



Fiscal Year 25 Business and Spending Plan October 1, 2024 – September 30, 2025

Presented to Board of Directors
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Introduction

Based on input from the governing board and staff members, as well as ongoing discussion with funders, regulators, and community partners, The Haven's Executive Management Team developed a focus of work for the next 12 months, with an accompanying one-year spending plan.

This document summarizes the results of that work. It includes the following:

- The Haven Mission and Agency Overview
- Major Initiatives
- Spending Plan Overview, including Assumptions and Givens, Opportunities and Risks
- Capital Improvement Spending Plan

This plan represents the thoughtful work of volunteers, community partners, and staff members of The Haven. All share one overriding common goal—to make our mission a reality.

Mission and Agency Overview

The Haven is a 501(c)3, nonsectarian organization. Its roots go back to 1970. The organization has evolved over the decades from its grassroots origins of concerned citizens who saw an unmet need of helping women struggling with alcohol addiction to what it is today—a nationally recognized service agency that helps women and their families heal from substance use and co-occurring disorders through evidenced-based treatment and informed by best practices from the field as established by CARF International and SAMHSA.

We envision a future where every woman seeking substance use recovery finds a supportive haven in our family-inclusive environment. As an organization we are committed to providing effective and affordable recovery services and participating as a corporate leader to reduce stigma towards those with mental and substance use health challenges. The Haven is dedicated to fostering a

professional, holistic approach that prioritizes the well-being of women and their families.

Our values guide us. We believe in:

- recovery with respect; and
- recovery is possible for all and is limitless in scope.

We are committed to:

- supporting members in achieving their goals;
- assisting our staff with professional and personal development; and
- contributing to the health of the Tucson community.

Major Initiatives

Develop a quality and data-driven culture that uses data to drive clinical and programmatic decisions and stakeholder communications.

To remain at the forefront of substance use recovery, The Haven will cultivate a culture that thrives on quality and data-driven decision-making. We recognize the transformative power of data in informing clinical and programmatic decisions and enhancing stakeholder communications. By harnessing the insights gained through rigorous analysis, we aim to continually refine and elevate our services.

Enhance program accessibility and maintain full or near-full census.

Accessibility is paramount in our mission to serve. The Haven is committed to enhancing program accessibility, ensuring that every woman in need has a pathway to recovery. Our goal is to maintain a full or near-full census, optimizing the utilization of our resources to meet the growing demand for our services.

Increase The Haven's community presence and be seen as a leader within the field.

To be a true catalyst for change, The Haven aims to increase its community presence and be recognized as a leader within the field of substance use recovery. We envision a future where The Haven is actively engaged with the community, collaborating with stakeholders, and driving conversations that contribute to the advancement of recovery solutions.

Maintain a competent, sufficient, and engaged workforce.

Our greatest asset is our dedicated workforce. The Haven is committed to maintaining a competent, sufficient, and engaged team that embodies our values and principles. Through continuous training, professional development, and fostering a positive work environment, we seek to empower our staff to deliver the highest quality of care.

Create operational efficiencies and standardization across all programs.

Operational excellence is key to our sustainability. The Haven will work towards creating operational efficiencies and standardization across all programs, ensuring a seamless and consistent experience for those in our care. By streamlining processes, we aim to maximize our impact and effectiveness.

Achieve financial stability with balanced budget and diversified funding streams.

Financial stability is crucial for The Haven's sustained impact. Our strategic plan focuses on achieving a balanced budget and establishing diversified funding streams. By cultivating partnerships, exploring innovative funding sources, and practicing fiscal responsibility, we aim to secure the financial foundation needed to fulfill our mission.

Spending Plan Overview

The Haven's management has prepared a \$7.6M operating budget with a projected margin of \$1,098. Anticipated investment income is \$68K.

This spending plan has been developed with the best data available at this time for our organization and our best thinking about what we have the capacity to do over the next 12 months. Inevitably, there are some assumptions, opportunities, and risks that will affect the ultimate bottom line. The operating budget is part of our larger plan that will be monitored by staff and the Board of Directors, and expenses will be adjusted to reflect what we learn in real time.

FY25 Business Plan and Budget Assumptions / Givens

- Grants and contracts that we have held historically are consistently are built into the assumed revenue, as re grants and contracts that extend throughout the fiscal year.
- We do not anticipate any rate increases from payors.
- AHCCCS's new Behavioral Health Covered Services guide presents substantial challenges to provision of treatment, especially in the Intensive

Outpatient Program (IOP), that there is effectively a *decreased* opportunity to earn revenue.

- Fund development revenue, both private grants and individual donations, reflect anticipated growth with momentum achieved over the prior two years. The Haven's 55th Anniversary provides increased positive public visibility. We anticipate that our relatively new focus on consistent donor cultivation and stewardship, and moves management, will lead to more and larger donations in FY25 and beyond. We will pilot Champions for Recovery in the coming year.
- We identified that our current average daily opportunity cost of unfilled beds is \$1,500/day, about \$1M in opportunity over 365 days. This will result in The Haven's ability to invite young children to stay with their mothers while in treatment, but it may address diminished revenue brought about in part by changes in the IOP H0015 rate and new requirements that will be outlined later in this document.
 - We increased our occupancy goal at Residential to 98% (48 Average Daily Census). FY24's occupancy goal was 45, and our performance was a 38 Average Daily Census. If the state lifts the moratorium on licensing additional beds, Residential's capacity could increase from 49 to 62 beds.
 - We increased our occupancy goal at Outpatient Campbell offices to 98% with the expectation of providing 59 IOP day code services 5 days per week. Our FY24 average was 45. This stretch goal depends on our ability to increase members served who are not residing in our Glenn housing.
 - We changed our practice of reserving beds for both internal and external referrals at both Residential and IOP Glenn Housing. In FY25, we decreased the time we will hold beds in reserve from up to a month to one week.
- Employee Related Expenses (ERE) is calculated at 21% of personnel costs.
- Staff will receive merit-based bonuses after performance reviews are completed in October 2024 for the prior year. We will apply American Rescue Plan Act funds received in 2024 for employee performance-based bonuses, in line with The Haven's Compensation Philosophy.
- The FY25 operating budget reflects \$58K pay rate adjustments per the 2024 market rate analysis conducted by Fahrenheit Advisors. Total payroll and benefits increase for FY 25 budget compared to the previous 12 months \$450K (9%).
- The Haven estimates that 68% of staff will participate in its 403b matching program benefit. After one year of service, the organization matches 50% of the employee contribution up to 4% of their annual compensation.
- The operating budget reflects \$52K (50%) to increase in IT managed services from JNR to reduce The Haven's risk of intrusion 40%, as compared to the 95% assessed threat level identified in FY24.

- Employee insurance costs increase by \$34K (9%) beginning October 1, 2024. We locked in an agreement with Blue Cross/Blue Shield for a maximum of 12% increase in FY26.
- Agency-wide Motivational Interviewing (MI) and a Haven managers/supervisors training program are reflected in the FY25 operating budget (\$14K & \$22,500, respectively).
- Inflation factor for consumer goods is calculated at 3%.
- The operations bottom line is \$1K.
 - Total expense increase for FY25 over FY24 is \$647K (9%).
 - Total income increase for FY25 over FY24 is \$971K (15%)

FY25 Business Plan and Budget Opportunities

In anticipation of the 10/1/24 changes from AHCCCS, IOP programming's daily start time has been adjusted by 15 minutes to begin earlier so that if members miss even 1 minute of the H0015 group, Haven billing and clinical management will have time to down code the services accordingly. This will buffer normal distractions that regularly occur (i.e., phone calls, return late from break, any reason a member is unaccounted for during group) and make it more possible to meet the billing requirements for H0015 service code.

Our FY25 participation goal is 60 members *each* day. Additionally, we have leveraged existing job roles to manage to the new AHCCCS Covered Behavioral Health Services Guide and be able to deliver 5 H0015 groups simultaneously. Each Peer Support Specialist will facilitate three unique IOP groups; and each Therapist will facilitate two. Clinical leadership designed the new IOP programming to ensure that evidenced based programs and promising practices are not compromised and that our members will continue to receive quality treatment and life skills as we build out the IOP without housing. We will use telehealth to serve members who are unable to attend in person due to being quarantined, experiencing transportation challenges, and the like.

Role	Staff	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
EDUCATOR	Phillip (5)	off	Matrix Model*	DBT Skills*	Beyond Anger & Violence*	Matrix Model*	Beyond Anger & Violence*	off
EDUCATOR	Lounora (5)	off	DBT Skills*	Matrix Model*	DBT Skills*	Beyond Anger & Violence*	DBT Skills*	off
THERAPIST	Georgia (2)	off	None	Working Through Trauma	None	None	Emotional Regulation	off
THERAPIST	Briana (2)	off	None	Healing Trauma	None	None	Cognitive Restructuring (CBT)*	off
RC	Amanda (3 or 4)	off	Helping Women Recover*	None (Afternoon Group: Active Parenting)*	Matrix Model*	DBT Skills*	None	off
RC	Davi(3)	off	MRT/Seeking Safety *	None	Working Through Anxiety*	Creative Expressions	None	off
RC	Tracey (3)	off	Beyond Anger & Violence*	None	Helping Women Recover*	None	OP-MRT*	off
RC	Nora (3)	off	None	Beyond Anger & Violence*	None	Self-Preservation Skills*	Matrix Model*	off
	Afternoon Groups	off	X	Sobriety Reads (Amber)	Welcome to IOP with OP Leadership starts 10/10/24	X	X	off
	Afternoon Groups	off	Mindfulness & Yoga (Valerie/Tracy)- OP/IOP	IOP Makeup Group (Lou)	AccuWellness (Lou & Tracy)- OP/IOP (Makeup)	OP Relapse Prevention/Makeup	X	off
PEER	Shannon	Time Management	12-step Meeting (Peer documents)	X	X	off	off	off
PEER	Tammy	off	off	off	12-step Meeting (Peer documents)	X	OP Relapse Prevention/Makeup	2 Meetings: (1) Community Service Group & (2) Perfect Attendance Outing
PEER	Valerie	SMART Recovery/Fireside	X	off	off	12-step Meeting (Peer documents)	X	off

Assessment's goal has increased to 684 units of services. We built an authorization representative position into the FY25 operating budget to address the increased administrative burden imposed by payors for prior authorization and concurrent reviews.

FY25 Business Plan and Budget Risks

The Arizona's public behavioral health sector continues to experience significant shifts in both regulations and regulatory oversight. The bottom line is that AHCCCS wants providers to do more with less—less funding, more educational and training requirements for qualifying staff, shorter stays in higher levels of care. Because AHCCCS has tightened regulatory requirements, it is harder for some women with AIHP insurance who are seeking treatment to access the care at all; and it is harder for all women on MCO health plans to access care due to prior authorization and concurrent review delays.

While we have developed the FY25 operating budget to break even, there are risks that we take when doing so. These include things that staff have either little or no control over such as:

- AHCCCS's new Behavioral Health Service Guide impacts IOPs by
 - disallowing services on the same day as H0015 IOP group is provided. These are additional, wrap-around (best practices like peer support, individual or family counselling, or case management) that do not fall strictly within the bundled H0015 service code
 - limiting the number of members in IOP groups to a maximum of 12 without medical necessity being approved by AHCCCS.
 - applying the 8 Minute Rule to a single service unit to mirror Medicare (anything for the 1st service between 1-7 minutes is not billable; for the 2nd service unit you must reach 23 minutes);
 - increasing administrative burden by requiring claims to be unbundled if a member does not complete 3 hours of service over 3 days in a given week;
 - multiple “place of service” identifiers have been changed for telehealth. Though the changes go into effect October 1, 2024, billing software interfaces may take time to work kinks out at AHCCCS for AIHP-FFS and even longer for the MCOs, each with its own software interface. (For example, in 2023, one number--place of service for Residential--changed and it took 3 months for the interfaces to work properly and associated claims payments to be processed.)

Providers across the state continue to give feedback to AHCCCS about its new Covered Behavioral Health Services Guide. AHCCCS has told providers at the Arizona Council for Human Service Providers (ACHSP) that it is listening and will consider the feedback and suggested modifications. We are planning to meet the new requirements that go into effect October 1, 2024 as they stand and should have a good idea of whether we are able to make the new rules fiscally viable at The Haven within the first quarter of FY25. We will also know whether or not AHCCCS made changes to its Guide, or holds its course as written currently.

- MCO have already begun implementing new practices that impact Residential by
 - Initial authorizations now take four business days, by which time many women have lost their desire to enter treatment; and
 - concurrent reviews (continuing service authorizations) must take place every two weeks in order for some women to continue their treatment coverage, depending on the health plan payor.
 - Have a revolving prior authorization and concurrent reviewer workforce, which leads to inconsistent feedback to Haven staff on what payors will consider an appropriate Level of Care (LOC).
- Against Staff Advise (ASAs) and Administrative Discharges due to members not adhering to programs' rules and safety precautions, or members whose condition changes and need a level of care not offered by The Haven.
- Saturation of IOP service providers. (Buena Vista, ARC, Amity, COPE, CODAC). Many of these providers report experiencing low censuses.
- Workforce shortage and competition to recruit and retain qualified staff.
- Background check results are taking an inordinate amount of time to receive—a month or longer—before we are even able to offer jobs to candidates.

	FY25 BUDGET	FY24 ACTUALS
Revenue		
AHCCCS & Judicial	6,408,680	5,571,890
Insurance / Self-Pay	17,060	21,200
Contributions / Grants	1,194,792	1,060,577
Miscellaneous Income	8,458	4,091
Total Revenue	7,628,990	6,657,758
Expense		
Salaries & Benefits	5,390,659	4,940,575
Professional Services	535,375	425,786
Facilities Rental	402,668	414,945
Advertising & Marketing	7,197	3,956
Supplies	309,905	258,812
Bad debt	15,948	72,136
Housekeeping & Food	368,492	300,028
Dues & Subscriptions	31,830	21,609
Miscellaneous Expense	7,228	5,346
Meetings & Conferences	50,577	50,031
Property & Equipment		
Rental	18,175	18,408
Fundraising Expenses	23,000	16,428
Insurance Property &		
Casualty	70,621	65,067
Interest Expense	25,617	27,933
Travel	90,507	75,888
Postage & Shipping	2,524	2,399
Repairs & Maintenance	98,543	105,893
Utilities	179,026	175,454
Total Expense	7,627,891	6,980,694
Projected Net Margin	1,099	-322,936

Capital Improvement Spending Plan

Capital improvement spending reflects an investment in our assets. The investment is 59% of our non-cash depreciation expense (\$190K).

IT	Glenn Core Infrastructure Lifecycle	9,000
IT	Glenn Camera system Lifecycle	8,000
IT	Core infrastructure Server Replacement – Campbell	15,000
Residential	Expand Cameras	20,000
Assessments	Sport Utility Vehicle	30,000
Outpatient	Four-door sedan (obsolescence)	25,000
IOP housing	Pave driveway Velva/Mariposa	5,000
Total		112,000