DIRECT CARE AND TREATMENT

Increasing the Number of State-Operated Substance Use Disorder Treatment Beds

A Report to the Minnesota Legislature on Options for Expanding Services

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Direct Care and Treatment
3200 Labore Road
Vadnais Heights, MN 55110
(Phone) 651-431-6885
dhsdirectcareandtreatment@state.mn.us
mn.gov/DCT

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Contents

Executive Summary

Direct Care and Treatment (DCT), the state-run behavioral health care system, operates what is known as the Community Addiction Recovery Enterprise (CARE) program. Currently, CARE operates three 16-bed facilities specifically designated for treating patients with substance use disorders. They are located in Anoka, Carlton, and Fergus Falls for a total of 48 beds.

A fourth CARE facility in St. Peter is in the process of closing. During the 2024 legislative session, state lawmakers gave DCT permission to discontinue services at the CARE facility in St. Peter and repurpose the facility to meet an urgent need to expand inpatient treatment capacity for patients who have been civilly committed as mentally ill and dangerous. That transition is now underway.

However, in granting permission to repurpose the St. Peter facility, the Legislature also instructed DCT to provide a report by Jan. 15, 2025, outlining several options for expanding state-operated substance use disorder treatment services. The Legislature instructed that one of the options must include adding a facility within 35 miles of St. Peter.

A Range of Options

This report presents five options for expanding state-operated SUD treatment services beyond the current 48 beds. They include:

- **Option 1:** Consolidate all CARE program operations into a single, 80-bed location in the Twin Cities metro area, rather than maintaining separate regional locations. One-time expense: **$110.1 million**. Increase to ongoing annual operating costs: **$27.9 million**.
- **Option 2:** Consolidate *most* CARE services into a single 60-bed location in the Twin Cities Metro area and keep the current 16-bed facility in Fergus Falls operating, for a total of 76 SUD beds. One-time expense: **$82.6 million**. Increase to ongoing annual operating costs: **$22.6 million**.
- **Option 3:** Consolidate just more than half of all CARE services into a single 48-bed location in the Twin Cities Metro area, keep the current 16-bed facility in Fergus Falls, and add another 16-bed facility within 35 miles of St. Peter for a total of 80 SUD beds. One-time expense: **$88.1 million.** Increase to ongoing annual operating costs: **$24.9 million**.
- **Option 4:** Keep the Fergus Falls CARE facility and open four new 16-bed CARE facilities statewide for a total of 80 SUD beds. One-time expense: **$88.1 million**. Increase to ongoing annual operating costs: **$26.6 million**.
- **Option 5:** Continue to operate the three current 16-bed CARE facilities in Anoka, Carlton and Fergus Falls without adding additional capacity for a total of 48 SUD treatment beds. However, facilities in Anoka and Carlton are in poor condition and need to be replaced. One-time expense: **$44 million**.

Each option includes rough cost estimates for building new facilities; purchasing and remodeling existing facilities; or leasing and remodeling existing facilities. In addition, this report explores the advantages and risks of each option.

Introduction

Direct Care and Treatment's (DCT) Community Addiction Recovery Enterprise (CARE) program provides inpatient substance use disorder (SUD) treatment services to adults at locked facilities in Anoka, Carlton, and Fergus Falls. A fourth location in St. Peter will close in early 2025 and the facility will be repurposed to provide inpatient mental health services.

Specialized treatment services at CARE include:

- Inpatient services for people who have a substance use disorder and have a co-occurring mental illness
- Relapse prevention services
- Aftercare planning

Patients at CARE have been civilly committed as chemically dependent. Many also have serious mental illnesses and are under more than one civil commitment. Patients stay around 90 days before discharge, depending on participation and engagement in treatment.

Referrals to the CARE program are made through DCT's Central Pre-Admissions Department. The goal is to serve patients in the CARE facility closest to the community where they live, but in nearly all circumstances patients are admitted to the first available CARE bed. In many cases, that means patients will be treated far away from home. Admissions data for the past three fiscal years (2022, 2023, 2024) indicate that slightly fewer than half of CARE patients live in the 15-county Twin Cities metropolitan area. However, in prior years, more than half have been from the Twin Cities metro. No matter the regional patient population fluctuations, people in Greater Minnesota currently have the same access to treatment at a CARE facility as people in the Twin Cities metro. That will continue in the future.

Over the past three fiscal years, the program has treated an average of 312 patients per year and maintained an average occupancy rate of about 82 percent. Staffing shortages and physical plant issues are the main reasons for not operating at full capacity. Both can limit the number of patients admitted to the CARE program.

Required Report

As part of a plan to increase bed capacity at its Forensic Mental Health Program (FMHP), DCT sought permission during the 2024 legislative session to close the CARE program in St. Peter and repurpose the 16-bed facility to treat patients admitted to the FMHP. Repurposing that particular facility makes strategic sense because it is located in the same city as the FMHP. Recognizing the urgent need to add more mental health treatment capacity, the Legislature approved the closure and repurposing of the CARE facility. However, it also required the DCT Executive Board to submit a report outlining options for increasing DCT-operated inpatient substance-use disorder beds. The Legislature instructed that one option must include the development of an inpatient SUD program within 35 miles of St. Peter.

This report, due to the to the chairs and ranking minority members of Human Services Finance and Policy committees by Jan. 15, 2025, outlines several options for expanding SUD services.

Option One: Consolidate All CARE Services

Option One would consolidate all CARE program operations into a single **80-bed location** in the Twin Cities metro area, rather than maintain separate regional locations. The plan would nearly double the total number of state-operated SUD treatment beds compared to the 48 beds that will remain once CARE St. Peter closes in early 2025.

Option One Estimated Costs (dollars in thousands)

Build an 80-Bed Facility in the Twin Cities Metro Area (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
80-bed facility	$42,140	($10,050)	$110,160	$142,250	224.00	80
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
CARE Fergus	($4,770)	$1,900	-	($2,870)	(35.40)	(16)
TOTAL	$27,990	($4,950)	$110,160	$133,200	118.30	
Notes: One-time expense is to build a new facility. Building would require bond funds. Less expensive options include purchasing an existing building and remodeling or leasing a facility. Tables for those options are listed in Appendix 1 and Appendix 2.						

Option One Benefits

Consolidating CARE services to a single location would have many benefits, including:

- All patients will be closer to specialized services, such as methadone clinics and maternal fetal medicine that are not immediately available in Greater Minnesota.
- A single location will allow the CARE program to establish multiple “specialty” treatment units, including gender-specific or culturally focused treatment.

- Given the much larger health care labor pool in the Twin Cities metro and exurbs, DCT will have a better opportunity to recruit and retain licensed addiction and drug counselors and other qualified health care professionals.
- The program will be able to serve many more patients each year than it currently serves.
- Easier access to interpreter services
- Onsite medical providers, withdrawal management and better treatment of co-occurring conditions.
- With additional funding, the CARE facility in Fergus Falls can be repurposed as a Community Behavioral Health Hospital or another type of inpatient mental health treatment facility. The CARE facilities in Carlton and Anoka are in poor condition and cannot be repurposed.

In 2022, DCT contracted with Health Management Associates (HMA), a leading independent national research and consulting firm in the healthcare industry. HMA has special expertise in publicly funded health care. DCT asked HMA to assess:

- The CARE program's capacity to deliver services at a specific level of care set by the American Society of Addiction Medicine (ASAM)
- The medical necessity standards and treatment appropriateness for patients serviced at CARE
- The CARE program's capacity to identify gaps in care and measures to address those gaps.

Consolidation of CARE programs is among the recommendations in HMA's 40-page findings. Among the benefits:

- The ability to provide a higher level of care
- More efficient use of clinical, nursing and direct care staff
- Greater opportunities to increase evidence-based programming and individualized care such as gender-specific programming and culturally and linguistically specific care.

To read the full HMA report and recommendations, see Appendix 11.

Option One Labor Considerations

In consolidating CARE services into a single location, current employees will be entitled to layoff options outlined in their collective bargaining agreement. This process allows staff at CARE Anoka, Carlton and Fergus Falls to enter into the layoff process, which may include the options to:

- Bump[1] other employees
- Accept a vacancy at another DCT-operated facility within and outside 35 miles under certain criteria
- Accept layoff

[1] "Bumping" is a labor provision that allows staff with seniority to claim the job of less senior staff.

Option One Risks

Consolidating all CARE services in the Twin Cities metro area may give the *false perception* that DCT is decreasing access to CARE for people in Greater Minnesota. However, clients will have the same access to services under the consolidated model that they currently have at CARE's geographically dispersed locations. Under the current structure, very few clients from Greater Minnesota are served at a CARE facility near their home. Although quite rare, sometimes counties request that clients wait for admission to the CARE facility closest to their home. They will no longer have that option.

Option Two: Consolidate Most CARE Services

Option Two would consolidate most CARE services into a single 60-bed location in the Twin Cities Metro area and keep the current 16-bed facility in Fergus Falls operating, for a **total of 76 SUD beds**. The plan would provide a substantial increase in the total number of state-operated SUD treatment beds compared to the 48 beds that will remain once CARE St. Peter closes in early 2025.

Option Two Estimated Costs (dollars in thousands)

Build a 60-Bed Facility in Twin Cities Metro Area Keep 1 Existing 16-Bed Facility (Adds 28 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
60-bed facility	$32,034	($7,500)	$82,620	$107,154	172.50	60
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$22,654	($4,350)	$82,620	$100,974	102.20	

Notes: One-time expense is to build a new facility. Building would require bond funds. Less expensive options include purchasing an existing building and remodeling or leasing a facility. Tables for those options are listed in Appendix 3 and Appendix 4.

Option Two Benefits

Option Two would have largely the same benefits as Option One, including:

- Most patients will be closer to specialized services, such as methadone clinics and maternal fetal medicine, that are not immediately available in Greater Minnesota.
- A single location will allow the CARE program to establish multiple “specialty” treatment units, including gender-specific or culturally focused treatment.
- Recruiting and retaining staff will be easier in the metro area, where there is a much larger base of licensed alcohol and drug counselors and other health care professionals.
- The program will be able to serve many more patients each year than it currently serves.
- One 16-bed regional facility would remain in Greater Minnesota for patients who would be more easily served outside of the Twin Cities metro area or serve as a step-down program for the large CARE program.

Option Two Labor Considerations

In consolidating most CARE services into a single location, employees will be entitled to layoff options outlined in their collective bargaining agreement. This process allows staff to enter into the layoff process, which may include the options to:

- Bump another employee
- Accept a vacancy at another DCT Operated Facility within and outside 35 miles under certain criteria
- Accept layoff

Option Two Risks

The CARE facilities in Carlton and Anoka are in poor condition and cannot be repurposed.

Option Three: Consolidate About Half of CARE Services

Option Three would consolidate just more than half of all CARE services into a single 48-bed facility in the Twin Cities Metro area, keep the current 16-bed facility in Fergus Falls, and add another 16-bed facility within 35 miles of St. Peter for a **total of 80 SUD beds**. The plan would nearly double the total number of state-operated SUD treatment beds compared to the 48 beds that will remain once CARE St. Peter closes in early 2025.

Option Three Estimated Costs (dollars in thousands)

Build a 48-Bed Facility in Twin Cities Metro Area Build Another 16-Bed Facility and Keep One Existing 16-Bed Facility (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
48-bed facility	$25,327	($6,000)	$66,096	$85,423	137.20	48
16-bed facility near St. Peter	$8,995	($2,000)	$22,032	$29,027	49.30	16
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$24,942	($4,800)	$88,128	$108,270	116.20	
Notes: One-time expense is to build a new facility. Building would require bond funds. Less expensive options would include purchasing an existing building and remodeling or leasing a facility. Tables for those options are listed in Appendix 5 and Appendix 6.						

Option Three Benefits

Option Three would have many of the same benefits as Option One but would also maintain a larger presence in Greater Minnesota. Benefits include:

- Most patients will be closer to specialized services, such as methadone clinics and maternal fetal medicine, that are not immediately available in Greater Minnesota.
- A Twin Cities location will allow the CARE program to establish multiple “specialty” treatment units, including gender-specific or culturally focused treatment.
- Recruiting and retaining staff will be easier in the metro area, where there is a much larger base of licensed alcohol and drug counselors and other health care professionals.
- The program will be able to serve many more patients each year than it currently serves.
- Two 16-bed facilities would be located in Greater Minnesota for patients who would be more easily served outside of the Twin Cities metro area and/or serve as step down programs for the large CARE program.

Option Three Labor Considerations

In closing CARE Anoka and Carlton, employees will be entitled to layoff options outlined in their collective bargaining agreement. This process allows staff to enter into the layoff process, which may include the options to:

- Bump another employee,
- Accept a vacancy at another DCT-operated facility within and outside 35 miles under certain criteria
- Accept layoff

Option Three Risks

- Patients in Greater Minnesota will not be conveniently located near specialized services, such as methadone clinics and maternal fetal medicine. These services are less available in rural communities.
- Specialty treatment units, including gender-specific or culturally focused treatment, may not be available in Greater Minnesota due to inability to recruit a specialized workforce.
- Historically recruiting and retaining staff is more difficult in Greater Minnesota, where there is a much smaller base of licensed alcohol and drug counselors and other health care professionals.
- The CARE facilities in Carlton and Anoka are in poor condition and cannot be repurposed.

Option Four: Operate Five CARE Facilities Statewide

Option Four would keep the Fergus Falls CARE facility and open four new 16-bed CARE facilities statewide for a **total of 80 SUD beds.** The plan would nearly double the total number of state-operated SUD treatment beds compared to the 48 beds that will remain once CARE St. Peter closes in early 2025. One of the four new facilities could be within 35 miles of St. Peter.

Option Four Estimated Costs (dollars in thousands)

Build Four New 16-Bed Facilities in Statewide Locations Keep One Existing 16-Bed Facility (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
Four 16-bed facilities	\$35,984	(\$8,000)	\$88,128	\$116,112	197.20	64
CARE Fergus	-	-	-	-	-	16
CARE Anoka	(\$4,640)	\$1,900	-	(\$2,740)	(35.45)	(16)
CARE Carlton	(\$4,740)	\$1,300	-	(\$3,440)	(34.85)	(16)
TOTAL	\$26,604	(\$4,800)	\$88,128	\$109,932	126.90	
Notes: This table depicts additional expense to operate CARE Fergus Falls and four new facilities. One-time expense is to build four new facilities. Building would require bond funds. Less expensive options include purchasing an existing building and remodeling or leasing a facility. Tables for those options are listed in Appendix 7 and Appendix 8.						

Option Four Benefits

Option Four would maintain a significant presence in Greater Minnesota. Benefits include:

- Facilities would be located in Greater Minnesota for patients who would be more easily served outside of the Twin Cities metro area.

- The program will be able to serve many more patients each year than it currently serves.

Option Four Labor Considerations

In closing CARE Anoka and Carlton, employees will be entitled to layoff options outlined in their collective bargaining agreement. This process allows staff to enter into the layoff process, which may include the options to:

- Bump another employee
- Accept a vacancy at another DCT-operated facility within and outside 35 miles under certain criteria
- Accept layoff

Option Four Risks

- Rural patients will have more difficulty accessing specialized services, such as methadone clinics and maternal fetal medicine.
- Fewer options for specialty treatment units, including gender-specific or culturally focused treatment due to workforce recruitment challenges.
- Historically recruiting and retaining staff is more difficult in Greater Minnesota, where there is a much smaller base of licensed alcohol and drug counselors and other health care professionals.
- The CARE facilities in Carlton and Anoka are in poor condition and cannot be repurposed.

Option Five: Add No New Capacity

Option Five would continue to operate the three current 16-bed CARE facilities in Anoka, Carlton and Fergus Falls for a **total of 48 SUD treatment beds**. However, current facilities in Anoka and Carlton are in poor condition and need replacement.

Option Five Costs (dollars in thousands)

Keep Three Existing 16-Bed Facilities (Retains current 48 beds, but builds new locations in Anoka and Carlton)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
CARE Fergus	-	-	-	-	-	16
CARE Anoka	-	-	$22,032	$22,032	-	16
CARE Carlton	-	-	$22,032	$22,032	-	16
TOTAL	-	-	$44,064	$44,064	-	
Notes: One-time expense is to build new facilities in Anoka and Carlton. Building would require bond funds. Less expensive options include purchasing an existing building and remodeling or leasing a facility. Tables for those options are listed in Appendix 9 and Appendix 10.						

Option Five Risks

- Fewer patients will be served each year in state-operated SUD treatment facilities at a time when there is increasing demand for services.
- The CARE program will continue to have difficulties recruiting and retaining qualified staff in the rural facilities.
- The CARE program will continue to have difficulties maintaining maximum patient volumes due to physical plant and staffing challenges.
- CARE Carlton and CARE Anoka physical plants are in poor condition, requiring replacement facilities.

Final Thoughts

As Minnesotans continue to struggle with the opioid crisis and other addictions, demand for effective substance use disorder treatment services continues to rise. At the same time, state government is projected to face a structural budget imbalance in the 2028-29 biennium, which may prompt difficult spending decisions about the type and level of care that is affordable.

No matter which – if any – of the options outlined above find support with the Legislature, providing the necessary funding will not be the sole challenge to expanding state-operated SUD services. Ultimately, having ready access to both the right number and right kind of staff is key to the CARE program's capacity to admit a higher volume of patients – and to do so in a sustained way. In a tight health care labor market, recruiting and retaining an appropriate mix of staff has been difficult, especially in Greater Minnesota, a trend that is likely to continue for some time.

Finally, cost estimates for each of the five options outlined are rough calculations only. A more comprehensive financial workup would be necessary for any option to be fully considered.

Appendix 1: Estimated Costs for Purchasing and Remodeling an 80-Bed Facility in the Twin Cities Metro (dollars in thousands)

Purchase and Remodel an 80-Bed Facility in the Twin Cities Metro Area (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
80-bed facility	$42,140	($10,050)	$77,760	$109,850	224.00	80
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
CARE Fergus	($4,770)	$1,900	-	($2,870)	(35.40)	(16)
TOTAL	$27,990	($4,950)	$77,760	$100,800	118.30	
Notes: One-time expense includes purchasing and remodeling an existing building. Purchasing would require bond funds.						

Appendix 2: Estimated Costs for Leasing an 80-Bed Facility in the Twin Cities Metro (dollars in thousands)

Lease an 80-Bed Facility in the Twin Cities Metro Area (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
80-bed facility	$44,629	($10,050)	$33,880	$68,459	224.00	80
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
CARE Fergus	($4,770)	$1,900	-	($2,870)	(35.40)	(16)
TOTAL	$30,479	($4,950)	$33,880	$59,409	118.30	
Notes: One-time expense is the cost to remodel a leased building.						

Appendix 3: Estimated Costs for Purchasing and Remodeling a 60-Bed Facility in the Twin Cities Metro and Keeping One Existing 16-Bed Facility (dollars in thousands)

Purchase and Remodel a 60-Bed Facility in Twin Cities Metro Area Keep One Existing 16-Bed Facility (Adds 28 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
60-bed facility	$32,034	($7,500)	$58,320	$82,854	172.5	60
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$22,654	($4,300)	$58,320	$76,674	102.20	
Notes: One-time expense includes purchasing and remodeling an existing building. Project would require bond funds.						

Appendix 4: Estimated Costs for Leasing a 60-Bed Facility in the Twin Cities Metro and Keeping One Existing 16-Bed Facility (dollars in thousands)

Lease a 60-Bed Facility in Twin Cities Metro Area Keep One Existing 16-Bed Facility (Adds 28 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
60-bed facility	$33,900	($7,500)	$25,410	$51,810	172.50	60
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$24,520	($4,300)	$25,410	$45,630	102.20	
Notes: One-time expense is to remodel a leased building.						

Appendix 5: Estimated Costs for Purchasing and Remodeling a 48-Bed Facility in the Twin Cities Metro, Purchasing and Remodeling a 16-Bed Facility Near St. Peter and Keeping One Existing 16-Bed Facility (dollars in thousands)

Purchase and Remodel a 48-Bed Facility in Twin Cities Metro Area Purchase and Remodel One 16-Bed Facility Near St. Peter Keep One Existing 16-Bed Facility (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
48-bed facility	$25,327	($6,000)	$46,656	$65,983	137.20	48
16-bed facility near St. Peter	$8,995	($2,000)	$15,552	$22,547	49.30	16
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$24,942	($4,800)	$62,208	$82,350	116.20	
Notes: One-time expense is to purchase and remodel the building. Will require bond funds.						

Appendix 6: Estimated Costs for Purchasing and Remodeling a 48-Bed Facility in the Twin Cities Metro, Purchasing and Remodeling a 16-Bed Facility Near St. Peter and Keeping One Existing 16-Bed Facility (dollars in thousands)

Lease a 48-Bed Facility in Twin Cities Metro Area
Lease Another 16-Bed Facility Near St. Peter
Keep One Existing 16-Bed Facility
(Adds 32 new beds to the current system)

	Operating Expense	Revenue Off-Set	One-Time Expense	Total Expense	FTEs Impacted	Number of Beds
48-bed facility	$26,820	($6,000)	$20,328	$41,148	137.20	48
16-bed facility near St. Peter	$9,493	($2,000)	$6,776	$14,269	49.30	16
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$26,933	($4,800)	$27,104	$49,237	116.20	

Notes: One-time expense is to remodel a leased facility.

Appendix 7: Estimated Costs for Purchasing and Remodeling Four 16-Bed Facilities and Keeping One Existing 16-Bed Facility (dollars in thousands)

Purchase and Remodel Four New 16-Bed Facilities in Statewide Locations Keep One Existing 16-Bed Facility (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
Four 16-bed facilities	$35,984	($8,000)	$62,208	$90,192	197.20	64
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$26,604	($4,800)	$62,208	$84,012	126.90	

Notes: One-time expense includes cost to purchase and remodel four facilities. Will require bond funds.

Appendix 8: Estimated Costs for Leasing Four 16-Bed Facilities and Keeping One Existing 16-Bed Facility (dollars in thousands)

Lease Four New 16-Bed Facilities in Statewide Locations Keep One Existing 16-Bed Facility (Adds 32 new beds to the current system)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
Four 16-bed facilities	$37,974	($8,000)	$27,104	$57,078	197.20	64
CARE Fergus	-	-	-	-	-	16
CARE Anoka	($4,640)	$1,900	-	($2,740)	(35.45)	(16)
CARE Carlton	($4,740)	$1,300	-	($3,440)	(34.85)	(16)
TOTAL	$28,594	($4,800)	$27,104	$50,898	126.90	
Notes: One-time expense is to remodel a leased facility.						

Appendix 9: Estimated Costs for Operating Three Current 16-Bed Facilities but Purchasing New Locations for Anoka and Carlton (dollars in thousands)

Keep Three Existing 16-Bed Facilities (Retains current 48 beds but purchases new locations in Anoka and Carlton)						
	Operating Expense	**Revenue Off-Set**	**One-Time Expense**	**Total Expense**	**FTEs Impacted**	**Number of Beds**
CARE Fergus	-	-	-	-	-	16
CARE Anoka	-	-	$15,552	$15,552	-	16
CARE Carlton	-	-	$15,552	$15,552	-	16
TOTAL	-	-	$31,104	$31,104	-	
Notes: One-time expense is the cost to purchase and remodel new locations for Anoka and Carlton facilities.						

Appendix 10: Estimated Costs for Operating Three Current 16-Bed Facilities but Leasing New Locations for Anoka and Carlton (dollars in thousands)

Keep Three Existing 16-Bed Facilities (Retains current 48 beds but leases new locations in Anoka and Carlton)						
	Operating Expense	Revenue Off-Set	One-Time Expense	Total Expense	FTEs Impacted	Number of Beds
CARE Fergus	-	-	-	-	-	16
CARE Anoka	-	-	$6,776	$6,776	-	16
CARE Carlton	-	-	$6,776	$6,776	-	16
TOTAL	-	-	$13,552	$13,552	-	
Notes: One-time expense is the cost to lease and remodel new locations for Anoka and Carlton facilities.						

Appendix 11: Health Management Associates Report and Recommendations on Consolidating the CARE Program

In 2022, DCT contracted with Health Management Associates (HMA), a leading independent national research and consulting firm in the healthcare industry. HMA has special expertise in publicly funded health care. DCT asked HMA to assess:

- The CARE program's capacity to deliver services at a specific level of care set by the American Society of Addiction Medicine (ASAM)
- The medical necessity standards and treatment appropriateness for patients serviced at CARE
- The CARE program's capacity to identify gaps in care and measures to address those gaps.

Click the icon below to view the full HMA report and recommendations concerning consolidation of the CARE program and the advantages for improved care.

Health
Management Associ