



Industry Profile

Behavioral Health Systems, Inc.

Behavioral Health Systems, Inc. (BHS) is a privately held, URAC-accredited, for-profit Alabama corporation offering managed behavioral health programs. BHS was founded in 1989 in Birmingham, Alabama, with a focus on serving self-insured employer groups. Among these, BHS clients include Drummond Company, Inc.; O'Neal Steel; MTD Products; Lubrizol Corporation; National Computer Print; Mercedes-Benz U.S. International; Jefferson County (AL) Government; and the State of Alabama. The company employs 50 staff and serves more than 500 national clients with more than 502,000 covered members. BHS sales growth has averaged 17% or more per year since 1989; gross annual revenue was \$13 million in 2007. BHS product lines include:

- Managed Behavioral Health & Substance Abuse Programs
- Employee Assistance Program
- Integrated PPO/Managed Behavioral Health/EAP Program
- Safety First Drug Testing
- Behavioral Comp Management
- Wellness for Life

Managed Behavioral Health & Substance Abuse Programs

BHS operates a preferred provider organization (PPO) that includes more than 11,000 providers across the nation. Behavioral health and substance abuse services are provided to companies with self-insured benefit structures through "carve-outs" of general health plans.

Employee Assistance Program

BHS offers customized employee assistance programs (EAPs) that are designed to assist in the early identification and resolution of behavioral concerns of employees and their dependents. Employees receive a confidential assessment, referral, and short-term counseling services for behavioral health problems through the BHS network of providers. Other offerings of the EAP programs include crisis intervention, elder care, and financial assistance services. BHS provides EAPs on a stand-alone or integrated basis. The stand-alone EAP product line represents three percent of BHS revenues.

Integrated EAP-Behavioral Health Program

BHS' integrated services product line combines a comprehensive EAP, the BHS PPO network, third party administrator services, and a carve-out managed behavioral health care program to give clients customizable, fully integrated programs that include all the features of the two programs detailed above. Approximately 75% of BHS employer clients, with 160,000 members, are enrolled in these programs.

Safety First

Initiated in 1992, BHS offers a comprehensive drug testing/screening program that provides administration and monitoring of all laboratory testing and collection, medical review officer services, centralized billing and reports, and the randomized selection process. The program is designed to accommodate multi-site locations. BHS also provides substance abuse policy development, staff training, development of customized testing programs, and an

effective support system for the intervention and recovery of employees who need assistance. The Safety First program represents 20% of BHS revenue, serving 500+ employers nationwide.

Behavioral Comp Management

The BHS workers compensation/disability program provides evaluation and professional case management of mental disorders and substance abuse conditions related to injured or disabled workers. Consulting and job analysis services are also offered, including a thorough assessment of the injured worker's medical, social, and psychological history.

Wellness for Life

The Wellness for Life program provides a unique approach to workplace wellness that allows employers to customize their own plan from a variety of service offerings. The program provides health risk appraisals with personalized reports for individual employees and aggregate data for company executives. The risk reports serve as a basis for healthy lifestyle choices to reduce health risks and healthcare costs. Onsite education and training is provided to educate employees about diet and nutrition, fitness, smoking cessation, heart healthy living, weight management, reducing risks of diabetes, and motivational dynamics. Customized trainings are also provided upon request.

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Key Executives & Officers:

Deborah L. Stephens, Founder, Chairman & Chief Executive Officer
William M. Patterson, M.D., Medical Director
Danny Cooner, President, Safety First
Pat Friedley, Executive Vice President & Chief Quality Officer
Kyle Strange, Executive Vice President & Managed Care Officer
Shannon Flanagan, Vice President Public & Corporate Relations
Judi Braswell, Vice President, Business Development

The behavioral health program provides gatekeeping, referral, comprehensive medical necessity review for inpatient and outpatient services, and third party administration on behalf of covered members. The medical necessity review process includes assessment/case management through a network of independent, BHS-credentialed providers. Pre-certification and concurrent reviews are performed by clinical employees in affiliation with independent Board-certified psychiatrists.

Programs are administered directly by BHS with a full complement of support (claims processing, information reports, etc.), and with minimal conversion impact on each company's employees. Under the BHS model, the focus of care is shifted from professional-centered care toward a participative plan of treatment designed to engage the member in a personal process of recovery that will lead to long-lasting results. With an emphasis on early intervention and clinical excellence, BHS delivers care in the least restrictive manner possible. BHS works in consultation with providers and monitors the treatment process to provide support to members and ensure positive outcomes at an affordable cost. The BHS continuum of care includes: assessment and care management clinicians; private outpatient practitioners including psychiatrists; psychologists, Master's-level counselors and social workers; outpatient clinics and day treatment centers; outpatient substance abuse programs; inpatient psychiatric hospitals and units; and substance abuse rehabilitation facilities.