

BUSINESS

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WEDNESDAY

Gamble rewarded

Behavioral health company a success

By Jed Graham

Post-Herald Reporter

Deborah L. Stephens came to Birmingham in 1988 with experience managing a 100-bed hospital in Milwaukee and a plan to carve out a piece of the health care pie in the Southeast.

"I had startup capital of \$45,000 and a good idea," said Ms. Stephens, president and chief executive officer of Behavioral Health Systems Inc.

Her idea was to create a managed-care network providing mental health and substance-abuse services to regional companies. Not only did Alabama and neighboring states present a market largely untapped by managed-care providers, but the expense of mental health services was soaring.

But after being turned away by financial institutions, Ms. Stephens turned to Alabama businesspeople and businesses to take a chance on her. Their gamble has been rewarded.

Behavioral Health Systems went into business in 1989 with Ms. Stephens the only employee and no clients.

Now it manages the mental health services for more than 90,000 employees of more than 45 client companies with a network of 3,000 providers in 34 states. In 1995, the company, now with a staff of 25, had revenues of about \$5 million. Revenues are expected to reach \$7.5 million in 1996.

And recognition has followed suc-

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— Deborah Stephens,
CEO, Behavioral
Health Systems

cess for Ms. Stephens. Last year, she was named Small Business Person of the Year by the Birmingham Area Chamber of Commerce for companies of up to 15 employees.

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Deborah Stephens, president and chief executive officer of Behavioral Health Systems, was the only small-business owner from Alabama among the 78 featured in Entrepreneur magazine's April issue. She founded the managed-care company.

Stephen Gates/
Post-Herald

Health

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This month, she is one of 78 small-business owners, and the only one from Alabama, featured in Entrepreneur magazine's cover story, "Entrepreneurs Across America."

And the biggest reason for all this praise given to Ms. Stephens and Behavioral Health Systems is customers who are satisfied.

"We have not lost a client since (starting business in) 1989. We're very proud of that," Ms. Stephens said.

The first company to take a chance on Behavioral Health Systems was Sherman International Corp., a Birmingham-based concrete manufacturer.

"We felt like our mental health and nervous claims were too high," said Peggy Otto, director of human resources.

"Deborah Stephens' company saved us quite a bit of money and our employees have been very pleased."

Even Jefferson County taxpayers have benefited.

The county signed on with Behavioral Health Systems almost two years ago and has saved about \$170,000 in that time, with a portion of that going to county employees in the form of lower premiums, said Finance Director Steve Sayler.

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Deborah Stephens

Because of the savings, Sayler said, Jefferson County was able to increase its employee benefit package to include substance-abuse treatment.

Behavioral Health Systems still is the regional company Ms. Stephens envisioned, but it has expanded into 34 states and overseas to serve the employees of regional businesses with widespread operations.

Much of the savings to those businesses comes from negotiated contracts with providers, Ms. Stephens said. But because Behavioral Health Systems closely monitors the care provided for medical necessity and guides each patient through treatment, it can make sure treatment is cost-effective.

And although its growth has been dramatic, Behavioral Health still acts like a small company. It has an advisory committee, made up of one member of each client firm, that meets quarterly.

"They guide us in what we do. No other national company does that," Ms. Stephens said.