

July 11, 2018

## Press Release

### **Rosecrance and Jackson Recovery Centers merger to expand services in Midwest region**

#### **Goal is to create a comprehensive, integrated behavioral health system**

ROCKFORD, Ill – Rosecrance and Sioux City, Iowa-based Jackson Recovery Centers have jointly announced that they intend to merge in mid-2019, a move that would expand behavioral health treatment services in the Midwest region and continue Rosecrance's effort to expand its presence and services nationwide.

Recently, the organizations' boards of directors separately and unanimously approved a Letter of Intent for Jackson to merge into Rosecrance on or before July 1, 2019. The first step in the process is for Jackson to become an affiliate of Rosecrance effective January 1, 2019.

The arrangement now enters a due-diligence phase; during the coming months, both sides expect to create provisions of a Definitive Agreement to finalize the merger. Both agencies are private not-for-profits licensed by their states and nationally accredited for quality.

"I believe our boards of directors are doing what good non-profits should do, and that is to look down the road 5 or 10 years and ask what we need to do to grow our mission, given the challenges we face with funding and the opportunities we have to meet growing community needs," said Rosecrance President/CEO Philip W. Eaton.

Rosecrance is a nationally recognized leader in treatment for substance use and mental health disorders, and has been awarded the gold seal of approval by the Joint Commission. Through a strategic, successful series of significant mergers and acquisitions in behavioral healthcare, Rosecrance has developed a network platform of like-minded resources dedicated to a shared mission and core values.

In 2011, Rosecrance merged with Janet Wattles Center, the largest mental health treatment provider in northern Illinois. In 2016, the former Community Elements in Champaign, Illinois became part of Rosecrance, providing integrated treatment for thousands of residents for both mental health and substance use disorders.

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Most recently, in 2017, Rosecrance merged with Prairie Center, further expanding the company's network throughout the Central Illinois region to include outpatient and residential treatment services for substance use disorders, as well as recovery home structured living and support. In addition to mergers, Rosecrance has grown organically with new treatment clinics in Chicago, northern Illinois, Wisconsin, and Eastern Iowa.

With the addition of Jackson, Rosecrance will operate nearly 60 locations throughout the Midwest, with total revenue of over \$100 million and over 1,400 staff to conduct and manage operations.

The merger of Jackson into Rosecrance will bring more addiction treatment options into the Midwest and result in more integrated behavioral health services for residents of the Siouxland area encompassing parts of Iowa, Nebraska, South Dakota and Minnesota.

Rosecrance is one of the nation's largest providers of residential substance abuse and mental health treatment services for teens, and the adult residential campus is one of the largest in Illinois. As substance use and mental health disorders often are linked, organizations that offer integrated behavioral healthcare bring the most benefit to their communities, Eaton said.

"The greatest single factor to be considered as we go forward is the opportunity to create a truly integrated system of behavioral healthcare," Eaton said. "Most Rosecrance service sites offer integrated care and we are pleased to extend our network of like-minded providers. Through this merger, we will further our shared mission to serve even more individuals and families struggling with substance use disorders."

After the merger, Jackson CEO Kermit Dahlen would remain in charge of local operations. According to the Letter of Intent, some members of the Jackson Recovery Center Board of Directors would join the Rosecrance Board and a Community Advisory Board would be formed to offer guidance on local services, quality, fundraising, and community outreach.

"This is an exciting venture that will benefit both organizations," said Dahlen. "Non-profits that want to thrive and expand in a challenging economy need to seek out strong partners with compatible missions and values. Rosecrance fits that description. I know that we will create a prosperous and productive future, providing transformational recovery for many more individuals."

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**About Rosecrance:** Rosecrance is a private not-for-profit organization that provided behavioral health services to more than 30,000 children, teens, adults and families this past year at 52 locations. Rosecrance provides addiction and mental health treatment through residential and outpatient programs in Rockford, Illinois. Rosecrance also offers specialized recovery living and outpatient services in Chicago, northern and central Illinois, southern Wisconsin and eastern Iowa. The organization was founded in 1916.



**About Jackson Recovery Centers:** Jackson Recovery Centers, Inc., was established in 1976 by Dr. W.L. Jackson and his wife Marianne. It is the largest not-for profit addiction treatment program in the state of Iowa. Jackson provides a full continuum of care to more than 4,000 children, adolescents and adults per year and is accredited by Commission on Accreditation of Rehabilitation Facilities (CARF). Jackson maintains 172 inpatient and residential treatment beds as well as six outpatient offices in northwest Iowa. Jackson's treatment services are fully integrated providing detoxification, crisis stabilization, medication assisted treatment as well as addiction focused primary and psychiatric health care. Jackson also provides primary prevention and education services to more than 20,000 people per year.

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