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Marketdata Enterprises
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Press Release

\$35 Billion U.S. Addiction Rehab Industry Poised For Growth

August 5, 2014: Marketdata Enterprises, Inc., a leading independent market research publisher covering service markets since 1979, has released a new 113-page report entitled: **The U.S. Addiction Rehab Industry**. This market study investigates demand for and the dollar value and structure of drug, alcohol and other addiction treatment facilities. It's a huge mostly public-funded healthcare sector that has bounced back from the last recession. The study estimates industry revenues from 1983 to 2018 Forecast.

"Drug, alcohol and other addiction rehab in the United States is big business - \$35 billion this year. There are now 14,000+ treatment facilities and growing. A total of 2.5 million persons received treatment, but many more need it and facilities are filled to capacity. However, insurance coverage for rehab is limited. As a result, most of the tab is paid by government/state agencies.", according to Research Director, John LaRosa.

Major Findings:

- **Market Value...** Marketdata analysts estimate that the drug, alcohol and other addictions treatment industry will be worth \$35 billion this year. Moderate 5.2% annual growth in revenues is forecast through 2018. The states provide most of the funding, and insurance coverage is still scarce.
- The industry is comprised of 14,000+ treatment facilities and growing. The typical treatment center has 40 patients and has annual revenues of \$548,000.
- Experts worry that with implementation of the Affordable Care Act, 3-5 million new patients will enter the system in need of substance abuse treatment, and will overwhelm the current system's capacity.

- High-end niches have emerged for the well-heeled that can pay out-of-pocket (think Hollywood celebrities) and new niches are emerging in areas such as: sex addiction, problem gamblers, Internet addiction, nicotine addiction, anxiety disorders, eating disorders, and serving Iraq and Afghanistan war veterans with PTSD. Marketdata expects above-average growth in these niches.
- Destination markets exist in Florida and California, where the mild climate is used as a marketing tool.
- CRC Health Group, a Bain Capital subsidiary, is the nation's leading treatment center chain, operating 145 facilities and with 2013 revenues of \$456 million. It's one example of an industry "roll-up" – growth via acquisitions.
- A total of 2.5 million persons were treated in 2012, but there were 5 million persons in need of treatment.
- The old 28-day \$30,000 inpatient stay for treatment has become a thing of the past. Fully 81% of patients are treated on an outpatient basis today.
- Smaller treatment facilities that rely on cash payments (such as those located in Florida) may get squeezed by the larger chain competitors.
- An estimated 22.2 million Americans aged 12+ were classified with substance dependence or abuse in 2012, according to government agencies.

"Rehab is much more than reality TV shows that focus on spoiled celebrities, who stay at luxury facilities in California for a few weeks or a month for \$50,000. This is the high end tip of the iceberg. There are many more regular Americans struggling with ongoing drug, alcohol and other addictions that rely on public agencies for help.", according to Research Director, John LaRosa.

About The Study

The U.S. Addiction Rehab Industry, August, 2014, is an independently researched study that is 113 pages long, has 22 Tables & Charts, 10 competitor profiles, and costs \$1,295. It is also sold by individual chapters. Free brochure and table of contents available. John LaRosa available for interviews. Contact: Marketdata Enterprises, 8903 Regents Park Drive, Suite 120, Tampa, FL 33647. (813-907-9090). Email: marketdataent@yahoo.com.

This new study examines the nature of the business, types of rehab, reasons for the renewed growth of addiction rehab services since the Great Recession, national receipts/growth from 1983-2013, 2014 and 2018 forecasts, average facility revenues, industry structure and participation by non-profit, for-profit, inpatient and outpatient programs, extensive drug/alcohol abuser demographics (number of abusers by type drug, age, sources of payment, type facilities used, etc.), The Florida Model, destination markets in FL and CA, expected effects of increased volume due to the Affordable Care Act, industry history and evolution, and key industry trends.

A 24 pp. Overview summary available to the public for \$99, at: www.marketdataenterprises.com.

ABOUT MARKETDATA

Marketdata Enterprises, Inc., is a 35-year old independent market research and consulting firm that publishes market and industry studies covering a wide range of service and healthcare sectors. The company also performs custom research, consulting, teleseminars and conference calls.

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