SUD Economics Baseline Pack

Understand where you make and lose money

Simulated example · Fictional data · Not client results

Fictional Center A

Illustrative 12-month period · USD millions

Program	Net revenue	Direct costs	Contribution	Margin
Residential	$10.00M	$6.50M	$3.50M	35.0%
PHP	$5.00M	$2.75M	$2.25M	45.0%
IOP	$3.00M	$1.55M	$1.45M	48.3%
Total	**$18.00M**	**$10.80M**	**$7.20M**	**40.0%**

Contribution

$7.20M

−

Central overhead

$5.40M

=

EBITDA

$1.80M

10.0% margin

Contribution excludes central overhead. Program margin alone does not determine what should grow.

Illustrative definitions: net revenue after contractual adjustments; direct costs assigned to programs. All figures are fictional.

36-Month EBITDA & Exit Model

Compare the financial impact of your options

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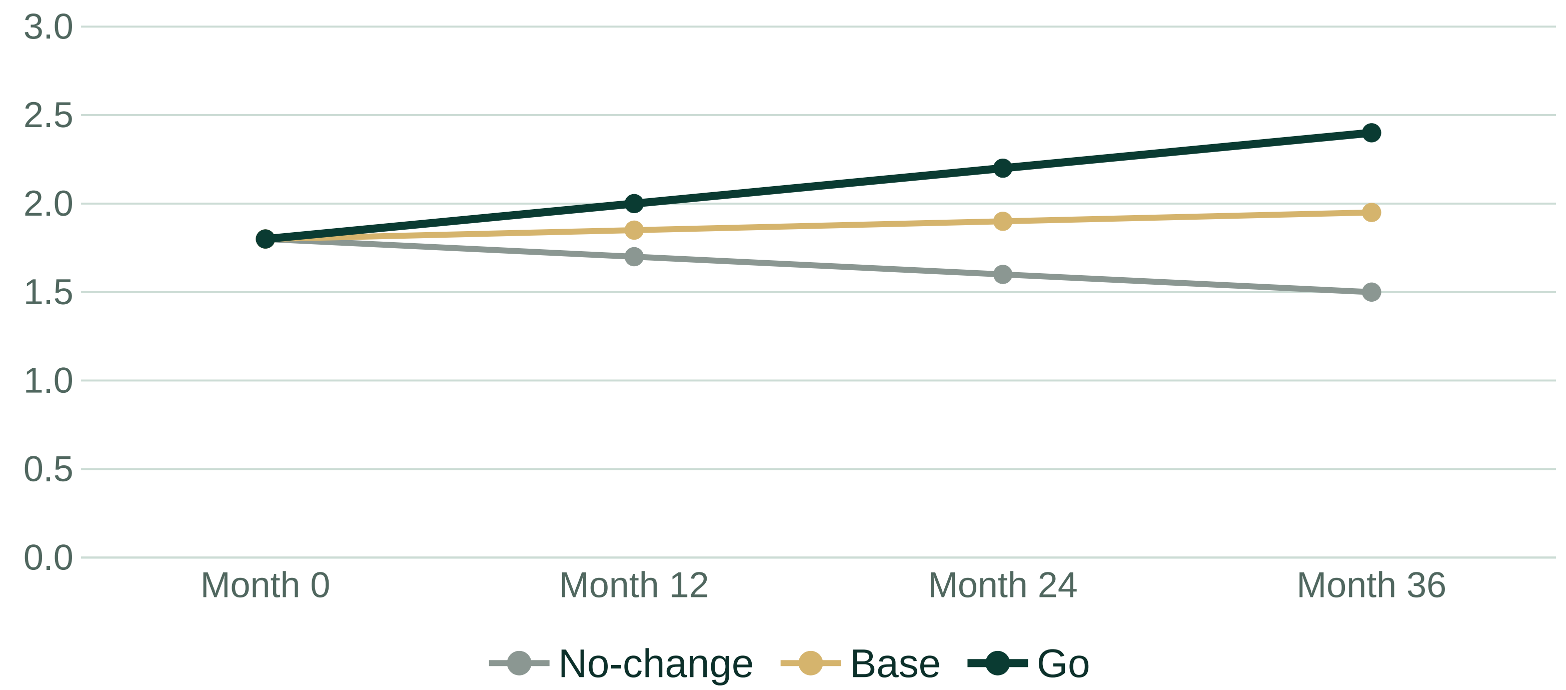
Annualized EBITDA run rate ($M)



No-change: cost pressure

Base: planned actions   Go: additional modeled actions

Go scenario: annual opportunity

At Month 36 vs. current	EBITDA
Admissions / capacity	+$350k
Contract terms	+$200k
Staffing alignment	+$150k
Recurring support costs	−$100k
Net opportunity	**+$600k**

$1.80M current → $2.40M Go

+$450k vs. Base; +$900k vs. No-change.

Different comparison bases. Do not add them together.

Run rates are not cumulative earnings. One-time implementation investment excluded. Hypothetical assumptions; exit sensitivity optional.

90-Day Execution Sprint & Governance Map

Decide what to do first, who owns it, and how to track it

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Proposed plan

The Blueprint creates this plan. Implementation is scoped separately.

Workstream	Owner	Days 1–30	Days 31–60	Days 61–90
Validate economics	Finance lead	Reconcile baseline	Test assumptions	Refresh model
Improve intake	Admissions lead	Map referral leakage	Pilot intake changes	Review access results
Review payer terms	Finance lead	Audit rates	Prioritize contracts	Review options
Align staffing	Operations lead	Map coverage needs	Test roster options	Review care and cost

Review rhythm

Weekly: owners review actions and blockers. Monthly: sponsor reviews economics.

Day 90: continue, adjust or stop. Clinical leadership approves changes affecting care.

All workstreams are proposed. The working plan adds named owners, measures, targets and decision thresholds. Generic governance example.

Owner/board-ready summary deck

Give your partners a clear recommendation

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Recommendation

Test the operating plan before adding capacity

Validate intake, payer terms and staffing assumptions through a staged 90-day plan.

Modeled annual EBITDA

$1.80M → $2.40M

+$600k vs. current

Go run rate at Month 36. Fictional model.

Decisions requested

1 Confirm the baseline and scenario assumptions.

2 Assign an accountable owner to each workstream.

3 Set pilot scope and investment limits before launch.

Before proceeding

Protect care quality and access.
Approve one-time costs separately.
Review evidence at Day 90.

Proposed decisions only. The model depends on assumptions the owner reviews. This is not a forecast or realized result. A sale is optional.