



Pyramid
Healthcare, Inc.®

2019-2020 ANNUAL REPORT



A Word from the CEO

Those of us who are not old enough to have lived through seminal events like the Great Depression, the bombing of Pearl Harbor and the war that followed, or the civil rights movement of the 1960s, read about these extraordinary times with awe and wonder. When people who were present speak of these times, we are impressed by their bravery and perseverance.

And so it will be as we tell the story of the pandemic of 2020 to our grandchildren. It has been, and still is, a time of great adjustment, sacrifice and bravery on the part of many. Sadly, it has been a time of meaningful loss on some level for all of us and for far too many, the sacrifice of health and life has been substantial.

We can be especially proud of what we have been able to accomplish here at the family of companies that make up Pyramid Healthcare. Our clients' need for services did not wane during this pandemic, and in many cases the demand for care increased as a result. Our staff re-doubled their commitment and efforts so that we could continue serving as many people as possible by

immediately and creatively adjusting how we deliver treatment, school services and the administrative services that stand behind it.

The acts of bravery, determination, kindness and commitment among our staff were, and continue to be, beyond measure. As I write this message in September of 2020, we remain deep in the grip of the pandemic, with no assurances of an immunization for COVID-19 or a reduction in the pace of the spread of this terrible virus. The constant, however, is and will be the creativity and commitment of our staff to continue our lifesaving mission without pause. I am confident that one day, we will look back on this time with great pride in what we were able to accomplish, despite the daunting challenges.

Jonathan Wolf
Founder, President and CEO

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High Focus Centers Opens First Program in Connecticut



High Focus Centers opened its first behavioral health facility in the state of Connecticut in early February 2020. High Focus Centers operates structured intensive outpatient (IOP) and partial hospitalization (PHP) programs for adults, adolescents and children with psychiatric, substance use and co-occurring disorders. In continuous operation for over 25 years, High Focus Centers has 7 existing locations in New Jersey. The Norwalk, Connecticut site obtained its license from the Department of Children and Families for the child and adolescent outpatient program located at 17 High Street. Adult services are expected to begin in January 2021.

High Focus Centers' in-network provider status with all major insurance plans reduces economic barriers to care by limiting out-of-pocket expenses for its patients. Since 1998, High Focus Centers has maintained Joint Commission accreditation and is recognized for exceeding accreditation standards by utilizing proven evidence-based practices (EBP), ensuring licensed professional competencies, and continuously improving outcomes through performance improvement, client satisfaction surveys, and follow-up activities.

High Focus Centers identified southern Connecticut as an appropriate expansion area for several reasons. Demographically, there are many similarities to the geographic locations of the High

Focus Centers sites in New Jersey. Additionally, Fairfield County, Connecticut was identified as a designated mental health professional shortage area by federal agencies. Overall, the PHP and IOP services provided by High Focus Centers in Norwalk are providing options for behavioral health partners who have clients either stepping down from inpatient stays or require intervention and stabilization to avoid inpatient hospitalization.

High Focus Centers held an open house for the recently opened child and adolescent program in Norwalk, CT. High Focus Centers' services complement those of existing providers and has successfully built on its 25-year history of collaboration with related service organizations and professionals.

Shortly after the open house, the mandated response to the COVID-19 pandemic required all services at High Focus Centers to transition to a telehealth platform. High Focus Centers in Norwalk continued to provide structured outpatient treatment to its clients with no disruption in services and will continue to do so until directives from the state and local governments indicate that authorities, as well as clients and families, feel that it is safe to return to face-to-face settings. Feedback from clients indicates that 97% of Norwalk clients reported overall satisfaction with telehealth services.

Pyramid Online Counseling Responds to Increased Need for Telehealth Counseling

Pyramid Healthcare quickly pivoted to an all telehealth treatment model to continue to provide safe and effective care for existing as well as new clients across the network in direct response to COVID-19 earlier this year.

After successfully leading and completing thousands of video-based treatment sessions, a new telebehavioral health division, Pyramid Online Counseling, was officially launched to respond to the overwhelming need and demand for teletherapy and to enable Pyramid Healthcare to effectively manage referrals for outpatient treatment received via the call center.

Additionally, the Virtual Intensive Outpatient Program for Medication Assisted Treatment (MAT), is a new group-run initiative designed to help individuals struggling with opioid addiction who are in need of home-based, virtual services as an extension of Pyramid Healthcare's Intensive Outpatient Program (IOP) or a stand-alone service.



Pyramid Online Counseling is currently available in Pennsylvania, New Jersey, North Carolina, Maryland, Virginia, Connecticut and Georgia. A thorough examination of data over the next 6 months will determine Pyramid Healthcare's expansion of Pyramid Online Counseling into additional states.

October Road Opens Opioid Treatment Program in Asheville

October Road began providing outpatient opioid services three years ago, shortly before North Carolina launched its Opioid Action Plan in response to the state's opioid epidemic. The Opioid Action Plan is a long-term, statewide initiative to help increase access to comprehensive opioid services including methadone. To help meet the needs of this initiative, October Road expanded its opioid services by opening an Opioid Treatment Program (OTP) on July 29, 2020 in Asheville, North Carolina.

The OTP, operating as October Road Treatment Center, will fulfill a local and regional need for

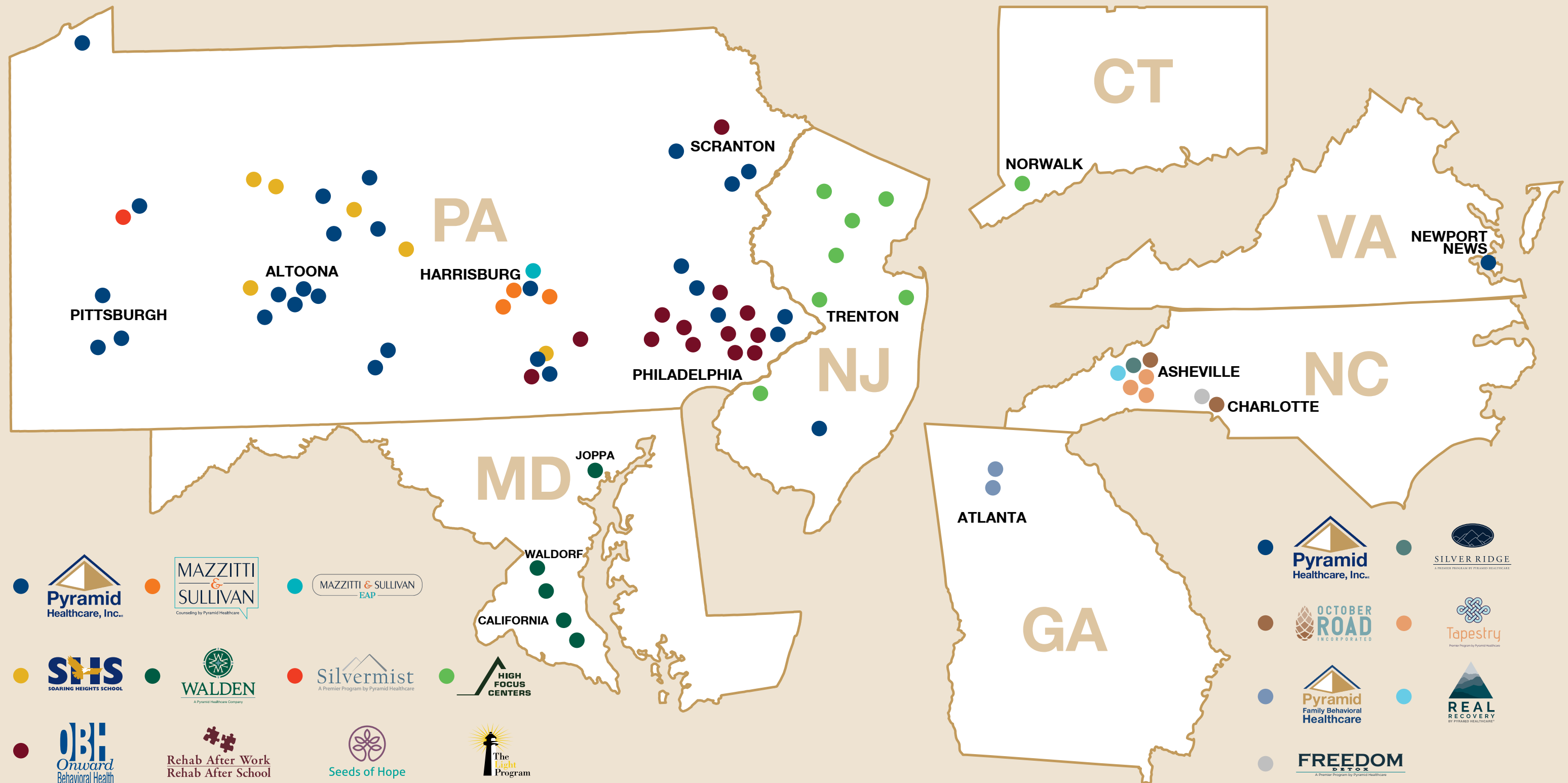


additional, effective opioid treatment programming, which furthers the organization's overall mission to make substance use and behavioral health treatment services more accessible and convenient to adult residents of western North Carolina. The OTP also helps October Road participate more fully as a community partner with North Carolina's Opioid Action Plan that focuses on Prevention, Reducing Harm, and Connecting to Care.

A unique feature of October Road Treatment Center is that it operates within an integrated continuum of care that allows clients to receive services that address the physical, emotional, and psychological aspects of opioid addiction. This continuum provides access to a wide range of internal services including individual assessments and therapy, psychosocial group support, medication management, educational lectures, case management, and individualized treatment planning.

October Road Treatment Center
119 Tunnel Rd., Ste. E, Asheville, NC 28805

Pyramid Healthcare, Inc. | Program Locations



Freedom Detox Acquisition & October Road Expansion in North Carolina

Pyramid Healthcare acquired Freedom Detox on October 4, 2019. This acquisition is particularly exciting because it is the first inpatient detox program for Pyramid Healthcare’s southeastern division. Adding an inpatient detox service line to the division’s continuum of care increases continuity and quality of services for a vulnerable population. Freedom Detox is a 16-bed, stand-alone medical detox facility conveniently located just south of Charlotte in Gastonia, North Carolina where a comprehensive treatment team focuses on providing individualized care that meets the specific needs of each client.

As a 3.7 ASAM Level of Care detox facility, Freedom Detox provides close medical monitoring to help clients progress through withdrawal in a safe and structured environment. Alongside the medical monitoring and detox, the treatment team provides daily psychosocial group support, individualized care and counseling, educational groups, discharge planning, and aftercare follow up.

Expansion plans include a two-phase development that will add 14 beds and a full-service kitchen over the next several months. These additional beds will help improve access for those who prefer to detox in a discreet and safe environment.



Adding to the service matrix in South Central North Carolina, October Road is excited to offer outpatient services in Charlotte. In January 2020, the Charlotte facility received state licensure to provide Intensive Outpatient and Partial Hospitalization Programming. As one of the most populous cities in North Carolina, Charlotte lacks Intensive Outpatient and Partial Hospitalization Programming specifically for commercially insured adults. October Road in Charlotte specializes in meeting this particular need.

In addition to Intensive Outpatient (IOP) and Partial Hospitalization (PHP) programs, October Road in Charlotte provides comprehensive Level of Care Assessments, Medication Assisted Treatment (MAT), Medication Management and individual therapy. This location serves as a convenient step-down for Freedom Detox clients who want a local and familiar provider who can meet their ongoing substance use and behavioral healthcare needs.

October Road in Charlotte is especially proud to offer clinical programming based fully on Acceptance and Commitment Therapy (ACT) curricula. This evidence-based treatment model is a highly effective and transparent way of meeting our clients’ unique needs. Providing excellent clinical substance use and behavioral health services with convenient hours for commercially insured adults remains their primary goal.

October Road’s development plan for the metro Charlotte market includes offering adolescent services and expanding into Medicaid services.

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Freedom Detox
1089 X-Ray Drive, Gastonia, NC 28054

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October Road
200 Queens Rd., Ste. 101, Charlotte, NC 28204



Harford County, Maryland Welcomes Walden Inpatient Facility

Pyramid Healthcare continues to expand access to high quality care for Maryland residents via the Pyramid Walden system of treatment. Similar to Pennsylvania, Maryland’s opiate overdose rate is among the top 5 states in the nation (CDC, 2018 data) and residents of Maryland are in need of increased access to treatment. Since acquiring Walden in 2018, Pyramid Healthcare quickly increased access to the continuum of substance abuse treatment in Southern Maryland by licensing additional beds in the Charlotte Hall and California facilities, and improving access to assessment and outpatient services in Lexington Park and Waldorf.

The response to the implementation of Pyramid Healthcare’s call center in Maryland has been overwhelming, and has identified several significant areas of unmet need throughout the state, particularly for those who are Medicaid recipients. Our first step in providing treatment resources to those additional areas has been in Harford County, where there were no facilities approved to provide detox services to Medicaid recipients. On June 23, 2020, Pyramid Walden opened a 52-bed residential facility located in Joppa, Harford County. Joppa is 18 miles northeast of downtown Baltimore. The facility currently serves males and females who require residential treatment for substance use disorders, and will expand to 72 beds with the addition of detox and outpatient services in the next six months.

As we continue to hear directly from Maryland residents who are in need of treatment as well as

the medical community that serves them, Pyramid Walden will continue to respond with additional development as we expand our continuum of treatment in 2021 and 2022.



Real Recovery Receives Blue Distinction® Center Designation

To help patients suffering from a substance use disorder find facilities that deliver quality treatment and care, Blue Cross and Blue Shield of North Carolina (Blue Cross NC) recognizes Real Recovery as one of the first facilities to receive the Blue Distinction® Center for Substance Use Treatment and Recovery (BDC Substance Use Treatment and Recovery) designation – a new designation under the Blue Distinction Specialty Care program. Blue Distinction Centers are nationally designated facilities that show a commitment to delivering improved patient safety and better health outcomes, based on objective measures that were developed with input from the community and leading accreditation and quality organizations.

According to the Centers for Disease Control and Prevention, 130 Americans die every day from an opioid overdose, which highlights the seriousness of the opioid epidemic and how critical it is for patients to receive comprehensive, meaningful care. The BDC Substance Use Treatment and Recovery program requires designated facilities to deliver coordinated multidisciplinary care to patients and provide timely access to quality medical and psychosocial care in all phases of treatment. Designated facilities must also offer Medication-Assisted Treatment (MAT) – a way to treat opioid addiction that includes a medication component and behavioral therapy.

“Real Recovery of Asheville is honored to receive designation as a Blue Distinction Center for Substance Use Treatment and Recovery. “We are grateful to have such an exceptional clinical team that balances evidence-based and holistically centered treatment approaches with engaging and interactive treatment for the young adults in our program to offer whole-person care through

access to primary care, medication management, Medication Assisted Treatment, family therapy, individual therapy, case management, and Acceptance and Commitment Therapy. Our team also values the importance of education and support for our families by offering a monthly Family Workshop. Young adults require a different approach and we are honored to be recognized for our ability to serve this population and their families by Blue Cross Blue Shield North Carolina,” stated Ashley Garner, LCSW, LCAS, CCS-I, Clinical Director for Real Recovery.

“Achieving the Blue Distinction® Center for Substance Use Treatment and Recovery designation is an important milestone,” said Dr. Katherine Hobbs Knutson, Chief of Behavioral Health at Blue Cross NC. “When our members see the designation, they can know that Real Recovery shares Blue Cross NC’s commitment to improving access to quality, effective substance use treatment.”

Research for many programs shows that, compared to other providers, those designated as Blue Distinction Centers demonstrate better quality and improved outcomes for patients. For more information about the program and for a complete listing of the designated facilities, visit www.bcbs.com/bluedistinction.



Designated
BlueDistinction®
Center
Substance Use Treatment and Recovery

Real Recovery ▶
119 Tunnel Rd., Ste. F, Asheville, NC 28805



Second Pyramid Family Behavioral Healthcare Location Opens

On February 21, 2020, Pyramid Family Behavioral Healthcare hosted an open house for approximately 100 outpatient therapists and providers to commemorate the launch of a new program in Sandy Springs, Georgia. The Sandy Springs location, which began providing services on March 10, 2020, is the second location launched in the Atlanta, Georgia metro area under the new Pyramid Healthcare brand – Pyramid Family Behavioral Healthcare. Pyramid Family Behavioral Healthcare is a primary mental health program that is rooted in Acceptance and Commitment Therapy (ACT), Emotion Focused Family Therapy (EFFT) and Multidisciplinary Psychiatric care.

The Sandy Springs location will meet the overwhelming need for primary psychiatric treatment in the northern quadrant of Atlanta, offering adult Intensive Outpatient Treatment for adults (18 years and older) and adolescents (13 - 17 years old) with a primary psychiatric diagnosis. The Intensive Outpatient Program treatment model at Pyramid Family Behavioral Healthcare includes psychiatric evaluations/medication management, individual and family therapy on a weekly basis for clients.

The launch of the new Pyramid Family Behavioral Healthcare Sandy Springs location in March 2020 coincided with the launch of primary psychiatric Partial Hospitalization Program (PHP) services at the original

Pyramid Family Behavioral Healthcare location in Johns Creek, GA. The Johns Creek location added PHP services to meet the overwhelming demand in the community. The adult and adolescent PHP primary psychiatric services rounded out the continuum of psychiatric services at Pyramid Family Behavioral Healthcare at Johns Creek, which now include; PHP, IOP, OP, individual therapy and medication services. The Sandy Springs location will be adding PHP services in the last quarter of the fiscal year.

Pyramid Family Behavioral Healthcare anticipates continued program expansion and development of community-based facility mental health services in a market where they have established themselves as the first stand-alone primary mental health IOP and PHP program.



Soaring Heights Schools Adapts to Accommodate Enrollment Increase

Soaring Heights Schools serves students in grades K-12 with specialized classrooms for Autism Spectrum Disorders and Emotional Support. The schools are licensed by the Pennsylvania Department of Education as private schools, and they are distinguished by the use of ABA and other behavioral interventions, individual and group counseling with licensed clinicians, and a trauma informed curriculum. In addition, each school has established partnerships with their communities, and the transition-age students have unique opportunities to begin volunteer and employment opportunities in community businesses and organizations.

Soaring Heights Schools prides itself on individualized support for students in small classrooms with high

staff-to-student ratios and celebrates the success of students as they graduate from high school or transition to public-school classrooms. Further, Soaring Heights Schools strives to respond to school district requests immediately, avoid wait lists, and minimize the amount of time that students spend on the bus to and from school. Soaring Heights Schools opened new schools in both Altoona and Mifflin, Pennsylvania in direct response to the overwhelming enrollment requests received from a record number of school districts in 2018 and 2019. The Clearfield school relocated to a much larger building and location in Clearfield and additional classrooms were added to the Altoona school to accommodate an enrollment increase for the 2020-2021 school year.



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