



## Acadia Healthcare Issues Statement with Respect to Government Investigation

09/27/24

FRANKLIN, Tenn.--(BUSINESS WIRE)--Sep. 27, 2024-- Acadia Healthcare Company, Inc. (NASDAQ: ACHC) issued the following statement with respect to a government investigation separately disclosed today by the Company. Acadia is cooperating fully with the authorities regarding this matter.

"Ensuring we provide the highest quality of care is personal for me and the number one priority for my colleagues across the Company," said Acadia Chief Executive Officer Chris Hunter. "We take seriously our patient care and compliance responsibilities and understand how critical it is to provide these services with excellence and compassion. We're committed to taking action on incidents that fall short of our rigorous standards and are making investments necessary to establish Acadia as the leading behavioral healthcare provider for high-acuity and complex needs patients."

Hunter added, "Over the last two years, we have been investing in new talent, technology, clinical protocols and training across all of our service lines to drive forward our culture of caring. We have also expanded our leadership team to include new roles and expertise critical to providing even safer, higher-quality care – our Chief Quality Officer of Inpatient Services, Chief Compliance Officer, Chief Information Officer, and most recently, our Chief Medical Officer. It will take time for the benefits of our initiatives to be fully realized, but we're already seeing positive results."

### Recent Media Reports

During the last several weeks, media has reported on patients who have shared troubling experiences at Acadia's facilities. As reported, these experiences are completely inconsistent with Acadia's policies and protocols. Furthermore, reporting on these issues has not reflected the many clinical considerations that inform the appropriate care for a person facing a mental health crisis, including whether and for how long they should receive direct care in a facility.

These are complex medical decisions, and all decisions on patient care, including whether treatment is necessary and for how long, are made by licensed physicians, and in accordance with stringent state, federal and other regulations. At Acadia, decisions on patient care are not business decisions — they are medical ones – and these decisions are not in any way related to or influenced by insurance coverage or a patient's ability to pay. In fact, in 2023 alone, Acadia provided millions of dollars in care for which the Company was not reimbursed by insurance companies, Medicaid or Medicare, but that Acadia felt was critical to ensuring the best outcomes for patients.

### Actions Underpinning Our Commitment to Care

Acadia is committed to doing everything in its power to ensure that all patients in Acadia's care receive the support and compassionate treatment they deserve, and Acadia is at the forefront of the industry in initiatives that improve care, including:

- **Expanding the Company's organizational structure with new roles critical to providing safe, quality care.** For example, Acadia advanced oversight of its care and safety programs by splitting Quality and Compliance into two distinct, specialized teams. Acadia's Chief Medical Officer and Chief Quality Officer of Inpatient Services provide direct oversight on patient safety, clinical quality and regulatory compliance initiatives, while its Chief Compliance Officer provides direct oversight of Acadia's corporate compliance program. Acadia also established new safety committees at each facility comprised of facility management and frontline staff to promote quality assurance and continuous improvement.
- **Allocating approximately \$100 million in additional technology investments** that enhance patient and staff safety as well as care coordination, such as electronic medical records (EMR) systems, a wearable remote patient monitoring system, a communication and assistance alert device for staff and a cloud-based performance improvement software solution, all of which provide greater transparency on all clinical and quality operations and oversight at Acadia's facilities.
- **Incorporating new field-based training programs for frontline caregivers** – such as milieu management and verbal de-escalation training – to create a more therapeutic environment that improves patient experience and enhances clinical outcomes.
- **Standardizing clinical protocols and oversight** to address head-on the fragmentation and variability patients have historically faced when seeking treatment for life-threatening behavioral health and substance use disorders.

These actions are already starting to deliver positive results. For example, more patients have expressed feelings of safety, hope and healing when rating their care in our facilities; our patient experience scores have meaningfully increased in just one year; and across our 161 CTC Opioid Treatment Programs, we scored >99% against all 13 dimensions of quality as measured by CARF, a leading accreditation body for behavioral health facilities.

To learn more, visit [quality.acadiahealthcare.com](https://quality.acadiahealthcare.com).

### About Acadia Healthcare

Acadia (NASDAQ: ACHC) is a leading provider of behavioral healthcare services across the United States. As of June 30, 2024, Acadia operated a network of 258 behavioral healthcare facilities with approximately 11,400 beds in 38 states and Puerto Rico. With approximately 23,500 employees

serving more than 75,000 patients daily, Acadia is the largest stand-alone behavioral healthcare company in the U.S. Acadia provides behavioral healthcare services to its patients in a variety of settings, including inpatient psychiatric hospitals, specialty treatment facilities, residential treatment centers, and outpatient clinics. For more information, please visit [AcadiaHealthcare.com](https://www.acadiahealthcare.com).

### **Forward-Looking Information**

This press release contains forward-looking statements. Generally, words such as “may,” “will,” “should,” “could,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “continue,” and “believe” or the negative of or other variation on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this press release. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Factors that may cause actual results to differ materially include, without limitation, (i) potential difficulties in successfully integrating the operations of acquired facilities or realizing the expected benefits and synergies of our facility expansions, acquisitions, joint ventures and de novo transactions; (ii) Acadia’s ability to add beds, expand services, enhance marketing programs and improve efficiencies at its facilities; (iii) potential reductions in payments received by Acadia from government and commercial payors; (iv) the occurrence of patient incidents, governmental investigations, litigation and adverse regulatory actions, which could adversely affect the price of our common stock and result in substantial payments and incremental regulatory burdens; (v) the risk that Acadia may not generate sufficient cash from operations to service its debt and meet its working capital and capital expenditure requirements; (vi) potential disruptions to our information technology systems or a cybersecurity incident; and (vii) potential operating difficulties, including, without limitation, disruption to the U.S. economy and financial markets; reduced admissions and patient volumes; increased costs relating to labor, supply chain and other expenditures; changes in competition and client preferences; and general economic or industry conditions that may prevent Acadia from realizing the expected benefits of its business strategies. These factors and others are more fully described in Acadia’s periodic reports and other filings with the SEC.

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Source: Acadia Healthcare Company, Inc.