Care Predictor™

CASE STUDY

INDUSTRY

Behavioral Healthcare

OBJECTIVE

Evaluate long-term operational and financial impact by comparing baseline performance (2022) with sustained outcomes through 2026, using constant-caseload normalization to isolate the value of operational improvements.

ALTER BEHAVIORAL HEALTH

Alter Behavioral Health is a residential mental health treatment provider based in Southern California that offers a full continuum of care for adults struggling with complex psychological conditions and co-occurring substance use issues. They operate seven licensed facilities providing 24/7 structured inpatient support, personalized treatment plans, psychiatric evaluations, and evidence-based therapies.

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CHALLENGE

Annual financial performance and patient volume often shift due to seasonal trends and referral changes, creating a "noisy" picture of growth. This makes it hard for leadership to distinguish between success driven by simple volume and success driven by high-quality care. By focusing on care-driven revenue, we created a transparent way to prove that better patient engagement and care continuity are the most reliable drivers of financial health.

SOLUTION

Alter utilized Care Predictor to bridge the analytics gap by tracking the people providing care, not just the patients. By quantifying provider reliability and therapeutic potential, leadership implemented a proactive framework to strengthen the Therapeutic Alliance and drive successful patient outcomes. This data-informed approach allowed for continuous optimization of clinical and operational workflows over a four-year period."

RESULTS

The provider achieved substantial, statistically significant gains in patient retention and operational efficiency from 2022 to 2026:

Completion Rate: Increased by 19 percentage points, representing a 32% relative improvement.

AMA Rate: Decreased by 7.5 percentage points, representing a 57% relative reduction in premature exits.

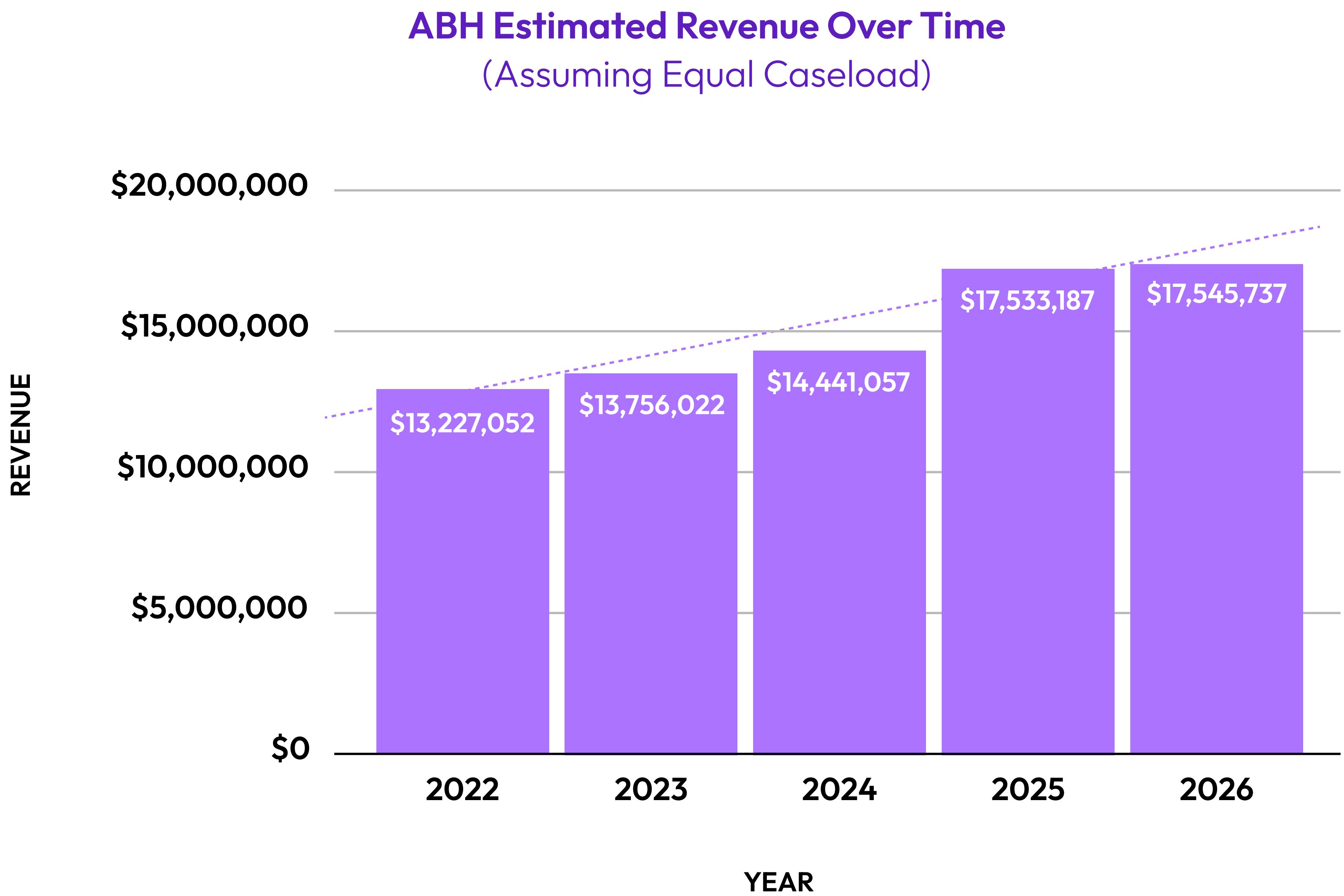
Revenue Impact (Illustrative ROI)

By holding caseload constant, the normalization model demonstrates a clear upward revenue trajectory driven purely by operational excellence.

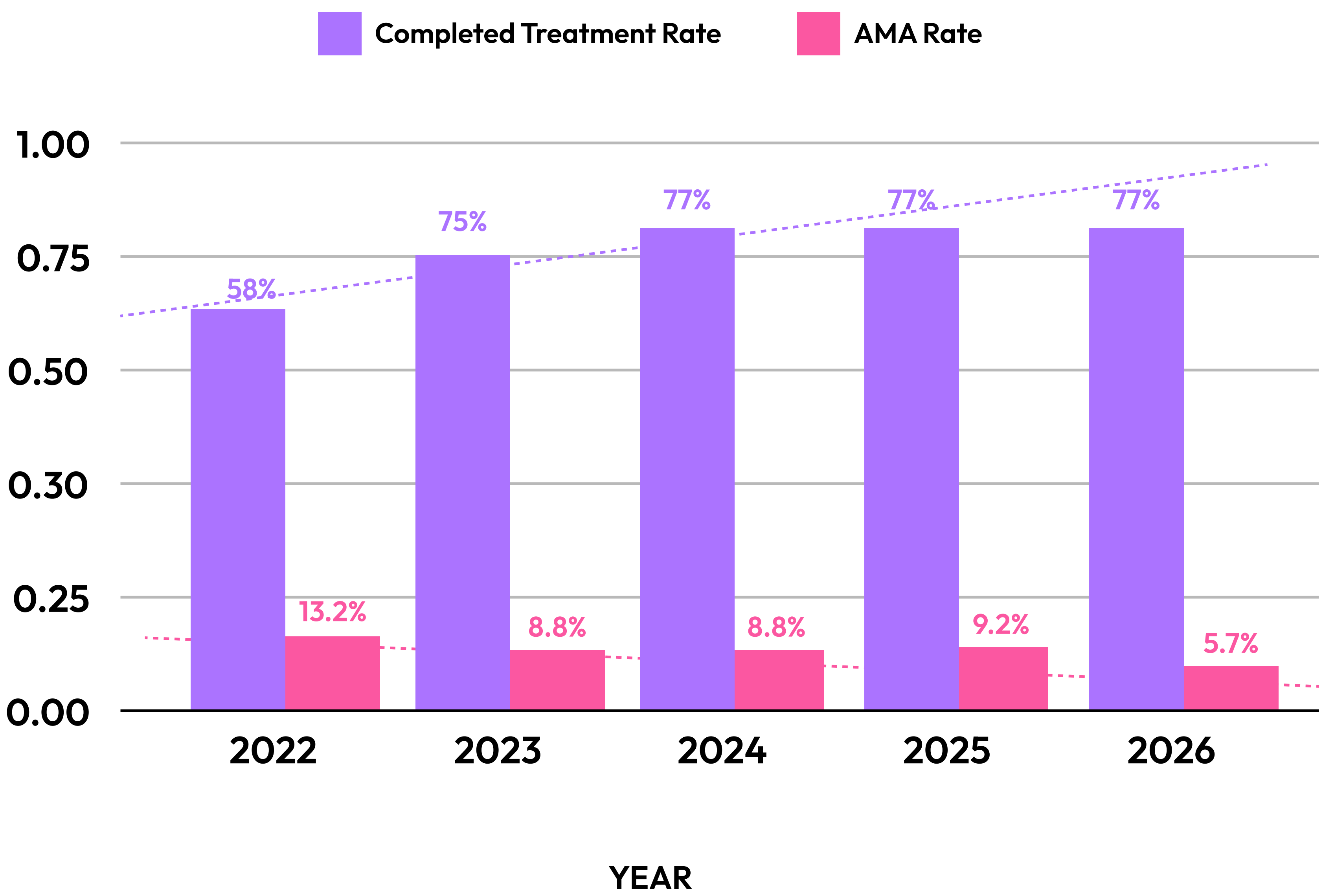
- **Total Added Revenue:** $4,318,685 attributable to improved care retention.
- **Performance Improvement:** Overall 32.7% gain in operational efficiency.
- **AMA Rate decreased:** 7.5 percentage points-corresponds to a 57% relative reduction in AMA discharges.

Data Scope and Method

- **Time frame:** Longitudinal study covering 2022 through 2026.
- **Methodology:** Constant-caseload normalization to enable "apples-to-apples" comparisons across different years.
- **Daily Rate Assumption:** Revenue is calculated based on delivered treatment days, where completed cases remain in care longer than AMA cases.



ABH Completed Treatment Rate and AMA Rate Over Time



Takeaway

The 2022–2026 data confirms that financial gains are driven by better care retention, not just more patients. Reducing AMA discharges and increasing treatment completion directly translates into more patient-days delivered, maximizing both clinical impact and the bottom line.