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LIFE STYLE

Behavioral Health builds client base with tailored touch

By **Betsy Butgereit**
News staff writer

The Behavioral Health Systems Inc. clinical coordinator couldn't help noticing that her client seemed to be tapering off his Alcoholics Anonymous and other meetings after his successful 28-day substance-abuse inpatient treatment.

She phoned to ask why. He told her that his hours at work had changed and he couldn't get there any more.

So the case worker did the logical thing — she arranged for her client to receive monthly bus passes, enabling him to use the bus stop close to his home and continue to reinforce his drug- and alcohol-free lifestyle.

It's those little touches — and the big cost-savings — that companies love about Behavioral Health Systems, a 6-year-old health care company that offers only mental health and substance abuse services and has never lost a corporate client.

BHS, which expects to sell \$5.8 million in services this year, offers care for only a specific group of diagnoses and is known as a "carve-out" company.

By focusing only on mental health and substance abuse, Behavioral Health Systems and other psychiatric preferred provider organizations are able to streamline operations, provide better service, better manage individual cases and control costs for em-

ployers, said Deborah L. Stephens, the company's founder, president and chief executive officer.

The company is one of Birmingham's first managed-care companies, arriving on the scene before managed care became the buzzword it is today, and carved out its niche in a field that has stiff local and national competition.

For her achievements with the company, Ms. Stephens was named the Birmingham Area Chamber of Commerce's Small Business Person of the Year in the category for companies up to 15 employees.

"What I really like about it was the fact that it really honored everybody here, not just me," Ms. Stephens said.

Support got slow start

She came to Birmingham in 1988 intending to work in medical rehabilitation because she'd been executive vice president and CEO of a rehab holding company in Milwaukee, one of the country's first managed-care hot spots.

Instead, she found herself taking a job with Sunbelt Professional Services, a non-profit mental health company. It didn't take her long to figure that Sunbelt didn't have much of a future, but the field had possibilities.

She created a business plan for a psychiatric managed-care company that would become Behavioral Health Systems. But Ala-



NEWS STAFF PHOTO/MARK ALMOND

Deborah L. Stephens, recently named one of the Birmingham Area Chamber of Commerce's Small Business Persons of the Year, founded a mental-health carve-out company that doubled in size in 1994.

bama banks wouldn't fund it because they considered the concept risky, so she turned to individual investors, including some Sunbelt backers, and started BHS with only herself as an employee and seven mental health providers.

Today, the company has grown to 21 employees with more than 40 Alabama clients, 70,000 covered members and 2,500 providers in 31 states and a few foreign countries, the company reports.

Sales have more than doubled each year since 1989 and are expected to reach \$5.8 million this year. By Jan. 1, 1996, when many companies change benefit plans, Behavioral Health Systems expects to have 150,000 people covered in its plans.

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Behavioral Health Systems

■ **Founded:** 1989.

■ **Focus:** Mental health and substance-abuse services for employers.

■ **Covered membership:** 74,000 this year, expected to grow to 150,000 by 1996.

■ **1995 sales projections:** \$5.8 million.

■ **Birmingham clients:** SouthTrust Corp., BE&K Inc., Jefferson County, O'Neal Steel, Birmingham Steel, Sherman International, Southern Co. Services, Altec Industries, Golden Flake Snack Foods, Southern Nuclear and Southern Research Institute.

■ **Why they like BHS:** BHS says it saved its clients \$3.5 million.

Source: Behavioral Health Systems.

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Through all the growth, Ms. Stephens said, no corporate client has ever left her firm and about half of the new corporate clients discover BHS through recommendations.

One reason BHS is valued: It claims to have saved its corporate clients \$3.5 million in health care costs. It says the average company saves about 60 percent in mental health and substance abuse treatment per year — which can add up to many zeros for companies that pay millions for health care.

"We've been doing business with them for a little over two years and we're extremely pleased with them," said John Neel, human resources director for BE&K Inc. "They are the employee assistance program for us, and they handle the mental-nervous and substance abuse treatment programs for us.

"Not only are we satisfied with the treatment and care and the help that the employees are receiving, but the other thing that we're impressed with is that they are receiving it in a very cost-effective manner."

Firms see costs drop

In the first year, Neel said, BE&K, which has about 8,000 employees, saw a 27 percent decrease in its per-member, per-month cost for mental and substance abuse cases.

SouthTrust Bank saw a 60 percent reduction in cost for mental and substance abuse treatment in its first year with BHS, said Jill Shelton, the bank's group vice president of human resources.

"At the same time, we delivered a higher level of benefit coverage to our employees," Mrs. Shelton said. "Any time you can improve benefits and reduce costs at the same time, you want to take advantage of that."

SouthTrust, going into its fourth year with Behavioral Health Systems, has about 8,000 employees in seven Southern states.

"Of course, like with any benefit

change, there has been some negative feedback, but the negative feedback we've had has been constructive and we've been able to use it and improve," Mrs. Shelton said.

"By and large, the employee feedback has been very positive. The new benefit structure has saved them money and, at the same time, most of the employees I've talked to have been very impressed by the quality of the care that they're getting."

Ms. Stephens said she believes her success can be attributed to some simple factors, including a price structure that's competitive.

She's focused on making her corporate clients feel involved and offering them the best possible use and cost reports.

She's also focused on patient service, making sure each individual who calls for help receives a face-to-face evaluation within three days and that the client has a written care plan.

The company's growth won it notice last year from an industry publication as one of the Top 25 fastest-growing specialty preferred provider organizations, and No. 8 among psychiatric PPOs.

BHS' company-notification and employee satisfaction also has won excellent ratings from Towers & Perrin, a Seattle consulting firm that helps employers choose health care companies.

In the health care industry, it's common to have to submit your data to a third party that will evaluate it, Ms. Stephens said.

"So many employers are now trying to make their own decisions on health care, whereas before they left it in the hands of Blue Cross or some other private insurer, that they are often seeking the counsel of health care consulting firms," Ms. Stephens said.

Ms. Stephens is proud not only of keeping some corporate Alabama health care money in the state but of bringing in money generated in the 30 states in which it operates.

Still, it doesn't plan to cast nets far and wide for new corporate clients.

As managed-care competition increased, "we will continue to cus-

tomize our problems for the needs of the Southern-based companies," she said.