is estimated to be $245.7 billion. This estimate includes treatment and prevention efforts, healthcare costs, lost job productivity and earnings, and crime and social welfare costs. The government (taxpayers) shell out almost half of this cost (46%). The other half is borne by the drug abusers or their immediate family members.

The 1995 report estimates a 50% increase compared to statistics from a similar study conducted ten years earlier. The increase was due, in part, to heavier cocaine use; the increase of persons infected with HIV due to intravenous drug use and lowered inhibitions due to being under the influence, and increases in crimes linked to substance abuse.

- Fifty percent of those who enter into treatment do so upon referral from courts, correctional agencies, or the police.
- Nationally, it is estimated that more than 75% of those who need treatment do not get it. In Wyoming that number approaches 90%. This means at least 30,000 Wyomingites are trapped in the cycle of substance abuse, but not receiving help.
Accidents, Injury, Disease, and Death

- Hospital admissions for alcohol and drug-induced causes in Wyoming have increased nearly 25% over the last 10 years. For every 100,000 people in Wyoming, 354 hospital treatments and admissions are for alcohol-related visits.
- Alcoholics are seven times more likely to die from accidental causes than non-alcoholics.
- Alcohol-induced deaths, ranging from those due to temporary psychoses to long-term abuse to cirrhosis increased 21.3% from 1987 to 1998. Wyoming currently places 52.8% above the nationwide average for deaths from alcohol.
- Drug-induced mortality is the least common substance abuse related cause of death in Wyoming; however, it is also the fastest rising. Deaths resulting from drug psychoses, use, dependence, drug poisoning, and drug-assisted suicides increased 106.3% during the twelve-year focus of the report. Much of this increase is attributed to the increased use of methamphetamines. The good news is that it is one of the few Wyoming statistics that remain below the national average.
- According to information collected by Casper’s Self-Help Center during the first nine months of 1999, alcohol was involved in half and drugs were involved in a quarter of their reported domestic abuse cases.
- Alcohol-related fatal crashes in Wyoming occur at double the US average.
- Combined, the total fatalities have resulted in a 14.2% increase over the state. The Nation, however, celebrated a 7% decline. Our increase in combined substance use related deaths raised Wyoming to a level that was 32.7% above the United States average.
- Chronic alcoholics have lighter and smaller brains than other people of the same age and gender. 50 to 75 percent of these drinkers show some kind of cognitive impairment, even after they detoxify and abstain from alcohol. According to the National Institute on Alcohol Abuse and Alcoholism, alcoholic dementia is the second-leading cause of adult dementia in the United States, exceeded only by Alzheimer’s Disease.
Arrests and Crime

Substance abuse contributes to criminal behavior by altering the ability of persons to exercise good judgment or control their behavior. Use of drugs, especially alcohol, cocaine or methamphetamine, is strongly associated with domestic abuse and other violent behavior. Costs of obtaining drugs cause many users to seek money obtained by robbery, larceny, prostitution, and other crimes.

- While the U.S. alcohol-involved arrest rate declined 14.4%, Wyoming’s rate grew 22.7% during the same time. During the 1987 – 1989 time period, Wyoming’s arrests involving alcohol were 37% above the national average; during the 1996 – 1998, it was 97.5% above the national average.
- Arrests in Wyoming for drugs, including possession, use, sales, transport, cultivating or manufacturing, continue to lag behind the national figures. However, our arrests for these offenses have grown by 136.1%, a more extreme increase than the rest of the country.
- Of those currently incarcerated in Wyoming correctional facilities, 55% of the men reported a history of alcohol abuse and 66% reported drug abuse. Among women, 71% reported a history of alcohol abuse and 68% reported drug abuse.
- When addressing the Joint Labor, Health and Social Services Interim Committee on November 27, 2001, Tom Pagel from Wyoming’s Division of Criminal Investigation advised the committee that 47% of the arrestees have drug problems and approximately 90% abuse alcohol. Furthermore, addressing the same committee, Mr. Steve Lindly, representing the State’s Department of Corrections, stated between 60 and 65% of the male felons currently incarcerated and 70% of the female felons suffer from some sort of substance addiction.

Trends in Substance Abuse Treatment

Wyoming has been spending about one-half the national average per resident for addiction prevention, treatment, and research. Of each state dollar spent on programs related to substance abuse (law enforcement, corrections, special education, health care related to addiction, child welfare, etc.), only two cents was spent on treatment. The resulting poor quality treatment contributed to denial and apathy in communities as they began to
experience widespread growth in substance abuse. Wyoming's addiction prevention and treatment programs have been neither comprehensive nor targeted. Several myths have helped mislead the public regarding effective treatment.

One myth is that the addicted person must want treatment in order for it to be effective. Clinical Directors believe that clients who are mandated by the legal system to finish their treatment generally attempt to comply with their sentence.

By contrast, those who voluntarily enter the program may leave prior to successfully completing the program. Too frequently, the addiction is stronger than the volunteer's commitment to stay in the program. Often, individuals finally realize their need for treatment only after several months of care.

Another myth is that only one treatment session is necessary. Because addiction is typically a chronic disorder developed during previous months or years, most individuals who abuse drugs require long-term treatment and, in many instances, repeated treatments.

A third myth is that there is one best treatment approach. Because different people have different drug abuse-related problems and respond diversely to similar but distinct forms of treatment, even when they're abusing the same drug, an array of treatments and services tailored to address each abuser's unique needs are more effective. For instance, treating an unmarried male heroin addict is significantly different that helping an elderly female patient addicted to prescription medication.

The new treatment standards, promulgated by the Wyoming Substance Abuse Division based on the BLUEPRINT, call for case management services that meet not only treatment, but also other significant client needs such as mental, medical, and dental health care, and housing. The new standards also seek to provide sufficient continuing outpatient care to reasonably assure that the investment in primary inpatient care leads to lifelong success. Lower recidivism can be achieved by initiating a comprehensive drug abuse treatment system that includes a client-specific plan based on a thorough admission and assessment process, coupled with other services such as behavior therapy and counseling, long-term substance
abuse monitoring, self help and peer support groups, pharmaceutical therapy, effective aftercare and clinical case management as suggested by the National Institute on Drug Abuse. Additionally, clients are to be assisted with their educational goals, employment opportunities, and legal issues if needed.
4.0 Existing WYSTAR Programs and Facilities

History of WYSTAR
Incorporated in 1977, the Sheridan Halfway House was established by Alcoholics Anonymous members, a minister, and other persons who were concerned that clients treated by the Veterans' Administration for alcoholism were entering the community with little or no resources to facilitate their continued success. These founders provided the initial financial backing and transitional services commenced in the old Sheridan County Hospital at 1003 Saberton Street.

During the 1980's the program provided children's services to community group homes and on an outpatient basis. WYSTAR currently serves men and women 18 years of age and older with inpatient and outpatient aftercare programs.

Current residential treatment services began on Saberton Avenue about ten years ago. In 2001 the long-term facility was opened in Building 64 on the Veterans' Administration Medical Center campus. The services focus on methamphetamine abuse, which has risen at alarming rates in Wyoming.

What is WYSTAR?
Wyoming Substance Abuse Treatment and Recovery Center (WYSTAR) is operated as a nonprofit organization dedicated to the rehabilitation of chemically dependent adults and their families. WYSTAR's stated mission is to "help the chemically dependent live a new life" by meeting unmet treatment needs with superior services.

Today, WYSTAR is redesigning its programs to conform with new treatment standards promulgated by the State of Wyoming and elevating its collaboration with other service providers, with the objective of offering all residential and outpatients a continuum of services regardless which organization has direct contact with a client. WYSTAR is changing rapidly to adapt to dramatically new circumstances. For instance, in 2001 WYSTAR doubled their capacity from 20 beds at the Saberton site by adding an additional 24 beds at the VA for long-term care.
This year, men and women currently receiving short-term and long-term treatment programs together, will be segregated with 20 women residing at Saberton and the 24 men at the VA. Later this year, an additional 23 beds will be created by an additional floor in Building 64, expanding WYSTAR into a 70-bed facility offering separate treatment for women and men through a four-step program instead of short-term and long-term treatment.

During the next twelve months WYSTAR will upgrade services to conform to more of the new treatment standards. The upgraded treatment programs will require new facilities that are proposed on the Saberton campus.

Current facilities consist of the former Sheridan County Hospital at the Saberton site and Building 64 at the VA, a former long-term care facility for veterans. Both are old facilities that need renovation in order to adequately serve up-to-date treatment programs.

Paved streets, offering excellent public access, surround the 2.75-acre Saberton site and City water and sewer systems are adequate to serve existing and proposed facilities. The site is zoned B-1, allowing hospitals, multi-family dwellings, and institutions except asylums for the insane. The zone also allows a wide variety of businesses or a school. Current zoning appears appropriate for the current and proposed facilities.

Existing Programs

Admissions: Admissions procedures help determine whether the short-term or long-term program is most appropriate for each client. The admission criteria is established by procedures set forth by ASAM (American Society of Addictions Medicine) and considers six domains: 1) acute intoxication/withdrawal potential; 2) biomedical conditions and complications; 3) emotional, behavioral or cognitive conditions and complications; 4) readiness to change; 5) relapse, continued use or continued problem potential; and 6) recovery environment.

The Addiction Severity Index (ASI), a well known, interview-style assessment of substance abuse, is then administered by a trained interviewer. Combining both client-provided information and staff judgments, results are reported by “severity scores” addressing seven
potential problem areas in substance abusing patients: 1) medical status; 2) employment and
support; 3) drug use; 4) alcohol use; 5) legal status; 6) family/social status; 7) and psychiatric
status. Taking about one hour, a skilled interviewer can gather information on recent (past 30
days) and lifetime problems in all of the problem areas.

If the short-term program is selected, a residential 30-day treatment plan to take place at the
Saberton facility is developed to assist the client in confronting their addiction and their
symptoms.

If long-term treatment is found to be most appropriate, the client stays at the VA facility from 30
to 120 days.

Family Programs: WYSTAR attempts to involve family members in their loved ones' treatment.
The treatment staff believes that the family can assist clients in achieving higher success rates.
However, at this time, family participation is limited due to a lack of counseling room space.
Only one family day is scheduled every three months for the current long-term program.
Consequently, very little counseling can be provided to the extended family. Family
involvement is considered a critical part of recovery.

Counseling: Up to five groups of twelve individuals each may be counseled simultaneously at
the Saberton facility. Individuals are encouraged to consistently attend the same groups so
that members may know and rely on each other for support. Groups are not differentiated by
alcohol versus drug dependence.

Treatment Options: Clients may graduate from short-term to long-term depending on
treatment circumstances. The long-term program generally achieves a higher success rate,
compared with the 30-day treatment regime. Considering that substance abuse usually occurs
over an extended period of time, several months may be necessary to address the underlying
issues. Frequently clients are unable to resolve all of their treatment issues in 30 days and
short-term treatment serves as a stabilizing period so that an individual may prepare for longer
term inpatient care.
Vocation Training: Vocational training is provided in the way of “Industrial Therapy”, consisting of tasks and chores the clients are required to perform during their stay. These include being responsible for the changing of the sheets on their beds, and assisting in the preparation of and cleaning up after meals.

The 12-Step Program: The guiding tenet behind Alcoholics Anonymous, the 12-Step Program is an essential component of treatment. The 12 Suggested Steps of Alcoholics Anonymous include acknowledging that one is powerless over alcohol which caused their life to become unmanageable; sincerely believing in a Power greater than themselves to turn their will and lives over to Him to restore sanity, remove character defects and personal shortcomings; continually taking a moral inventory of themselves and listing persons they have harmed, admitting mistakes, and making amends to impacted individuals when possible. A continual and conscious life-long effort to improve their relationship with their higher Power, live their lives according to His will, and carry their perception of His message to other alcoholics becomes their mission.

Outpatient Services: Aftercare occurs once per week in a group setting in both the long and short-term programs. Referrals from other programs are welcome; aftercare attendees do not necessarily have to be graduates of the WYSTAR program, but must have successfully completed some treatment program.

Strengths – Weaknesses – Opportunities – Threats (SWOT) Analysis
Strengths
WYSTAR, an experienced, respected substance abuse organization, can position itself to become a leading care provider in the region and Wyoming. Its strengths arise from an experienced professional staff and plans to create a twenty-bed facility for women only.

The Saberton site, encompassing 2.75 acres and surrounded by paved streets with access to City infrastructure, provides space to create a campus environment with an ultimate capacity of about 140 living units, a multipurpose wellness facility, administration and dining space, and an outpatient facility.
Another strength is the arrangement with the Veterans' Administration that has created an opportunity to use about fifty beds at a reasonable cost. The absence of fixed costs associated with this facility and low operating costs - the lease includes utilities, parking, and convenient access - will allow WYSTAR to build a cash reserve available for future service programs.

The report authors believe that a significant strength is an experienced Executive Director and involved Board members that will invigorate capable and dedicated staff. WYSTAR happens to be located in a scenic community with a high quality work force.

WYSTAR's numerous individual strengths create a solid foundation for future success.

Weaknesses
The most significant weaknesses are the old building at the Saberton site and at the VA that was designed for hospital patients more than eighty years ago and remain essentially in its original condition. The hospital rooms were intended for medical patients who stayed for only a few days. Today's clients reside in these rooms for weeks and months. Additionally, neither structure has space to accommodate group therapy. Common restrooms lack showers for bathing and generally are inaccessible to the disabled. WYSTAR's primary weakness is the quality of their current facilities.

Opportunities
WYSTAR's remarkable opportunities arise from:

- The fundamental strength of their organization, coupled with a willingness and capability to adopt more stringent treatment standards.

- Renovating the Saberton building into a 20-bed facility with full handicapped accessibility on the first floor and renovated units on the second floor.

- A new campus that includes, a new multi-purpose wellness facility, administration and dining space, upgraded admissions and outpatient buildings.
Creating distinct treatment programs for women and men.

Equaling or exceeding minimum standards promulgated by the State of Wyoming through the new treatment protocols.

Many opportunities will enable WYSTAR to become a leading substance abuse treatment organization in Wyoming and surrounding states. By managing the creation of dramatically improved facilities, treatment care programs and services presents the opportunity to receive revenue through improved contracts with the State of Wyoming, grants from generous individuals and foundations, and higher income from clients who will want to be treated at the new campus.

Threats
WYSTAR is threatened with a loss of clients should the organization fail to upgrade its treatment services and comply with new standards. The State would likely withdraw funding after a reasonable period, which would probably destroy WYSTAR as a viable business enterprise.
5.0 Approach Analysis

Measures of Success

Although challenging because there is no single definition that fully describes it as each client responds differently to treatment, success must be measured in order for an effective service provider to evaluate its programs. Indicators of success within an organization are client satisfaction, staff morale, institutional efficiency, and financial stability. Perhaps a more important measure of success are the rates that clients return for further treatment and how many graduates become law abiding individuals contributing to society and adjusted to the normal pursuit of happiness. All these distinct measures of success are useful tools for an organization to continually improve its treatment programs, for funding agencies to defend the expenditure of public resources, and to develop a reputation for treatment that helps entice new individuals with unmet needs into treatment.

Four measures of internal success are presented for consideration.

1. **Client Satisfaction**
   
   Solicit the opinion of clients before and after treatment regarding its effectiveness and ideas for improvement. Implementation of new treatment standards offers the opportunity to compare client satisfaction regarding existing treatment services. Specific evaluation criteria are the *quality* of service, the speed and efficiency of service, and the comfort level clients feel while undergoing therapy. The comfort level involves issues of privacy and respect in the provisions of treatment services and their sense of well being in the environment offered by WYSTAR's physical facilities.

2. **Staff Morale**

   Staff members will know if the organization is effective and providing the keys to their professional success. Government criteria relates to management leadership, quality of the administrative staff, and the design and maintenance of the physical facility.
3. Institutional Efficiency
This measure of success relates to WYSTAR's ability to match services to unmet needs, comparative evaluations of the average time clients spend on a waiting list in proportion to those who successfully graduate from their treatment programs, and the availability of Intensive Outpatient services.

4. Financial Stability
Service contracts must be priced to produce sufficient net revenue to create a cash reserve to provide long-term financial stability. Additionally, further resources will be needed to finance the expansion of treatment services including the amortization of debt incurred to build new facilities and to hire and train additional staff members. The new facility should reflect state-of-the-art design and use long-lasting durable construction materials to reduce future maintenance costs.

External measures of success relate clients' response to treatment in terms of those who return for further treatment and the percentage who become employed contributors to society for the remainder of their lives. The authors recommend that WYSTAR institute a program of continual contact with former clients, to measure their success in life. As universities have successfully appealed to their alumni for time and financial contributions, WYSTAR's graduates in growing numbers could find themselves volunteering to assist the treatment of others and, as their financial resources become available, make donations to an endowment fund so that WYSTAR becomes increasingly independent from a single source of revenue. Perhaps individuals who believe their lives were literally saved by WYSTAR's treatment could exhibit even greater generosity than college graduates who spent four to five years merely learning and maturing. The growth of volunteerism and contributions to an endowment fund could be considered a measure of external success.

Given that WYSTAR offers treatment to people residing everywhere in Wyoming, its treatment has a positive impact on Wyoming's substance abuse statistics. As WYSTAR's services expand, particularly considering new treatment standards, a measure of success will be its positive impact on Wyoming's goal to reduce substance abuse by 50% in the next 5 years.
Considered Approaches

WYSTAR's immediate objectives are to implement the new treatment standards and expand its services to help satisfy unmet needs in conjunction with state funding. Board members appear to have coalesced around a basic vision after considering several alternatives.

Short Term Plan

The preferred alternative assumes that the short-term contract can be revised to diminish the risk of a sudden disruption in treatment at the VA. Serving men and women with distinct treatment programs at separate locations raises the quality of service with much less acquisition of debt and with lower operating costs.

The advanced alternative anticipates capital expenditures at the Saberton site to renovate the existing 20-bed facility, replacing the existing administrative structure into a new free-standing admissions and detoxification facility, constructing a new dining and women's building, daycare center, a multipurpose wellness facility, a new facility for outpatient services, and transitional housing. The WYSTAR Board intends to complete this campus development plan by the year 2006 for a total estimated construction cost of $7.5 Million.

Addicted mothers with young children are a serious unmet need and if men are not relocated to the Saberton campus, an additional twenty units of housing could be constructed for young mothers. The presence of children involves a preference, if not a necessity, of creating daycare services on-site. Offering treatment services to women with children would involve three years for program development and facility design and construction. The authors recommend that preliminary planning occur in 2003.

Long Term Plan

The long term possibility of housing men at a WYSTAR-developed facility on a campus separate from the Saberton facility presents several opportunities. A WYSTAR-developed men's treatment facility would create long-term program stability and predictability. The new facility could be state-of-the-art and serve much more effectively than even a renovated building on the VA campus. If sufficient net revenues can be produced during the next five
years and WYSTAR strengthens its reputation for quality treatment, then construction of a new campus for men may become an appropriate alternative to advance.

**Recommended Approach**

The WYSTAR vision during the next five years upgrades treatment to the new standards, expands the number of inpatient beds, and provides Intensive Outpatient treatment to former clients and others in accordance with CSAC obligations. Short-term 30-day program and a long-term 30- to 120-day treatment will quickly change to upgraded comprehensive and expanded treatment services. Major elements of WYSTAR’s vision to be developed during the next three years are:

1. **Treatment for Men and Women**
   Distinct treatment programs at separate locations for men and women clients. Recent research indicates that women respond better to treatment services specifically designed to meet their needs. Men and women respond better if they do not intermingle during treatment. Another preferred alternative, inpatient women will reside at the renovated 20-bed Saberton facility and will have an opportunity to live in one and two-bedroom apartments in the new transitional housing.

   Men will continue to reside in Building 64 on the VA campus through 2008 under the short-term plan.

2. **New Standards of Treatment**
   Changes in treatment procedures will be implemented by mid-2003 following “A Comprehensive Blueprint for Prevention, Early Intervention, and Treatment of Substance Abuse”. True implementation will require new ways of thinking among therapists, a culture of treatment excellence among all WYSTAR staff members, and specific new services.

   For instance, the admissions process will involve a team of specialists evaluating each client’s personal problems, previous social environment, and their hope and
personal commitment towards treatment success. Detoxification services would be offered in conjunction with the admissions process. Prospective clients would see an admissions representative who would collect basic personal information including their financial resources. The client would then see a counselor who would design the treatment program and make an initial determination of their medical, dental, and psychiatric needs.

The second major change will be more thorough case management with a qualified professional who would be responsible for the administration of the caseload for two counselors. The case manager would coordinate and provide administrative and technical support for 12 clients.

A new outpatient services facility constructed on the Saberton campus will help strengthen current outpatient services. Outpatients will likely include graduates of WYSTAR's residential treatment programs. Other individuals may result from WYSTAR's participation in coordinated community services under CSAC.

Documentation of client success will become more consistent and comprehensive as a result of adding necessary staff and computerized data management.

3. Service expansion.

The current short-term program and the long-term program at the VA would transform into a four-phase treatment regimen consisting of Phase I Inpatient Treatment for 20 women at Saberton and 50 men at the VA. Inpatient service, Phases II through IV for women, would occur in transitional housing on the Saberton campus. Women, depending upon their treatment evaluation, could have several choices after successfully completing Phase I, remain as inpatients at Saberton or continue with Intensive Outpatient services conducted in the new outpatient facility. Men would continue treatment after Phase I as inpatients at the VA or as outpatients receiving intensive follow-up services at the new space to be constructed on the Saberton campus.
Additional new services will be exercise, nutritional guidance, and life skills education in the multipurpose wellness facility that will serve both men and women on the Saberton campus.

4. New facilities.
Renovation of the 20-bed facility at the Saberton campus in 2003 would be followed by construction of the women's building, a multipurpose wellness building, the outpatient facility, and up to 40 living units of transitional housing for women.

Objectives of the Recommended Approach

- Create a treatment environment that embodies the concept of comprehensive treatment exceeding the minimum standards in the Comprehensive Blueprint, facilitated by new and renovated facilities whose architectural design enhances the treatment process.
- Provide WYSTAR a greater capacity for future expansion of services and facilities by becoming a leading service provider in Wyoming.
- Create a more effective organization through more efficient data storage and retrieval coupled with custom-designed work and counseling spaces that will be more powerful and convenient for clients.
<table>
<thead>
<tr>
<th>Task</th>
<th>Feasibility Study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase I</strong></td>
<td></td>
</tr>
<tr>
<td>1. Remodel Women's 20-Bed Facility</td>
<td></td>
</tr>
<tr>
<td>2. Architectural Campus Planning</td>
<td></td>
</tr>
<tr>
<td>Programming</td>
<td></td>
</tr>
<tr>
<td>Site Master Planning</td>
<td></td>
</tr>
<tr>
<td>Conceptual Building Designs</td>
<td></td>
</tr>
<tr>
<td>3. Women's Building (40 beds)</td>
<td></td>
</tr>
<tr>
<td>4. Daycare</td>
<td></td>
</tr>
<tr>
<td>5. Administration Remodel</td>
<td></td>
</tr>
<tr>
<td>6. Transition Housing - 20 units</td>
<td></td>
</tr>
<tr>
<td>7. Wellness Facility</td>
<td></td>
</tr>
<tr>
<td>8. Gazebo</td>
<td></td>
</tr>
<tr>
<td>9. Transition Housing - 4 units</td>
<td></td>
</tr>
<tr>
<td>10. Transition Housing - 4 units</td>
<td></td>
</tr>
<tr>
<td>11. Ancillary Facilities</td>
<td></td>
</tr>
</tbody>
</table>

**WYSTAR Campus Development Schedule**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tr>
<td>Architecture</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Legend:**
- Architecture: [Architecture Representations]
- Construction: [Construction Representations]
WYSTAR
Order of magnitude:
Preliminary Project Cost Estimate
March 29, 2003

1. Women's Building (3 floors)
   Kitchen / Dining
   1,800 s.f. x $90.00 per s.f. 522,360.00
   Architecture Fees: 10% 52,236.00
   Furniture: 5,804 x $25.00 per s.f. 145,100.00
   Water, Sewer, Power: 11,000.00
   Kitchen / Dining Subtotal: 730,696.00

   Outpatient / Group Rooms:
   3,200 s.f. x $75.00 per s.f. 240,000.00
   Architecture Fees: 12% 28,800.00
   Furniture: 3,200 s.f. x $15.00 48,000.00
   Water, Sewer, Power: 11,000.00
   Outpatient / Group Rooms Subtotal: 327,800.00

   Admissions / Counseling:
   5,000 s.f. x $80.00 per s.f. 400,000.00
   Architecture Fees: 10% 40,000.00
   Furniture: 5,000 s.f. x $15.00 per s.f. 75,000.00
   Water, Sewer, Power: 11,000.00
   Sidewalk: 400' x 4' x $5.00 per s.f. 8,000.00
   Admissions / Counseling Subtotal: 534,000.00

   Women's "Dorm"
   5,000 s.f. x $80.00 per s.f. 400,000.00
   Architecture Fees: 10% 40,000.00
   Furniture: 5,000 s.f. x $15.00 per s.f. 75,000.00
   Water, Sewer, Power: 11,000.00
   Sidewalk: 593' x 4' x $5.00 per s.f. 11,860.00
   Women's "Dorm" Subtotal: 537,860.00

2. Wellness Center:
   7,300 s.f. x $80.00 per s.f. 584,000.00
   Architecture Fees: 8% 46,720.00
   Furniture: 7,300 s.f. x $2.00 per s.f. 14,800.00
   Water, Sewer, Power: 11,000.00
   Sidewalk: 408' x 4' x $5.00 per s.f. 8,160.00
   Wellness Center Subtotal: 664,480.00

3. 4-Plex (2 buildings):
   3,824 s.f. x 2 buildings x $80.00 per s.f. 611,840.00
   Architecture Fees: 7% 42,829.00
   Furniture: 3,824 s.f. x 2 x $15.00 114,720.00
   Water, Sewer, Power: 22,000.00
   Sidewalk: 209' x 4' x 2 x $5.00 per s.f. 8,360.00
   4-Plex Subtotal: 799,749.00
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<thead>
<tr>
<th>Project</th>
<th>Details</th>
<th>Cost</th>
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<tbody>
<tr>
<td>4. Daycare</td>
<td>7,000 s.f. x $80.00 per s.f.</td>
<td>560,000.00</td>
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<tr>
<td></td>
<td>Architecture Fees: 10%</td>
<td>56,000.00</td>
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<tr>
<td></td>
<td>Furniture: 7,000 x $10.00 per s.f.</td>
<td>70,000.00</td>
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<tr>
<td></td>
<td>Water, Sewer, Power: 11,000.00</td>
<td>11,000.00</td>
</tr>
<tr>
<td></td>
<td>Sidewalk: 332' x 4' x 3 x $5.00 per s.f.</td>
<td>19,920.00</td>
</tr>
<tr>
<td>Daycare Subtotal:</td>
<td></td>
<td>718,920.00</td>
</tr>
<tr>
<td>5. Transitional Residence</td>
<td>11,164 s.f. x $80.00 per s.f.</td>
<td>893,120.00</td>
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<tr>
<td></td>
<td>Architecture Fees: 7%</td>
<td>62,518.00</td>
</tr>
<tr>
<td></td>
<td>Furniture: 11,164 s.f. x $15.00 per s.f.</td>
<td>167,460.00</td>
</tr>
<tr>
<td></td>
<td>Water, Sewer, Power: 11,000.00</td>
<td>11,000.00</td>
</tr>
<tr>
<td></td>
<td>Sidewalk: 332' x 4' x $5.00 per s.f.</td>
<td>6,640.00</td>
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<tr>
<td>Transitional Residence Subtotal:</td>
<td></td>
<td>1,140,738.00</td>
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<tr>
<td>6. 20-Bed (2,441 s.f.) / Administration Remodel</td>
<td></td>
<td>310,000.00</td>
</tr>
<tr>
<td>7. Parking</td>
<td>40 Parking Spaces x $600.00 x 2</td>
<td>48,000.00</td>
</tr>
<tr>
<td>8. Landscaping</td>
<td></td>
<td>50,000.00</td>
</tr>
<tr>
<td>9. Gazebo (300 s.f.)</td>
<td></td>
<td>18,000.00</td>
</tr>
<tr>
<td></td>
<td>Sidewalk: 600' x 4' x $5.00 per s.f.</td>
<td>12,000.00</td>
</tr>
<tr>
<td>10. Visual Barrier (400ft.)</td>
<td></td>
<td>25,000.00</td>
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<tr>
<td>11. Playground</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td>12. Ancillary Facilities</td>
<td>10%</td>
<td>592,024.30</td>
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<tr>
<td></td>
<td>Subtotal:</td>
<td>6,512,267.30</td>
</tr>
<tr>
<td></td>
<td>15% contingency:</td>
<td>978,840.10</td>
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<td></td>
<td>TOTAL:</td>
<td>7,491,107.40</td>
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6.0 Financial Analysis

The Board of Directors has commissioned this study to assist in their strategic planning for the immediate and long-range future of WYSTAR.

The intent of the first part of the study is to analyze the present operational business environment and the underlying financial conditions of WYSTAR within this environment. The study documents the monetary dynamics and the results of the current operation of WYSTAR. The second part projects the operation of the Center as it moves to:

- identify and implement strategies to bring the Center into compliance with new standards promulgated by the Wyoming Department of Health
- develop gender specific programs, and
- construct the Women's Campus at the Saberton site.

This analysis establishes a standardized methodology based on BED DAY UNITS. This “per bed day analysis” allows a uniform process in analyzing all aspects of the operation, past, present and projected.

The residential programs currently operated by WYSTAR each have a specified number of beds licensed or otherwise authorized by the State of Wyoming. The various payment sources pay fixed sums of money for treatment conducted within these residential programs regardless of the occupancy of these beds and/or the ancillary programs conducted in conjunction with programs.

By breaking the financial analysis down to a revenue and cost per bed day the study can compare the past, current and projected operations of the Center. The constant in the analysis is the current number of treatment beds authorized by the State of Wyoming for WYSTAR’s short-term and long-term treatment programs.

This method holds true for the future development of additional bed units and/or new programs. However, additional costs per bed day, which are not part of the current operation...
must be added to the per bed day cost. Additional factors include compliance with the new standards, O &M for the new campus, staff requirements to manage the new facilities and campus.

Additionally this study redefines the revenue and cost centers for WYSTAR operations. This provides a good way to apply a common size analysis for cost of labor, occupancy, administration, etc. The revenue centers reflect net revenues after allowance for funding required from the state to pay for the services that the state requires from WYSTAR to be in compliance with the state contract. The revenue and cost categories are:

- Net Revenues
- Payroll
- Direct Client Services
- Facility
- Administrative
- Other

The accompanying spreadsheets and summary pages all use this methodology.

Information used in the financial analysis was provided by WYSTAR. The information regarding clinical protocols, regulatory standards, substance abuse programs, and expansion plans were obtained from interviews with management and staff, review of published documents, and interviews with associated consultants who are or have been working with the State of Wyoming and WYSTAR.

A source of data addressing compliance with the new standards came from a document referred to as the Blueprint was prepared by a select committee in response to the passage of House Bill 83. The most recent revisions to the standards were adopted by the Department on November 25, 2002 and became effective on January 23, 2003.
CURRENT OPERATIONS

WYSTAR currently operates two programs, (1) long term treatment at the VA Hospital and (2) short term treatment located at the original facility on Saberton in Sheridan. The current long-term program has 24 bed units and the short-term program operated 23 bed units.

WYSTAR provided data for operating years fiscal 1997 through 6 months of fiscal 2002, ending December 31, 2002. Fiscal year 2000 was the first year in which WYSTAR began operations in its current scenario (state funding for long term services at the VA location).

Revenues

Prior to the current three-year contract with the state, funding for WYSTAR consisted of DFS food stamps, VA contracts, direct collection of client fees and probation ordered services. These combined net revenues averaged just over $500,000 for each of the three years reported (FY 1996-1999). Current revenues (FY 2000-2003) are a combination of state; federal and direct pay client fees are:

- State/Federal Programs 84%
- Client Fees 12%
- DFS and other 3%
- Probation and other 1%

Most revenue comes from state/federal programs for short and long term treatment beds.

Fiscal 2000 revenues for short and long-term beds increased to approximately $900,000 and then rose higher to $1.3 million in 2001. During the six-month period ending on December 31, revenue was just over $601,000. Suggesting that the annualized revenue for fiscal year 2002/2003 can be expected to be about $100,000 below the previous fiscal year.
Expenses

Payrolls

Payroll expenses are extremely important constituting the largest business expense. Payroll costs increased from $398,000 per year in FY 1997 to $421,000 in FY 1999. Though the cost increase was rather modest, annual revenue increased 65% from 1996 to 1997 and had increased 80% by 1999.

After revenue expanded in fiscal 1999/2000, payrolls again increased substantially to support a larger staff and more services. During FY 2000 payrolls were $822,000 or almost 92% of net revenues. By 2001/2002, payroll had increased to $962,000, but decreased as a percent (73%) of revenues. For FY 2002/2003 through December 31, 2002, payroll expenses are $61.58 per bed day, nearly 88% of revenues.

Operating Expenses

The following analysis looks at the operating statement, provided by WYSTAR, with one exception: Depreciation expenses are not shown in the net operating figures, instead they are shown in the bottom line profit number. This gives a clearer picture of the ability of the business operation to meet its cash needs and operate within the revenues provided by the funding sources.

Profit and loss statements provided by WYSTAR show an average of $561,000 expenses, including annual payrolls, for FY 1997-1999.

During the first year (fiscal 2000) of the expanded programs, total expenses were $1,154,000, about 123% of income resulting in a significant operating loss for the year.
In 2001/2002 fiscal year total expenses, including payrolls, rose to just under $1.3 million, improving to 98% of revenues. Operating expenses for FY 2002 were $75.76 per bed day producing $1.20 net income per bed day for each of the 47 beds.

Depreciation for the 2001/2002 operating year was reported at $53,900 or $3.14 per bed day.

For the first six months of fiscal 2002/2003 the operating expenses have totaled $703,000 on net revenues of $661,000. Expenses are projected to be 106% of revenues for the fiscal year 2002/2003, producing a cash loss of nearly $5.00 per bed day.

Depreciation for the 2002/2003 operating year was not reported at the time of this study but is estimated to be the same as the previous year, $3.14 per bed day.

Increased payments for services, reduced expenses and budget controls are corrective steps being taken. A comparison between 2001/2002 and 2002/2003 will help the reader to see the current and projected financial information provided by WYSTAR.

The bed day analysis compares the full year operation of fiscal 2001/2002 with the projected fiscal year 2002/2003.

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<tr>
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<tbody>
<tr>
<td></td>
<td>Fiscal</td>
<td>Projected</td>
</tr>
<tr>
<td>Revenue</td>
<td>76.96/BD</td>
<td>77.51/BD</td>
</tr>
<tr>
<td>Payroll</td>
<td>56.29</td>
<td>61.58</td>
</tr>
<tr>
<td>Direct Client</td>
<td>8.19</td>
<td>7.86</td>
</tr>
<tr>
<td>Facility</td>
<td>6.09</td>
<td>5.57</td>
</tr>
<tr>
<td>Administration</td>
<td>5.20</td>
<td>6.91</td>
</tr>
<tr>
<td>Net Income</td>
<td>1.20</td>
<td>(4.10)</td>
</tr>
<tr>
<td>Other Income</td>
<td>1.49</td>
<td>(0.50)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(3.14)</td>
<td>(3.14)</td>
</tr>
<tr>
<td>Profit (Loss)</td>
<td>(0.45)</td>
<td>(7.74)</td>
</tr>
</tbody>
</table>

The table shows a slight increase in revenue for services between 2001/2002 and 2002/2003. At the same time, payroll and administrative expenses are higher than last year. Despite reductions in two operating expenses, negative income rose to about $8.00 per bed day for the last half of 2002. Operating expenses must increase by approximately $133,000.
Costs as a percent of revenue are:

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Revenue</td>
<td>100.0 %</td>
<td>100.0 %</td>
</tr>
<tr>
<td>Payroll</td>
<td>73.1 %</td>
<td>79.9 %</td>
</tr>
<tr>
<td>Direct Client</td>
<td>10.6 %</td>
<td>10.2 %</td>
</tr>
<tr>
<td>Facility</td>
<td>7.9 %</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Administration</td>
<td>6.8 %</td>
<td>9.0 %</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>1.6 %</td>
<td>(6.3 %)</td>
</tr>
</tbody>
</table>

COMPLIANCE WITH THE NEW STANDARDS

Recent legislation created new funding sources for Wyoming's substance abuse treatment programs. This legislation also tied the availability of these new funds to specific compliance requirements under rules drafted by the Wyoming Department of Health in response to House Bill 83. The study identifies the most significant of these new standards and considers how compliance by WYSTAR may be expected to impact operating costs.

- ASAM/ASI Protocols
- Medical/Dental/Psychological Services
- Case Management Component
- Continuum of Services
- Gender Specific Programs
- Intensive Outpatient Programs
- Client Centered Programs
- Transitional and Aftercare Programs
- Outcome Orientation and Accountability
Chapter 16 of the Wyoming Department of Health Substance Abuse Standards became effective January 23, 2003. Operation of the WYSTAR treatment programs is subject to compliance with these rules and standards because of federal and state funding.

Specific Compliance Issues

Admissions

The new standards make it clear that the Department of Health is seeking to establish uniform procedures for (1) screening of applicants, (2) for admissions and (3) for outcome analysis. Uniformity is essential for the successful establishment of the Comprehensive Substance Abuse Centers (C-SACs) around the state and Sheridan. The Centers, performing with a single set of screening, admissions and outcome instruments could begin to create the seamless continuum sought by the November 2001 Blueprint.

The following sections and sub-sections are taken from the Rules written in the Standards that are in response to the stated goals of the Blueprint.

Section 12 Residential Treatment Services of the Standards says:

(f) Admission. In most instances, admission to a residential treatment service is considered an appropriate placement only if indicated by the ASAM criteria for this level of service.

The Standards define ASAM as the most current edition/set of placement criteria published by the American Society of Addiction Medicine. Other instruments and protocols specified for screening and assessment in the Standards are Clinical Institute Withdrawal Assessment (CIWA-R), a Diagnostic and Statistical Manual (DSM) diagnosis and a documented Addiction Severity Index (ASI) assessment.

Interviews with staff and directors indicates that the clinical program at WYSTAR is either currently in compliance with these requirements or participating in training and certification that will bring the program into compliance.
A seamless continuum of services for the addicted populations in Wyoming is a primary goal of the Blueprint. The current programs that are developing to meet the requirements of this new legislation have a serious and fundamental flaw, which is the failure to fund appropriate medical care for the majority of persons in treatment.

Emerging and pre-existing medical conditions are frequent and common in addicted populations. Long periods without attention to personal medical conditions result in complications and multiple conditions requiring medical attention. At WYSTAR these conditions may be more apparent since the treatment programs involve extended stays during which the need for routine and emergency medical care can and does become significant. Outpatient programs, on the other hand, may not be so closely involved with the client, and the underlying health care needs may be missed. The development of a comprehensive case management network will undoubtedly expose more need and the funding shortfall may become more apparent.

Specifically the rules promulgated by the Substance Abuse Standards require the following medical health care performance by a residential services provider.

Section 12. Residential Treatment Service

(a) Service description ....... the goal of residential treatment is to provide a protective environment that includes medical stabilization .........

(b) Required personnel. A residential treatment program shall have the following personnel:

(ii) A physician and/or nursing staff available to provide consultation as either an employee of the program or through a written agreement;

(iii) A mental health professional available either as an employee of the service or through written agreement to provide joint and concurrent services for the treatment of .........
patients/clients diagnosed with co-occurring disorders, unless the clinical staff person is cross-trained in mental health;

A staff person with the responsibility of assuring case management services is provided;

Section 12.(c) Service Operations

(i) A physician, registered nurse, or physician assistant shall conduct a medical screening of a patient/client no later than ten (10) calendar days after a person's admission to a service to identify health problems and screen for communicable diseases unless there is documentation that screening was completed within ninety (90) days prior to admission.

(ii) A program shall endeavor to arrange for services for a patient/client with medical needs unless otherwise arranged by the patient/client.

(v)(b) A program shall ensure that services required by a patient/client that are not provided by the program are provided by referral to an appropriate agency.

These rules are clear and direct. Providing access to health services (physical and mental) for the client is the responsibility of the provider.

Accessing the community health care provider networks without resources to pay for the services is a very real problem, both for the client and for the provider.

Interviews with staff in preparation for this phase of the report provided a detailed analysis of the prescription medications problem. The intake and admissions process involves the completion of a Wyoming Minimum Medical Program (MMP) application.

The information provided by staff indicates that up to three prescriptions per month are covered with both name brand and generic medications included. This is reported to be
helpful but that, in reality, there is a large portion of the medications costs that are not covered by the MMP.

The Medical Advocate at WYSTAR provided the following example of an existing client scenario.

<table>
<thead>
<tr>
<th>MEDICATION</th>
<th>PHARMACY</th>
<th>MINUS MMP</th>
<th>COST TO CLIENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insulin</td>
<td>28.50</td>
<td>0.00</td>
<td>28.50</td>
</tr>
<tr>
<td>Glucophage</td>
<td>25.60</td>
<td>0.00</td>
<td>25.60</td>
</tr>
<tr>
<td>Previcid</td>
<td>124.10</td>
<td>99.50</td>
<td>24.60</td>
</tr>
<tr>
<td>Actos</td>
<td>154.50</td>
<td>129.50</td>
<td>25.00</td>
</tr>
<tr>
<td>Hyzaar</td>
<td>41.80</td>
<td>0.00</td>
<td>41.80</td>
</tr>
<tr>
<td>Amaryl</td>
<td>28.00</td>
<td>0.00</td>
<td>28.00</td>
</tr>
<tr>
<td>Baby Aspirin</td>
<td>2.00</td>
<td>0.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Lipitor</td>
<td>70.59</td>
<td>45.59</td>
<td>25.00</td>
</tr>
<tr>
<td>Test Strips</td>
<td>50.00</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$ 525.09</strong></td>
<td><strong>$ (274.59)</strong></td>
<td><strong>$ 250.50</strong></td>
</tr>
</tbody>
</table>

Clearly the cost for medications is significant for this client currently admitted into the long-term program at the V.A. facility.

The Medical Advocate provided calculations for the client scenario shown in the table above after applying the pharmaceutical free medications assistance. The total cost to the client is $132.00 after $120.00 worth of donated medications.

Physician costs to “set-up” the prescription $ 100.00
Balance due for prescription after assistance $ 132.00
Estimated cost to cover before meds arrive $ 50.00
Assume 12 physician set-up visits $ 1,200
Assume 12 cover prescriptions $ 600
Prescriptions for these 12 x 6 refills $ 9,500
Total cost to client (WYSTAR) annually $ 11,300

$0.66 per bed day

It is important to note that even though the responsibility for payment for these prescriptions lies with the client, the reality is that a high percentage of clients simply cannot, or will not pay for any of their health care costs. WYSTAR is therefore left with the responsibility for payment.

**Skilled Nursing**

Among the requirements specified in the rules, the provision for professional medical staffing and/or contracting is addressed in the Standards. A licensed nurse is a key part of the medical component.

Section 12 (B) (ii) says:

A physician and/or nursing staff is available to provide consultation as either an employee of the program or through a written agreement ....

Incorporation of an on-staff licensed nurse has been identified as a high priority requirement for the existing program. Such an addition to staff or, the alternative, a contracted professional would help to ensure a correct and ongoing health assessment of each admitted client.

Costs for this staff addition or contract are related to availability and qualifications required. There is a recognized shortage of skilled nurses in the community. Hiring a staff person would require at a minimum of $35,000 for one FTE. Additional benefits, overhead and expenses could increase this annual cost to nearly $40,000. Contracting for this position would be expected to add a minimum of 15% to the annual cost. It is not clear whether this position would be a full time or part time position. Obviously the full time vs. part time decision will help to determine whether to hire as a staff person or to seek a contract with another provider. In either case, the cost for such services must be included in the per bed day budget for WYSTAR.
Access to a full time skilled nurse will cost between $40,000 in house and $46,000 on contract per year - - - at $46k the cost is calculated to be

$2.68/bed day

**Physician Services**

The need for a physician’s services is undeniable. The physician is the pre-admission gatekeeper. Every admitted person must have a physical prior to admission. A physician or a qualified assistant must administer this service. And the experience in the programs at WYSTAR clearly shows the need for ongoing physician involvement with many of the clients. WYSTAR staff has stated that the association of a physician with the program may help some clients to access their private insurance resources, which would help collect monies currently being “written off” by WYSTAR.

Medical treatment for newly diagnosed or pre-existing medical conditions is an essential part of the substance abuse treatment program. A recovering client can easily be jeopardized if the need arises for immediate medical care and it cannot be provided due to lack of available funding for medical treatment and related prescription drugs.

A medical condition may override the addiction if it becomes serious or so disruptive that continued program treatment cannot be conducted. The client is likely to drop out or become otherwise unresponsive to treatment and be lost. This is very serious, both in terms of the human loss and the actual expenses incurred in an unsuccessful, interrupted treatment process. Wasted lives and wasted moneys are not in keeping with the goals of the state’s plan.

This then leaves the probability that the physician services would need to be paid for by (1) the client or (2) WYSTAR.

Since a majority of clients are unable to pay for any service privately as illustrated by the high incidence of uncollected fees, it falls upon some other source for payment. Consider the immediate family. If the client’s family has been involved they have exhausted their funds or they have distanced themselves from the client and have left them to fend for themselves.
This payment source is probably not reliable. This then leaves the physician to absorb the risk for getting paid, and, current response to requests for services clearly shows that the private practice physician can not/will not provide services for free.

WYSTAR's funding sources are state/federal substance abuse programs. It is necessary to make some estimate of the magnitude of the problem, predict the percentage of the populations in treatment that will need medical services and finally project the likely cost for such services. This is a complex issue indeed and this study can only begin the work necessary to fully explore the problem. Note that it is well beyond the scope of this study to make any analysis of the need for hospital or catastrophic coverage for medical conditions beyond the traditional office based services of a physician.

Anecdotal information gained from interviews with WYSTAR staff indicates that visits to medical doctors are the biggest health care need for the current residential population. For the most recent seven-month period 95 visits were made to local physicians. This relates to 14 visits per month or 168 visits per full year.

14 Visits per month to Physician  
168 visits per year
Assume $100.00 charge per visit  
$16,800 cost per year

$0.98 per bed day

Dental Services
This is another fundamental health care requirement faced by the clients at WYSTAR. In the long-term setting many of the clients are methamphetamine addicted and have an extraordinary need for dental care. Other clients may have a history of dental neglect and therefore are subject to unmet need for care. These services, like the physician and pharmaceutical needs are very real but very hard to pay for. The clients with the most need are the ones least likely able to pay. The funding sources from the state/federal programs have not taken these problems into consideration even though the Standards are clear ...... the goal of residential treatment is to provide a protective environment that includes medical stabilization ......... Dental health is a significant part of medical stabilization.
As with the physician services, there is precedent for contracted services provided by local dentists. A contract that guarantees payment will provide access to dental services at some negotiated price favorable to the WYSTAR program. Unlike the medical doctors however, there may not be an abundance of dentists in the Sheridan area and so these contracts may be more difficult. Phone calls to local offices substantiates this assumption, but many of the dental offices indicated that new dentists are moving in and they are more likely to respond to these contracts as a way to build their new practices.

Data from WYSTAR staff indicates that the need for dental services is strongest in the long-term setting. This is expected since the clients admitted to longer term programs are predominately methamphetamine users with more severe dental problems and short-term clients usually can wait unless there is an emergency situation. For the same seven-month study period as was used in the physician discussion above, ten clients were taken to see dentists. This is just under 1.5 dental visits per month or 18 per year.

Assume each Dental visit costs $ 125.00
18 visits per year would cost $ 2,250 annually

$ 0.13 per bed day

Psychiatrist Services

Interviews with staff and directors of the programs at WYSTAR indicate that a minimum of 70% of the admitted populations exhibit co-occurring conditions. This would translate into 30 to 35 clients with need for treatments for both mental and substance abuse symptoms.

The Standards says that a co-occurring disorder means an individual has at least one psychiatric disorder as well as an alcohol or drug use disorder. This condition calls for a mental health assessment to be conducted by a qualified mental health professional available either as an employee of the service or through written agreement to provide joint and concurrent services for the treatment of program clients, unless the clinical staff person is cross-trained in mental health.
A portion of the intent of the C-SAC program can be realized by arranging for these needed mental health services through the C-SAC partnership with Northern Wyoming Mental Health Center. This relationship currently exists and is satisfactory. The question remains as to the funding methodology. Obviously NWMHC must be paid for services rendered. This report assumes that the payment will be made directly to NWMHC by the client or by the state/federal funding available to the NWMHC.

Case Management
This is the pivotal person for the continuum (seamless) care plan for the client, responsible for the management of the placement of the client into the appropriate part of the C-SAC.

Section 6 General Requirements for Treatment Programs the Standards state ....

Section 6(p) “Case management/service coordination ... programs shall have a written plan for providing dedicated case management services to patients/clients and their families in conjunction with or as a part of the patient/client’s substance abuse treatment....”

Referring to the definitions provided in the Standards:

“Case Management means the activities guided by a patient/client’s treatment plan, which brings services, agencies, resources, and people together within a planned framework of action toward the achievement of established treatment goals.”

When one reads the recommendations contained in the Blueprint case management is given an even more inclusive definition:

“Case Management is a method of providing services whereby the professional assess the needs of the client and the client’s family and arranges, coordinates, monitors, evaluates, and advocates for a package of multiple services to meet the specific client’s complex needs.”
Clearly the case manager position will be involved with his/her assigned clients from pre-admission through after care programs provided in the community or as an interface with the case manager who receives the client as a transfer in another community outside of the Sheridan C-SAC coverage.

Interviews with WYSTAR staff indicate that one case manager can provide services to the caseload of two counselors (12 clients) at any one time. Human Resources staff estimates that a case manager position would be paid $26,000 to start. Fully burdened each position will add at least $33,000 to payroll.

Based on 47 bed units in the programs, the current staff of eight counselors would require four case managers at $33,000 each, fully burdened for an annual program payroll cost of $132,000.

$7.70 per bed day

The Continuum of Service

The term "continuum" is used in the health care field to suggest a seamless provision of services to persons at risk or identified with a need for such services. The term is used in this study to likewise refer to a seamless system of services for the substance abuser and/or addicted person. When one reads the Blueprint the concept is called a Unified Treatment System. This is in fact the basis for the creation of the C-SAC program that relies on the existence of coordinated and appropriate services within a geographical area.

The Blueprint identifies the responsibility of the C-SAC as the provision of the "full continuum of services from detoxification and long term residential care to intensive outpatient, transitional outpatient, case management and continuing care."

Under Section 5 Contract Requirements for Substance Abuse Services the new Standards state:
"It is the objective of the Department to provide access to a continuum of prevention, intervention, and treatment services....."

Obviously the intent is to provide the full range of services through the C-SAC in Sheridan County. The task faced by the coordinators of the C-SAC and ultimately by the state is to coordinate all of these services into a unified system. WYSTAR has a significant part to play in this unified system. The cost for participation for WYSTAR can be measured by the administrative and board efforts to develop and implement strategic planning that makes WYSTAR's services available to the continuum and, at the same time, creatively identify what services WYSTAR can obtain, and pay for, from other associated providers within the C-SAC.

**Gender Specific Programs**

A high priority for service is given to women in the *Blueprint*. They have very specific needs in treatment including arranging for child care, services to address parenting stress, economic and educational issues, domestic violence issues, reproductive health care issues and a host of other activities of daily living needs.

WYSTAR has committed to a gender specific program for women. Plans call for the remodeling and new construction of the Saberton campus to house the various programs.

Specifically the women will reside first in a remodeled facility (20 beds) and then in a new building (40 beds) allowing appropriate program services dealing with the special issues of women who are also substance abusers. The emphasis is on family, childcare, vocational and parenting skills as well as with the challenges of addiction.

Co-occurring conditions of sexual abuse and domestic/family violence are expected and must be treated using the resources available within WYSTAR and from the C-SAC partners. All of the additional services discussed, i.e. medical, dental, psychiatric, case management, etc. are expected to be inclusive in this program.
Client Based Programs

Length of time in a program has been identified as a reliable predictor of the outcome of a recovering person leaving that program. Quoting from the Blueprint, "beyond a 90 day threshold, treatment outcomes improve in direct relationship to the length of time spent in treatment, with one year generally found to be the minimum effective duration of treatment."

WYSTAR is in the process of integrating its long-term and short-term programs into one program directed at the client's needs as opposed to the program processes. Some clients will be ready to transition into lower levels of care sooner, some will require more time. By integrating the programs WYSTAR will be meeting one of the basic principles of the Blueprint... making the program client-centered – not program based.

Transitional and Aftercare Programs

One variation on the transitional process is to provide transitional residential services as a treatment modality. Development of transitional resident buildings will be added to the Saberton site.

Section 13 of the new Standards provides a description of this service.
Section 13.(a) ....a transitional residential treatment service is a clinically managed, low intensity, peer-supported therapeutic environment.

Eventually all clients will be ready to leave the intensity of the residential model. They will be ready to transition into a lower level of acuity, to move back towards a more normal lifestyle. To help them do this, under the new rules, WYSTAR must make transitional and outpatient programs available within their program mix or by collaboration with C-SAC partners who do or will provide these programs. The Standards address discharge planning and follow-up as specific responsibilities of the treatment providers. Quoting from the Standards:
Section 3 – Definitions ....

(w) discharge planning means planning and coordination of treatment and social services associated with the patient/client's discharge from treatment ......
The aftercare program is clearly a part of the task responsibility of the Case Manager.

**Outpatient Treatment Services**

Section 9(a) An outpatient treatment service may be delivered in a wide variety of settings. Treatment staff provides treatment and continuing care services in regular weekly scheduled sessions at a frequency less than that required under the rules for intensive outpatient services.

This seems the most appropriate referral channel for discharged clients of WYSTAR. The outpatient program is structured with clinical staffing and performance expectations of both the client and the provider. Admissions to these programs are governed by the ASAM criteria. A very important stipulation in the rules is the requirement for an established Intensive Outpatient (IOP) program in the C-SAC before the outpatient program can be granted contracts for services.

**Outcome and Accountability**

The Standards set forth the rules for accountability. By first setting the measurement standard referred to as the best practices. They are defined under Section 3 (g)

"... the intentional methods, procedures, or systems that produce consistent, cost-effective prevention or treatment outcomes, which have been validated in replicated randomized control groups or high quality time series studies, published or reported in reputable scholarly sources..."

Any program certified under the new Standards must at a minimum work to apply methods meeting these criteria. As a matter of meeting the general requirements of the Standards the program shall provide a plan for "measuring and reporting outcomes....".

Transitional and aftercare programs are clearly very important in the long-term outcomes for the clients. The role of the case manager and the resulting C-SAC relationships are key. A possible new transitional residential program has been discussed and the capital costs are presented in the capital construction part of this study.
Under the General Requirements sub-section 6(dd) provides the specifics for program evaluation. Essentially this sub-section lays out an overview of the annual self-evaluation of WYSTAR's performance against its goals, objectives and their relationship to the Standards. The end product of this analysis is the evaluation of outcomes and performance of the program.

The accountability issue is certainly not a new requirement of the certified providers of substance abuse treatment programs. What may be new is the insistence by the drafters of House Bill 83 and the associated Blueprint that accountability become a driving benchmark for measuring success or failure of the initiative.

The Blueprint calls for increased information and data gathering from all programs. The measurement of outcomes demands increased reporting, sampling and documentation. This requires information systems, skilled personnel and management time. Estimating the increased costs is premature since the process is evolving along with the C-SAC program.

Covering the costs of staffing, system development, hardware, software and necessary training should be considered in WYSTAR capital budgets over the next few years. Networked information systems for the new campus should be a priority item for any new design and development project.

An additional $1.50 per bed day is suggested for documentation and accountability, but not included in the cost analysis because their costs are speculative.

$1.50 per bed day

Payment Resources, Credits and Collections

Section 6 General Requirements for Treatment Programs
Each program shall establish written policies that assure inclusion of all persons regardless of medical status provided, however, each program may impose reasonable programmatic restrictions that are intended to support therapeutic goals of the program, meet restrictions of government grants or funding, or required by limitations of the program to provide services specific to a person.

Financial Management

Programs receiving public funds for substance abuse treatment services shall have policies and procedures for sliding fee arrangements with patients/clients who are served through the use of those funds. Public funded programs may not refuse to offer or provide services due to inability to pay. Fees shall be determined based on program costs that considers family income and size.

In the event of patient/client non-payment, the program shall, at a minimum, prior to patient/client discharge be allowed to:

(A) Make reasonable efforts to secure payments from a third party payment source.

(B) Offer a reasonable payment plan, which takes into account the patient/client income, resources and dependents.

What are some of the conclusions that can be drawn from this information?

First, the rules taken from the Standards are clear. The treatment provider has a responsibility to the client for access to medical care. However, as with all rules, there may be language included that provides for an “out” on the medical issues. Section 6 Part (F) one can read that there may be “programmatic restrictions” that preclude admission. If, for example, a person seeking admission was determined to have medical conditions that were beyond the ability of the program to service due to severity or ability to pay using all of the resources garnered by the provider, then could admission be denied? Or how about the clause, restrictions of government grants or funding? If there is no way for the client to pay,
no way for the program to pay and no way for the government to pay, what then? The conclusion of this study is that admission could be denied!

Second ... the client is expected to pay for these services, or some portion of these services if at all possible. The sliding fee scale comes into play. And the credit worthiness of the client is now a consideration.

Third... it is the responsibility of the provider to systematically determine the financial ability of the client (family) to pay and/or to arrange for payment(s) when the client is admitted. Given the difficulty of conducting proper credit arrangements during admission the rules stipulate that the arrangements be made prior to client discharge.

Fourth ... the provision for payment on account arrangements in the rules means that the provider is expected to treat these commitments for payments by the client as an extension of credit by the provider and, like all extensions of credit, dedicated and sustained collection efforts must be made. WYSTAR has implemented a policy of credit and collections that is designed to reduce uncollected funds to a level of a maximum of 38% of total client direct fees. This study assumes the most conservative level of 38% in its projections.

Finally... if, after proper and business like procedures are exercised by WYSTAR it appears from the rules that WYSTAR is responsible for these uncollected fees and may then include them in their cost per bed day operations budget. These costs are therefore justifiable and should be included in the budget request submitted by WYSTAR to state.

FACILITY DEVELOPMENT

Plans are being developed to design and construct a complete gender specific treatment program for women located on the Saberton property. The plans will involve new construction and remodeling of existing buildings on the site.
Buildings

Women's residential building 2,123,941
  Women's dorm rooms
  Dining and new commercial kitchen
  Admissions and counseling
  Outpatient and group rooms
Wellness and activities building 664,500
Two 4-plex residential buildings 799,800
Daycare center building 716,900
Transitional residence building 1,140,700
Administration building (remodel) 310,000
Building Total 5,762,200

In addition the project will include site improvements and contingency funds 1,726,900

Project Total $ 7,489,100

Allocation of Costs

The estimates given above cover construction, furniture, fixtures, equipment, utility connections, and architectural fees for each building. The costs for site work, expansion and contingency must be added to each building in order to complete the cost estimates. This has been done on the basis of the percentage that each building’s cost is of the total.

Time Frame

Time is of the essence for this project and the plan has an aggressive three-year completion schedule allowing for an immediate start with site and remodel work as soon as funding is secured. Necessary engineering and architectural work is planned beginning mid year 2003 with remodeling of the existing short-term building on the Saberton site. New construction will likewise follow an aggressive schedule dictated by design, contracting and available interim financing arrangements. The finance projections must therefore be equally aggressive and make the assumption that both interim and permanent funding will be forthcoming in support of this schedule.
Bed Units

When completed, the Women's Campus will provide a total of 68 bed units. The men's program includes fifty (50) residential treatment beds, which are located at the VA Hospital with some future development of a new men's campus being considered.

These new and renovated facilities will be developed over a three year period and provide 43,070 bed days per year when completed. These are the revenue producers that will pay for operations and debt service.

Financing Assumptions

The funding resource for these new capital programs can be any one or a combination of available financial sources. Grants, private donations, low interest loans, and/or conventional bank financing may provide funding. Any contribution of cash will reduce the amount borrowed and the cost of the capital financing for the program. However, for the purpose of this study the financial model assumes the most expensive method, conventional bank financing to establish the fixed cost analysis. This type of financing will require well-crafted contracts for payment from the state/federal programs in sufficient amounts of money to allow clear and accountable retirement of debts.

Interim Financing

A project of this type will require interim (bridge) funding during design and construction phases. Some assumptions must be made as to the need for and cost of these funds in project financing costs for this study. Using the projected total cost for the project of $7.5 million and a three year schedule for the project this study assumes that one third of the money ($2.5 million) will be financed each year. At the end of the three years permanent financing can be arranged and the interim loans will be transferred.

Debt Service

Assuming 100% debt financing at a fixed rate of 7% interest for a term of 15 years the debt services (principle and interest) will be $8.99 per $1,000 borrowed per month. The total debt load for the completed project under these conditions would be just under $68,000 per month.
These additional costs will need to be covered by increased net revenues from program funding resources previously identified.

New or remodeled buildings that will create debt service demands as follows. Permanent debt service, on an annual basis for each project:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women's residential building</td>
<td>298,640</td>
</tr>
<tr>
<td>Women's dorm rooms</td>
<td></td>
</tr>
<tr>
<td>Dining and new commercial kitchen</td>
<td></td>
</tr>
<tr>
<td>Admissions and counseling</td>
<td></td>
</tr>
<tr>
<td>Outpatient and group rooms</td>
<td></td>
</tr>
<tr>
<td>Wellness and activities building</td>
<td>93,150</td>
</tr>
<tr>
<td>Two 4-plex residential buildings</td>
<td>112,110</td>
</tr>
<tr>
<td>Daycare center building</td>
<td>100,500</td>
</tr>
<tr>
<td>Transitional residence building</td>
<td>159,910</td>
</tr>
<tr>
<td>Administration building (remodel)</td>
<td>43,460</td>
</tr>
<tr>
<td>Annual Debt Service</td>
<td>$ 807,770</td>
</tr>
</tbody>
</table>

Using the three-year schedule and assuming that one third of the total campus will be completed each year; the annual interim debt service can be projected as follows:

<table>
<thead>
<tr>
<th></th>
<th>1/3 of Campus</th>
<th>1/3 of Campus</th>
<th>1/3 of Campus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>$269,300</td>
<td></td>
<td></td>
<td>$269,300</td>
</tr>
<tr>
<td>Year Two</td>
<td>$269,300</td>
<td>$269,300</td>
<td></td>
<td>$538,600</td>
</tr>
<tr>
<td>Year Three</td>
<td>$269,300</td>
<td>$269,300</td>
<td>$269,300</td>
<td>$807,800</td>
</tr>
</tbody>
</table>

Bed development will follow the remodeling and new construction schedules to some degree. This study assumes that 50 men's beds and 20 women's beds will be available during the first year. Subtracting this total from the 118 total beds for the completed project leaves 48 additional bed units or 24 each constructed each of the remaining two years.
Based on the above schedules, numbers of bed units and debt service the per bed day cost of financing is projected as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Service</th>
<th>Beds in Service</th>
<th>Cost per Bed Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>$ 269,300</td>
<td>70 bed units</td>
<td>$ 10.54/bed day</td>
</tr>
<tr>
<td>Year Two</td>
<td>$ 538,600</td>
<td>94 bed units</td>
<td>$ 15.70/bed day</td>
</tr>
<tr>
<td>Year Three</td>
<td>$ 807,800</td>
<td>118 bed units</td>
<td>$ 18.76/bed day</td>
</tr>
</tbody>
</table>

The total debt service must be added to the cost to provide services. These costs are added to the overall operating expenses for treatment programs. As with all other expenses the study reduces them to a cost per bed day for purposes of determining total budget costs. The formula is annual debt service divided by 365 days divided by total beds. The result for the completed project is $18.76 per bed day.

**Budget Request – Three-Year Period**

The funding resources require a formal budget process from WYSTAR in order to approve funding for the next three year operating cycle. The financial analysis conducted in the study is intended to help management develop and present their request.

The study recommends the following funding on a Per Bed Day basis. Funding to replace current shortfall in operations, cover compliance expenses and provide monies to pay for debt service on new and remodeled facilities.

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Net Revenue</td>
<td>$ 77.51</td>
<td>79.84</td>
<td>82.23</td>
</tr>
<tr>
<td>Add for Uncollectibles</td>
<td>$ 5.65</td>
<td>5.82</td>
<td>5.99</td>
</tr>
<tr>
<td>Add for Current Loss</td>
<td>$ 7.74</td>
<td>7.97</td>
<td>8.21</td>
</tr>
<tr>
<td>Add for Compliance</td>
<td>$ 12.15</td>
<td>12.55</td>
<td>12.93</td>
</tr>
<tr>
<td>Add for Debt Service</td>
<td>$ 10.54</td>
<td>15.70</td>
<td>18.76</td>
</tr>
<tr>
<td>Total Funding Request</td>
<td><strong>$ 113.59</strong></td>
<td><strong>121.88</strong></td>
<td><strong>128.12</strong></td>
</tr>
</tbody>
</table>
Author's projections based on WYSTAR and CER data as developed in Study

The above projections are “escalated” by 3% for each of the three years to allow for increased expenses for payroll and other operations. The debt service amount reflects the addition of new debt, as the various projects require funding.

Conclusions
This study develops its analysis beginning with actual financial reports provided by WYSTAR. The financial operations are converted into a common factor of a per bed day revenue and expense process. Using this process the study then identifies and projects the expenses to:

- Operate the existing programs
- Integrate the new standards and programs
- Construct the new facilities and implement the new programs
7.0 Fundraising

Financial information and fundraising strategies were established after evaluating several alternatives. Alternatives were presented to the Board of Directors on March 19 at which time CER received Board preferences. The fundraising strategies consider WYSTAR's new treatment standards and objective to become one of the premiere substance abuse treatment centers in Wyoming.

The Short-Term Fundraising Strategy and the Long-Term Fundraising Strategy assumes that WYSTAR will receive a new three-year contract that funds the operation.

The fundraising strategy is based on an in-depth review of the new Wyoming Substance Abuse Standards, which place a major emphasis on treatment of women, expanded treatment facilities, new treatment programs and additional staff. The new Standards require as a minimum several levels of treatment in order to obtain a new state contract with a commitment to continue to provide services that meet these contractual obligations and standards.

The new levels of treatment and services will require new facilities with more caregivers. WYSTAR and other service providers will join in a continuum of treatment care that is case managed for each individual patient/client.

History

WYSTAR's fundraising history is limited. The main source of funding has been the state contact, state grants, private donations and payment for services by private individuals.

Mission

Non-profit organizations have always been plagued with the problems of raising money but, with some knowledge and understanding, these problems can be overcome.
The consulting team recommends that WYSTAR form a new foundation to be incorporated as a 501(c)(3) non-profit organization. The new Foundation will be the primary organization to coordinate fundraising activities and will be the recipient of funds from state, federal and private grants and donations.

The Foundation vision is a large endowment whose interest would defray operating costs, which would allow WYSTAR to diminish its financial dependence upon the State of Wyoming and thereby evolve into a more independent, self-sustaining and self-sufficient service provider.

As the Board develops their new mission statement, it is suggested that they carefully examine the needs of Sheridan County communities and the State of Wyoming and WYSTAR's participation as a treatment provider within the Substance Abuse Community.

The new mission statement will help shape the entire fundraising campaign and communicate to Sheridan County residents, donors, volunteers and staff members the urgent need and reasons why their financial contributions are worthwhile.

People who donate their time and money to charities want to give because it affirms their values, their need to solve problems that meet the needs in society. People give to people.

In order to raise money, the Foundation must be autonomous. State, federal and Private Foundations may require matching funds, a significant in-kind contribution from the applicant or local collaboration. Matching funds are available through service provider collaboration, community support, the personal commitment of donors, partnerships and leveraging resources.
Short-Term Fundraising Strategy

The short-term fundraising strategy will initially rely on state funding. The new state contract should be signed by July 1, 2003 for WYSTAR to operate during the 2003-2006 fiscal years. An extension of the existing contract will suffice until the new contract is approved.

This Feasibility Study and Report is intended to evaluate estimated costs of new facilities for the new three-year state contract application. WYSTAR approval of CER to raise funds, on behalf of WYSTAR and the new Foundation, begins the process of preparing grant applications for local, state, federal and private foundation funding requests. The new fundraising effort will be important to the long-term mission of building construction and expanded service and treatment programs.

Wyoming State Contract

The existing State Contract is renewed every three years, which diminishes WYSTAR's ability to plan for the long term future. Perhaps, WYSTAR could present a long-range plan to the state that would justify a 5-year state contract. The longer-term contract demonstrates viability and sustainability, which would assist WYSTAR in obtaining bank loans for capital construction of treatment facilities and commitments from private funding sources for the operation of future programs.

The systematic planning for 15-20 years into the future would help WYSTAR develop a permanent, but separate women's campus and men's campus and assure that the funding will be available for substance abuse treatment programs that meet the State's desire to have a premiere treatment center.

There are a number of state, federal and private grants available for substance abuse treatment. New grants programs are available for treatment centers that focus on women's treatment with special emphasis on women with children. WYSTAR is in the enviable position to take advantage of these new women's programs at the new Women's Campus.
Women's Campus

CER had identified three alternatives for the March 19 presentation to the WYSTAR Board. The Board has had sufficient time to review these alternatives, make comments and suggestions, consider other alternatives leading to a short-term funding strategy before the state contract date of July 1, 2003.

CER has prepared an architectural site plan and construction cost estimates of the Women's Campus at the Saberton site. The Site Plan is presented to indicate the level of WYSTAR commitment that will be required in the future to meet the state standards for facilities to accommodate the expanded services for primary and transitional treatment. The Women's Campus facilities would provide all of the treatment programs and services required by the new state standards as listed below:

1. Emergency and Detoxification Services

2. Residential, includes Phased Treatment

3. Transitional Residential Treatment

4. Outpatient Treatment

5. Intensive Outpatient Treatment

6. Day Treatment

7. Social Detoxification Service

The proposed facilities and services achieve the state’s desire for collaboration with other providers of substance abuse treatment services, outpatient counseling, continuing care and transitional residential housing.
CER recommends that WYSTAR construct a new Women's Campus at Saberton to meet the new state requirements for women and the separation of substance abuse treatment by gender. The new state standards recognize that to effectively treat women with substance abuse problems, consideration must be made for those women with children. The proposed campus has a Daycare Center for infants, toddlers and pre-school children.

This facility will allow the women in treatment to have on-site daycare for their children and the children's programs will be structured to address substance abuse issues.

CER prepared the Women's Campus Site Plan, which shows building footprints considered necessary to treat and house women and women with children and to ultimately reunite these families in a Safe Haven for transitional treatment and the eventual return to society as responsible citizens.

CER has prepared the cost estimate on a per bed day basis, which includes all operations required to meet the new state standards and the cost of debt amortizing associated with the new facilities.

The Women's treatment vision contemplates the construction of the Campus to include children; this meets new state standards, which are focused on the substance abuse treatment of women and women with children.

Construction of the new campus will require long-term loans from a financial institution and at the present time the state is only offering a three-year contract. The state standards require a certain level of treatment for all clients that request state treatment from a state funded facility regardless of the client's ability to pay for the treatment.

The men's treatment program would continue at the VA facilities. At a later date, the WYSTAR Board can determine when and if a new Men's Campus is feasible and necessary to help meet the requirements for treatment under the new state contract.
Long-Term Fundraising Strategy

Non-profit organizations almost uniformly need support to: 1) meet increasing costs of the operations and to expand those operations to meet and maintain compliance with new state standards. Many organizations seek permanent endowments to stabilize annual budgets and capital for services to meet the needs of a growing and changing society.

The future of WYSTAR's successful treatment program shouldn't depend solely on the Wyoming State Contract for yearly operations and long-range planning.

The New Foundation Long-Term Fundraising Strategy has two components: 1) local, state, federal and private foundation funding and 2) a professionally organized private fundraising campaign, which would emphasize a permanent endowment fund.

1) Local, State, Federal and Private Foundation Funding

The following is a brief list of agencies and foundations that have grants programs that are available. The fundraising evaluation, planning and implementation will produce an extensive list of funds, grants and donors.

County Grants

CDBG – Feasibility Study

State Agencies and Grants

Dept. of Health
SAD
Women’s Treatment Advisory Council
CSAP/CSAT
SAPT Block Grant
TANF
21st Century State Incentive Grant
Long-Term Fundraising Strategy

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3. Individuals capable of contributing $10,000 to $100,000;
4. Groups and individuals capable of contributing $1,000 to $10,000;
5. Individuals capable of contributing small amounts up to $1,000;

d) Target major donors first and seek one-third to one-half of the fundraising goal through individual contributions of $100,000 and above.

e) After raising one-third to one-half of the total with large contributions, engage the media, civic organizations and other groups in the process of soliciting small and medium donations.

f) Conduct fundraising events with the objective of raising $5,000 to $10,000 per event.

There are many charitable organizations, companies, foundations and individuals that are concerned about enriching the quality of the human condition. They are interested and want to invest in the well being of people who are suffering from substance abuse. Most people have been touched and affected by addiction and the following is a brief list of potential sources of non-government donations:

National Health Organizations
   Hazeldon

Local, State and National Companies

Company Foundations
   Ford
   Coca-Cola
   Microsoft
   Hewlett Packard
   Hearst
3. Individuals capable of contributing $10,000 to $100,000;
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    Hearst
Private Donations
- Large endowments
- Sheridan Residents

Board Members
- Financial commitment

Individual Donors
- Local, State and National

Wills or Memorials
- Individual bequests
- Naming new campus buildings

The WYSTAR Board should appoint a Finance Committee consisting of Board members. The functions of the Finance Committee are to help the staff plan for the financial needs of the organization and see that those needs are met.

An alternative is to solicit volunteers from the community to form an Advisory Committee that would be responsible for: 1) evaluating the center's readiness for a large-scale capital campaign and 2) in conjunction with the services of a professional fundraising consultant, recommend appropriate steps the new foundation could take to initiate the capital campaign and establish a schedule for completing the selected tasks.

The Finance Committee or the Advisory Committee could take between three (3) and six (6) months to prepare a long-term strategic fundraising plan and then follow through with the fundraising campaign and community support activities.

Funding for Campus Buildings

There are many federal grants and private foundation funds available for the construction of the Women's Campus.
Women' Building – Kresge Foundation “Bricks and Mortar” Grant
Kresge will provide a majority of the funding if the following conditions are met:
  - Substantial private support
  - Construction drawings for final costing

Daycare – USDA Community Facilities Grant/Loan
USDA will provide 25% grant and 40% loans for the construction.

Transitional Building – HUD Section 8 Housing Grant/Loan
HUD will reimburse the rental rate on a sliding scale based on income.

4 Plex - HUD Low-income Housing Grant/Loans
HUD with other agencies will pay for 50% of the cost

Wellness Center – Robert Wood Johnson Foundation Grant
The Foundation will grant 100% for the facility if it meets their standards.
PYRAMID OF GIVING

TOP OR BEST DONORS
40-50%*
20-25%**

SECOND TOP OR BEST DONORS
25-30%*
15-20%**

REGULAR DONORS – DONATES FAITHFULLY
15-20%*
10-15%**

PREVIOUS DONORS WHO GAVE LAST YEAR, BUT NOT THIS YEAR
5-10%*
5-10%**

PROSPECTIVE DONORS – THOSE YOU WANT TO ENCOURAGE TO BECOME DONORS
10-15%*
20-30%**

* Percentage of income each level of the pyramid usually donates to the organization.

** Percentage of the fundraising budget that should be allocated to each level of the pyramid.
Conclusion - Recommendations

Fundraising is a critical factor to consider for the long-term viability and sustainability of WYSTAR and the new Foundation.

The incorporation of the new Foundation as the vehicle for fundraising is a number one priority. The Foundation will be able to act independently of WYSTAR in the pursuit of funding. As a separate entity, the Foundation will not be constrained by the new state contract.

State and federal agencies recognize that substance abuse has become a national epidemic and the cost of not treating the problem correctly has become astronomical. Incarceration is expensive and is not the solution for the problem.

WYSTAR is in the enviable position to take advantage of the new state and federal programs, which are new and available this year. The WYSTAR Board should take action to become first in line to take advantage of this golden opportunity offered by the State of Wyoming.

The state has identified WYSTAR as having the attributes to be a premiere treatment center for Wyoming and consequently will support the financial efforts of WYSTAR to achieve this goal. The Saberton site is well suited for the construction of a new Women's Campus.

The WYSTAR Board should thoroughly evaluate this opportunity and then move boldly forward to convert this opportunity into an exciting campus with superb treatment services.
<table>
<thead>
<tr>
<th>Project</th>
<th>Percent of Total</th>
<th>Construction Estimate</th>
<th>Share of Contingency</th>
<th>Share of Site Improves</th>
<th>Share of Anc. Facilities</th>
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<td>Women's Dorm</td>
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<td>Wellness</td>
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<td>4-Plex</td>
<td>13.86%</td>
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<td>Daycare</td>
<td>12.44%</td>
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<td>73,658</td>
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<td>Administration</td>
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<td>31,850</td>
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<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>5,762,243</strong></td>
<td><strong>976,840</strong></td>
<td><strong>158,000</strong></td>
<td><strong>592,025</strong></td>
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### Loan Amount
- $949,676

### Interest Rate
- 7.00%

### Period in Years
- 30 Years

### Annual Loan Payments
- $102,431

### Monthly Loan Payments
- $8,536

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<th>Period</th>
<th>Beginning Balance</th>
<th>Payments</th>
<th>Principal</th>
<th>Interest</th>
<th>Ending Balance</th>
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**Year ONE**
- $949,676
- $102,431
- $37,130
- $65,301
- $37,130
- $65,301
- $912,545

**Year TWO**
- $912,545
- $102,431
- $39,815
- $62,617
- $76,945
- $127,918
- $872,731

**Year THREE**
- $872,731
- $102,431
- $42,693
- $59,739
- $119,638
- $187,657
- $830,038

**Year FOUR**
- $830,038
- $102,431
- $45,779
- $56,652
- $165,417
- $244,309
- $784,259

**Year FIVE**
- $784,259
- $102,431
- $49,088
- $53,343
- $214,505
- $297,652
- $735,170

YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT
### Loan Amount

**Interest Rate**

**Period In Years**

#### Annual Loan Payments

<table>
<thead>
<tr>
<th>Period</th>
<th>Balance</th>
<th>Payments</th>
<th>Principal</th>
<th>Interest</th>
</tr>
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<tbody>
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**YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT**
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YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT
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<tr>
<th>Period</th>
<th>Beginning Balance</th>
<th>Payments</th>
<th>Principal</th>
<th>Interest</th>
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YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT
# Daycare Center

## Loan Amount
- $931,771

## Interest Rate
- 7.00%

## Period In Years
- 15

### Annual Loan Payments
- 100,500

### Monthly Loan Payments
- 8,375

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<th>Interest</th>
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*YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT*
### Loan Details
- **Loan Amount:** $694,032
- **Interest Rate:** 8.064%
- **Period In Years:** 5

### Payment Details
- **Annual Loan Payments:** 74,858
- **Monthly Loan Payments:** 6,238

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*YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT*
### Loan Amount

- **Loan Amount:** $699,049
- **Interest Rate:** 7.00%
- **Period in Years:**

### Annual Loan Payments

- **Beginning Balance:**
  - Month 1: 699,049
  - Month 2: 696,844
  - Month 3: 694,625
  - Month 4: 692,394
  - Month 5: 690,150
  - Month 6: 687,893
  - Month 7: 685,622
  - Month 8: 683,338
  - Month 9: 681,041
  - Month 10: 678,731
  - Month 11: 676,407
  - Month 12: 674,069
  - Year ONE: 699,049
  - Year TWO: 671,718
  - Year THREE: 642,411
  - Year FOUR: 610,985
  - Year FIVE: 577,267

- **Payments:**
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  - Month 9: 6,283
  - Month 10: 6,283
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  - Year ONE: 75,399
  - Year TWO: 75,399
  - Year THREE: 75,399
  - Year FOUR: 75,399
  - Year FIVE: 75,399

- **Principal:**
  - Month 1: 2,205
  - Month 2: 2,218
  - Month 3: 2,231
  - Month 4: 2,244
  - Month 5: 2,257
  - Month 6: 2,271
  - Month 7: 2,284
  - Month 8: 2,297
  - Month 9: 2,311
  - Month 10: 2,324
  - Month 11: 2,338
  - Month 12: 2,351
  - Year ONE: 27,331
  - Year TWO: 29,307
  - Year THREE: 31,426
  - Year FOUR: 33,898
  - Year FIVE: 36,134

- **Interest:**
  - Month 1: 4,078
  - Month 2: 4,065
  - Month 3: 4,052
  - Month 4: 4,039
  - Month 5: 4,026
  - Month 6: 4,013
  - Month 7: 3,999
  - Month 8: 3,985
  - Month 9: 3,973
  - Month 10: 3,959
  - Month 11: 3,946
  - Month 12: 3,932
  - Year ONE: 48,068
  - Year TWO: 46,092
  - Year THREE: 43,973
  - Year FOUR: 41,701
  - Year FIVE: 39,265

- **Cumulative:**
  - Ending Balance:
    - Year ONE: 696,844
    - Year TWO: 685,622
    - Year THREE: 678,731
    - Year FOUR: 674,069
    - Year FIVE: 671,718

**YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT**
<table>
<thead>
<tr>
<th>Period</th>
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<th>Principal</th>
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YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT
## Loan Amount
Interest Rate
Period In Years

### Annual Loan Payments

<table>
<thead>
<tr>
<th>Month</th>
<th>Beginning Balance</th>
<th>Payments</th>
<th>Principal</th>
<th>Interest</th>
<th>Ending Balance</th>
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**Year ONE**

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<td>352,146</td>
</tr>
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**Year TWO**

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<td>16,891</td>
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**Year THREE**

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**Year FIVE**

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YEARS SIX THROUGH TWENTY ARE NOT SHOWN BUT WILL REFLECT CONTINUING TOTAL PAYMENT REQUIREMENT
<table>
<thead>
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<th></th>
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<tr>
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<td>5,360</td>
<td>1.17%</td>
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<td>7,760</td>
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<td>844</td>
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<td>Net Income(Loss)</td>
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<td>94,597</td>
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GENERAL

1. All work shall conform to the requirements of the Uniform Building Code (UBC), Uniform Plumbing Code, Uniform Mechanical Code, and National Electrical Code. Revised and adopted editions, along with state and local amendments.

2. The contract shall verify all dimensions and conditions prior to beginning any work and notify owner of any discrepancies.

3. All dimensions indicated on the drawings shall be verified on the drawings to the actual field verified conditions. Noted dimensions indicated on drawings shall take precedence over scaled dimensions on drawings. In case of discrepancy, notify architect for resolution.

4. Availability of any manufactured product suggested or specified on the plans is not guaranteed. The manufacturer shall verify all manufactured products before proceeding with construction, especially those affecting design opening dimensions or other dimensions on the plans.

5. All manufactured materials, components, fasteners, and assemblies shall be installed in conformance with manufacturer's specifications and instructions. Where specific products are called for, generic equivalents which meet applicable standards and specifications may be used.

6. In the event of a conflict between applicable codes, regulations, and reference standards of these plans and specifications, the more stringent provisions shall govern.

7. Contractor shall provide adequate bracing and otherwise support all portions of the structure until all members have been permanently connected together.

INTERIOR FINISH WORK:

1. Painting shall be completed by owner.

2. Carpeting shall be installed at locations selected by owner. Owner may select carpet, pad, and accessories for complete installation.

3. Provide vinyl sheet flooring in bathroom areas. Vinyl flooring shall be selected by owner.

PRELIMINARY

NOT FOR CONSTRUCTION