

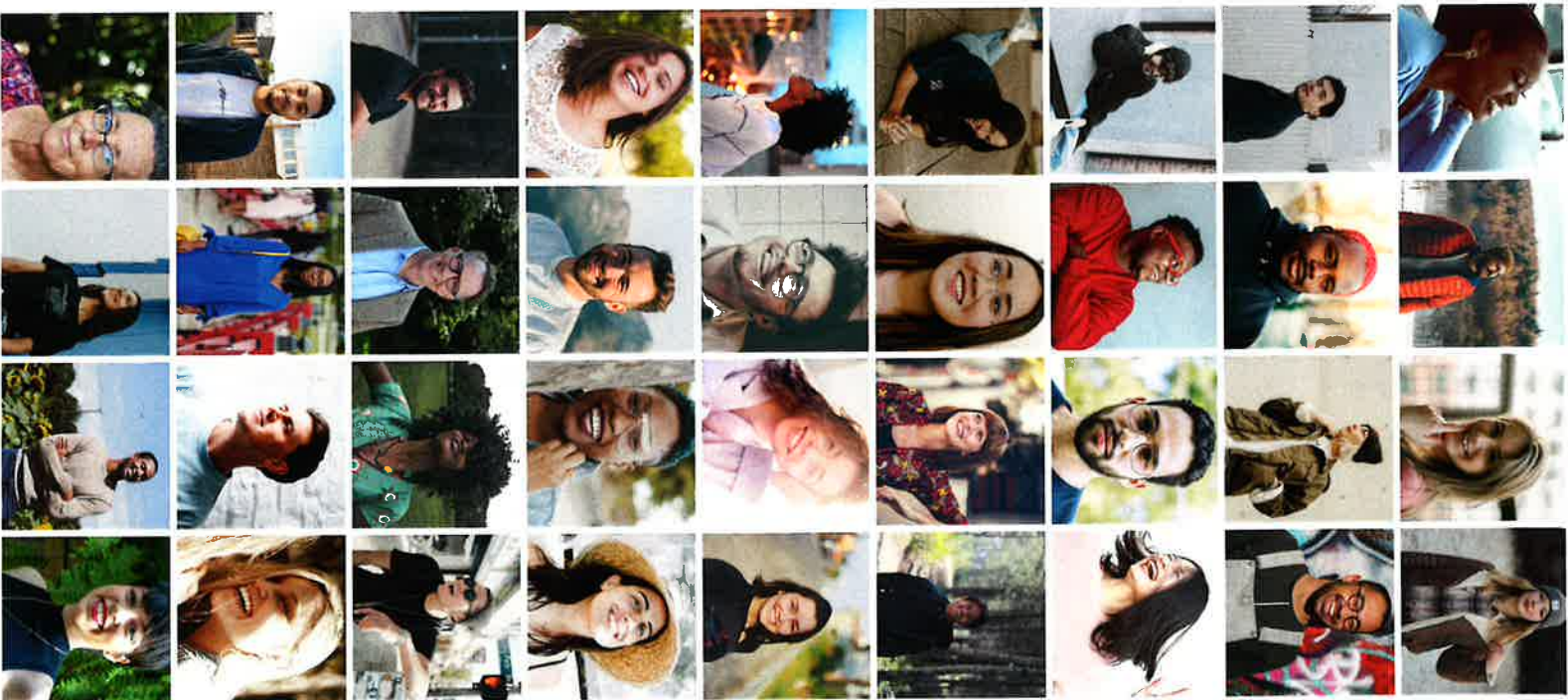


IDAHO
ANNUAL REPORT

Patient Outcomes

Published March 10th, 2023

2022





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Introduction

This 3rd Annual Patient Outcomes Report for Ideal Option, published by Ideal Option, increases awareness about the effectiveness of office-based addiction treatment and demonstrates that:

- Specialized treatment yields verifiably positive recovery outcomes.
- Objective outcomes can be longitudinally measured over extended periods.

This report relies on toxicology results as a key indicator of treatment outcomes. In the outpatient treatment setting, objective and accurate test accountability is essential to the patient-provider therapeutic alliance and, together with medication and psycho-social support and guidance, is a key element of the treatment process. At Ideal Option, unexpected test results do not lead to treatment discontinuation or to a judgmental response. Return to use is recognized as a normal part of recovery and harm reduction is always the primary goal.

Key Take-Aways



Polysubstance (multiple drug) use remains prevalent among patients seeking treatment.



Lab results confirm materially reduced consumption of all types of illicit substances as patients progress in treatment.



Two thirds of new patients returning for a second visit remain in treatment after six months.



After six months of treatment, patients report meaningful improvement in housing, employment, finances, physical and mental health, and relationships.



Treatment Works

98% less fentanyl use

86% less methamphetamine use

94% Reported improvement in housing

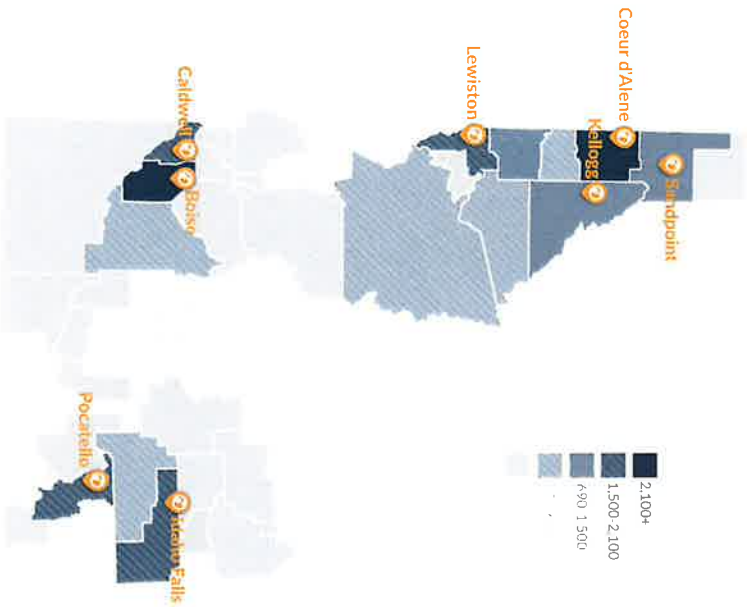
89% Reported improvement in employment

The reduction in positive tests for all patients during 2022 at the Maintenance B Stage of Care compared to at the Initiation Stage of Care

2022 Ideal Option Self-Reported Patient Outcomes Survey

Our Patients

2022 Active Patients by County



Geographical Reach

As of December 2022, Ideal Option served a patient census of 956 in eight clinics across Idaho. The map displays patient census concentration by county of residence.



956
Patient Census



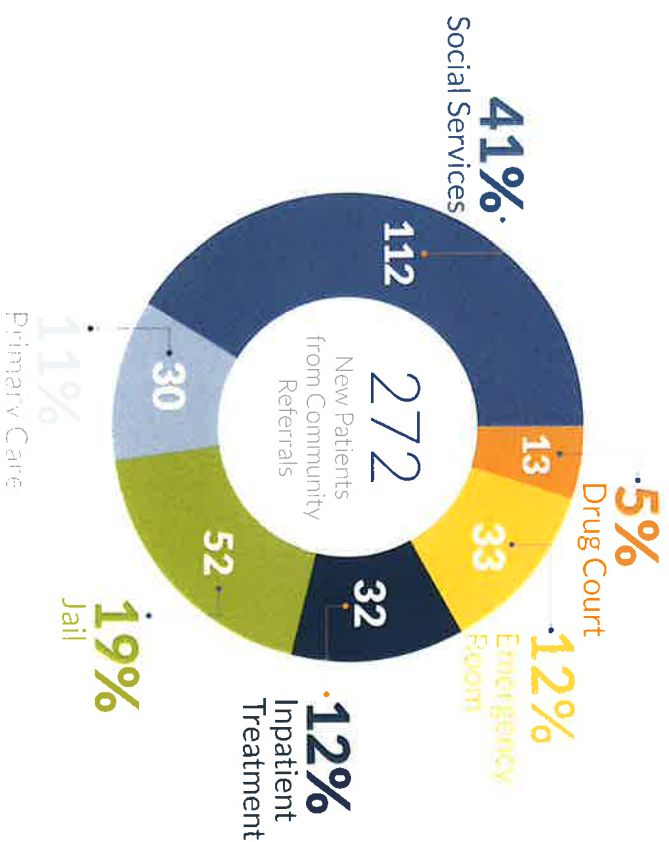
8
Clinics

Community Referrals

Community partners who refer patients to Ideal Option include drug courts, county jails and law enforcement, social services agencies, primary and behavioral health care providers, inpatient treatment facilities, and hospital emergency rooms.

More than 20 organizations in Idaho actively refer patients to Ideal Option including St. Luke's Boise Medical Center, Latah County Jail, Pocatello Women's Correctional Center, South East Idaho Behavioral Crisis Center and St. Joseph Regional Medical Center. One such referral partner, Brick House Recovery, is now co-located with Ideal Option in Coeur d'Alene to make it easier for patients to access medication-assisted treatment and mental health/counseling services under one roof.

In 2022, Ideal Option was awarded grant funding from the Idaho Department of Health and Welfare (DHW) to operate a mobile clinic for testing and prevention of HIV, STI and Hepatitis. The mobile clinic is also staffed and equipped to offer addiction treatment. Additional funding was awarded to open a satellite office location. Both the mobile clinic and satellite office will begin operations in Rexburg, ID in early 2023.



Our Patients



Patient Characteristics

The characteristics of our Idaho patients, self-reported at enrollment, illustrate the devastating societal impact of substance use disorder. Individuals afflicted with the disease of addiction are more likely to experience homelessness, unemployment, drug-related charges, and incarceration. Stability in recovery from addiction has been consistently shown to improve social determinants of health such as housing, employment, food security, education, and social inclusion.



MEDIAN AGE



56.0% Unemployed



46.6% Female
53.4% Male



Payor Coverage

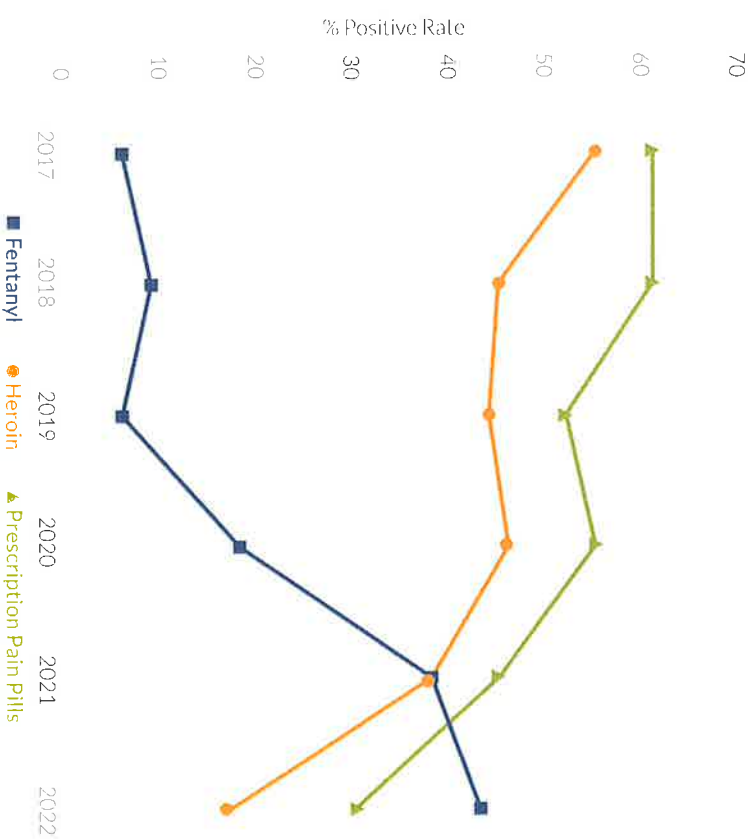
Most patients seeking treatment for substance use disorder at Ideal Option rely on Medicaid coverage. The chart illustrates payor coverage for Idaho patients who were seen during 2022 based on visit billing.

Polysubstance Use Trends

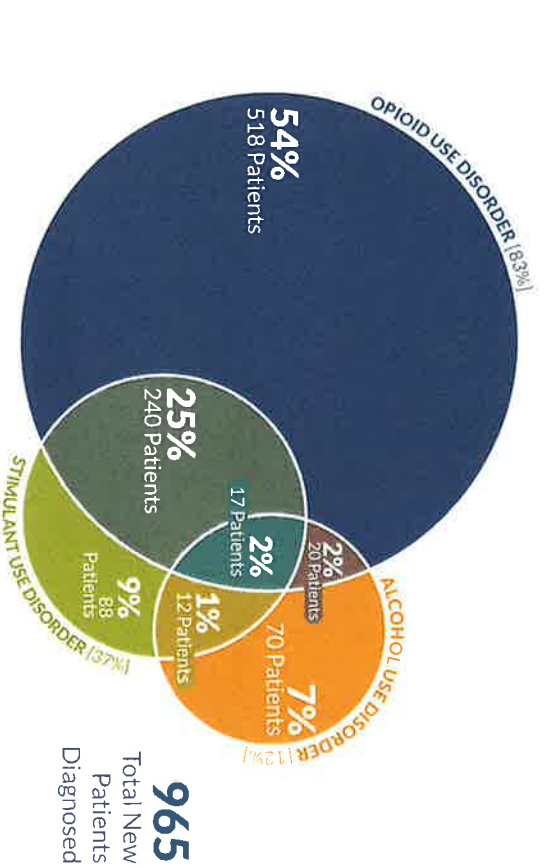
Test results at program enrollment reveal real-time societal substance use trends in Idaho. Ideal Option data confirms the rapidly changing drug trafficking trends and the escalation in synthetic drug use cited in national and local reports. Street drugs increasingly contain a combination of substances, often including fentanyl, in a format masquerading as prescription tablets and capsules. The risk for overdose, addiction, and adverse health and societal outcomes is compounded by polysubstance use.

Opioid Use Trends

Over the past six years, fentanyl use has displaced consumption of heroin and prescription pain medications as illustrated by new patient test outcomes in the graph below:

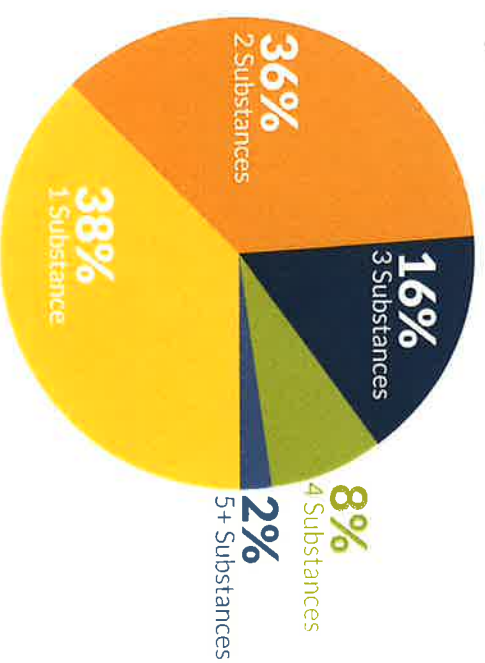


Treatment Diagnosis



Polysubstance Use

Most new patients test positive for multiple substances, not just one. Today's illicit drug market provides easy access to an expanding variety of inexpensive synthetics blended together in random combinations and potencies in counterfeit pills and powder. Patients are commonly unaware of some of the substances they have consumed.



Treatment Retention

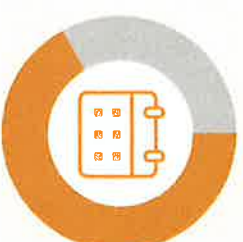
“The chronic nature of the disease means that relapsing to drug abuse is not only possible but also likely, with symptom recurrence rates similar to those for other well characterized chronic medical illnesses—such as diabetes, hypertension, and asthma.”

Recovery from substance use disorder typically requires sustained treatment over many months.

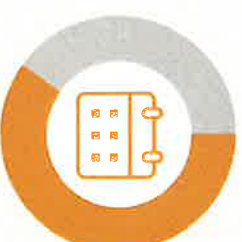
- Return-to-use episodes are common in the treatment histories of patients who achieve long-term recovery;
- Retention is constrained by the voluntary nature of outpatient treatment.
- Readiness to change varies widely among individuals over time.

Despite these obstacles, the determination and resilience of Idaho patients is reflected in outcomes since 2017:

- 86% of patients returned for a second visit.
- 67% of patients who returned for a second visit remained in treatment after 6 months, 60% remained after 9 months, and 54% remained after 12 months.



67% patients who returned for a second visit remained in treatment after **6 months**



60% patients who returned for a second visit remained in treatment after **9 months**



54% patients who returned for a second visit remained in treatment after **12 months**

National Institute on Drug Abuse. 2020. June 1. Community Reinforcement Approach Plus Vouchers (ACORN) for Opioid Use Disorder. Retrieved from <https://nida.nih.gov/publications/2019-06-01-01>.
Research-based, guideline-recommended, evidence-based, appropriate, non-drug-addiction-treatment (behavioral therapies, community-reinforcement approach, vouchers) on 2022, February 28.

Stages of Care

How the Program Works

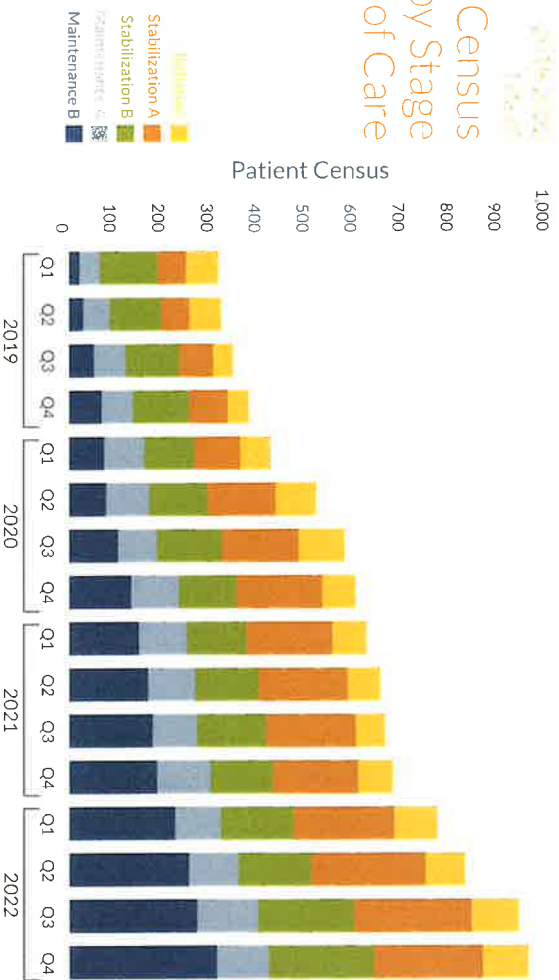
Ideal Option providers strive to guide patients through a stage-based protocol toward long-term, sustainable recovery. The chart to the right illustrates the criteria opioid use disorder patients achieve to graduate from one Stage of Care to the next. This evidence-based treatment approach leverages contingency management behavioral theory to optimize patient outcomes, and it helps to achieve clinical consistency while enabling providers to customize care and acknowledge and celebrate key milestones toward long-term recovery.

Note: Patients with isolated methamphetamine or alcohol use disorder will follow specialized protocols

STAGES OF CARE



Census by Stage of Care

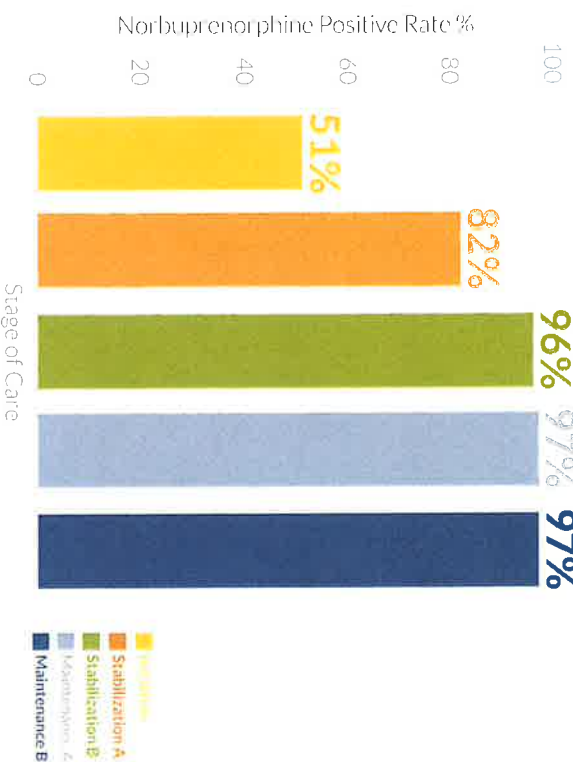


Ideal Option's Idaho patient census increased at a cumulative annual growth rate of 35% between 2019 and 2022.

- The accompanying charts illustrate census stratification by Stage of Care for each calendar quarter during the four-year period.
- The cumulative annual growth rate of patients in the Maintenance Stages of Care (both A and B) was 63% over the four-year period, increasing from 21% to 43% of total census.
- The Maintenance Stages of Care typically indicate long-term recovery and are correlated with outstanding outcomes (see Treatment Outcomes).

Medication Adherence

Norbuprenorphine Positive Rate by Stage of Care



"If you look at people who remain on [buprenorphine] treatment, you would have no idea they had an opioid addiction in the past. My patients are able to regain custody of their children, run their own businesses. It's truly remarkable."

— PAVEL JHOOM ROY, MD, MSC

Medication Adherence Improves with Stage of Care

Studies have repeatedly demonstrated that buprenorphine adherence correlates with recovery from opioid use disorder, and this is confirmed by Ideal Option patient outcomes.

- Adherence often requires patients to properly follow a time-consuming daily routine for sublingual ingestion of buprenorphine and resist temptation to divert the medication.
- Despite these obstacles, 97% of Ideal Option patients in the Maintenance A and B Stages of Care are adherent to buprenorphine as shown by definitive testing results for the drug's metabolite, norbuprenorphine.

Medication Adherence Correlates with Improved Outcomes

Medication adherence rates improved with Stage of Care progression as verified by positive norbuprenorphine test results.

- Initiation Stage data primarily includes newly enrolling or re-enrolling patients, but also includes patients who require more frequent care.
- 33% of new patients tested positive for norbuprenorphine at enrollment, potentially indicating previously prescribed or dosed buprenorphine by another provider or institution (e.g., jail, hospital) or ingestion of illicitly acquired buprenorphine.
- Patient adherence to medication improved to 82% at the Stabilization Stages, and to 97% at the Maintenance Stage of Care.
- Medication adherence, which is assisted by test result accountability, correlates with improved outcomes, as described in Treatment Outcomes.

Colanossi J. (2019, July 13). No rx required? Faster access to opioid-based medications could save lives. The Brink; <https://www.brinkonline.com/articles/2019/07/buprenorphine-without-prescription/>

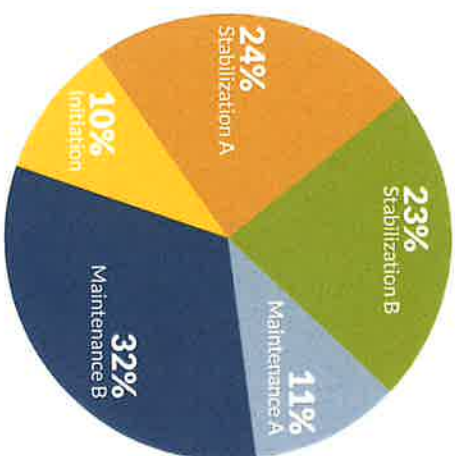
Treatment Outcomes

Fentanyl, Heroin, and Other Opioids

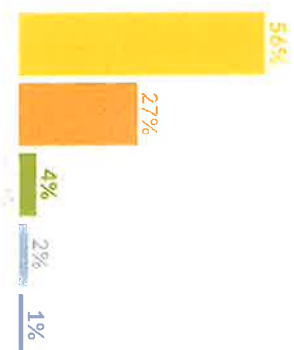
Positive testing rates for fentanyl, heroin, and other opioids decline sharply as patients progress in Stage of Care, as reflected in the charts below. These outcomes are attributable to a combination of medication adherence and a therapeutic alliance with patients that includes psycho-social support and guidance, test result accountability, contingency management, and positive reinforcement.

Patient Census by Stage of Care

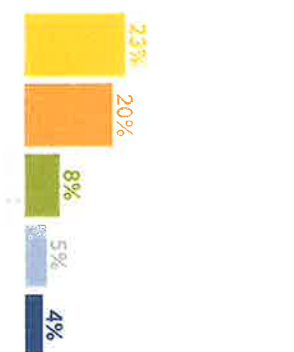
As of December 2022, 43% of the Ideal Option patient census had progressed to the Maintenance Stages of Care which correlates with outstanding outcomes and long-term recovery as reflected in the Treatment Outcomes below.



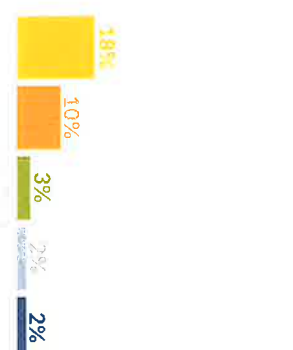
Fentanyl



Prescription Pain Pills



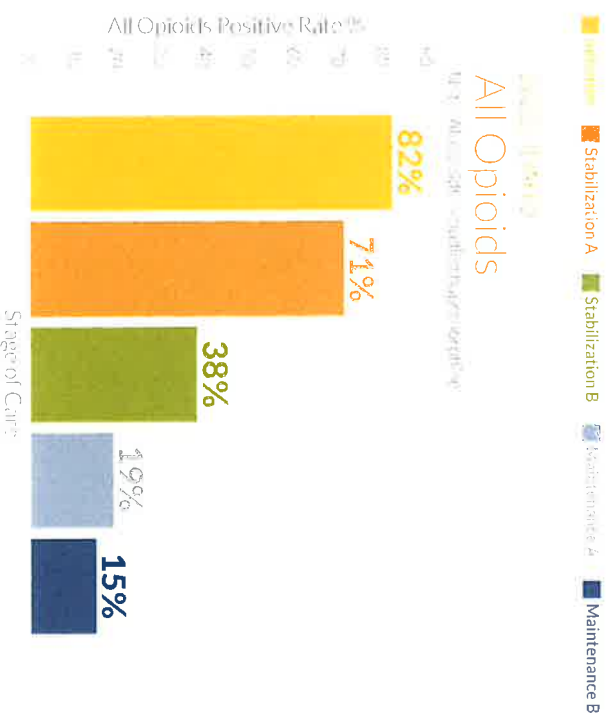
Heroin



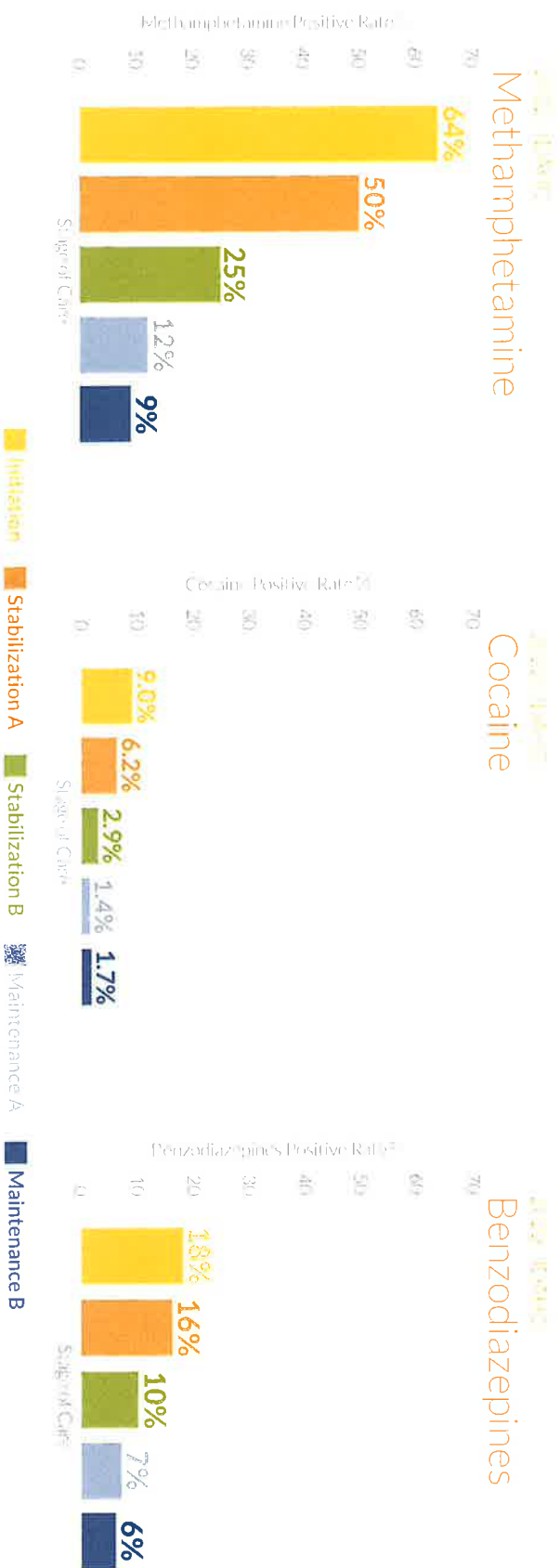
Methadone



All Opioids



Treatment Outcomes



Stimulants and Sedatives

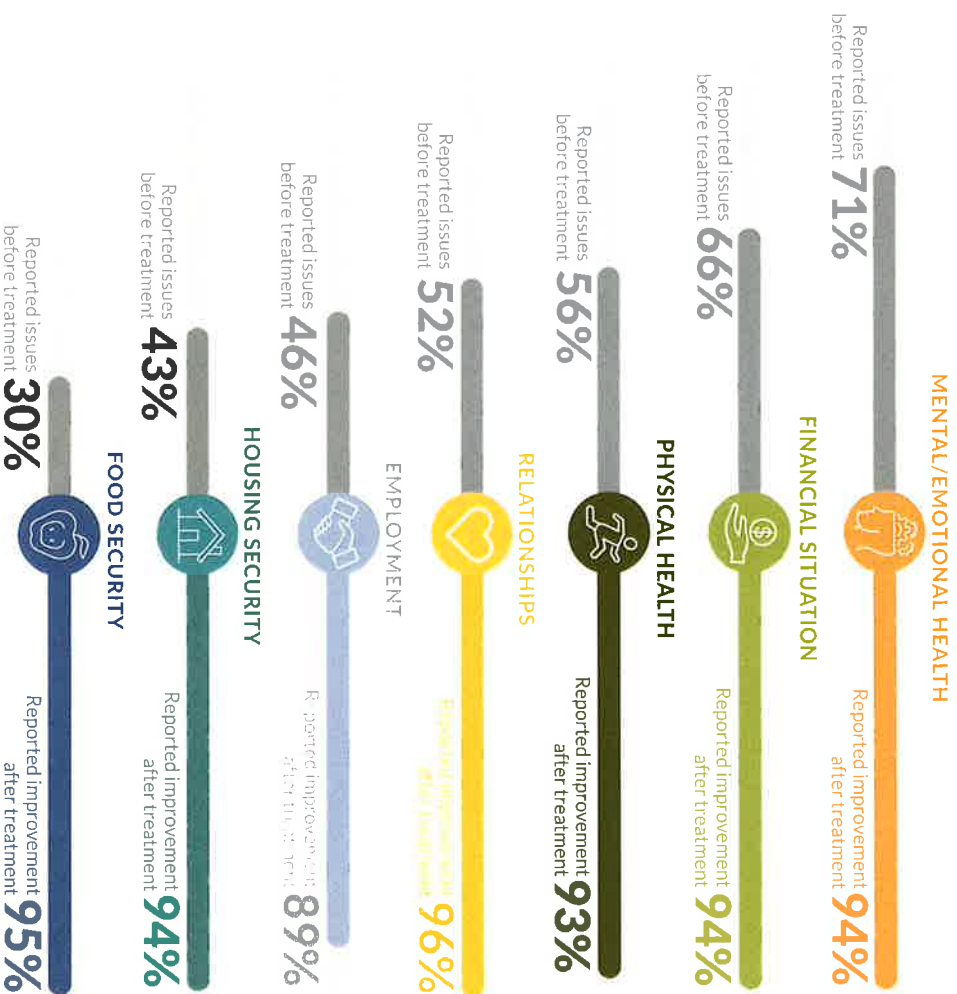
Widespread use of stimulants and sedatives continued in 2022. No FDA approved medication currently exists for treating stimulant or sedative use disorders. However, as reflected in the accompanying charts, Ideal Option patients have shown significant use reductions in these substances with stage of care progression. Ideal Option attributes these positive outcomes to its therapeutic alliance with patients which includes psycho-social support and guidance, test result accountability, contingency management, and positive reinforcement.

Methamphetamine is readily available, very inexpensive, and likely the most widely consumed illicit drug in the U.S. Cocaine, while more expensive, remains available in many markets. Both methamphetamine and cocaine are often contaminated with other substances, including fentanyl.

Benzodiazepines, also known as sedatives or tranquilizers, are commonly prescribed for anxiety and related conditions, but they can lead to acute physical and mental dependency. Benzodiazepines are often misused and prone to street diversion. The drug supply now includes illicitly manufactured benzodiazepines, typically with extremely high potency, which are sometimes contaminated with other substances, including fentanyl. When consumed in combination with other substances, particularly opioids, benzodiazepines increase the probability of overdose.

Social Determinants of Health Outcomes

Ideal Option's mission is to help people recover in their lives. Self-reported survey outcomes, while subjective, are helpful in revealing progress in quality of life among the patient population. In 2022, 2,153 patients participated anonymously in a survey offered to over 15,000 patients who had received treatment for six months or more. Ideal Option patients treated for similar durations generally demonstrate high medication adherence and low illicit substance use. The encouraging finding is that objective toxicology outcomes demonstrating patient recovery also correspond to self-reported advancement in social determinants of health, as summarized below.



97%
Report their **quality of life** has improved



92%
Report **no visits to the ER for drug-related medical care** since starting treatment



96%
Report **no drug-related arrests or charges** since starting treatment




98%
Report they feel confident in their ability to **remain in recovery** long-term


About Ideal Option




Ideal Option was founded in 2012 and has treated more than 65,000 patients. The Company:


 Operates over 80 specialized outpatient treatment clinics in 10 states.


 Employs over 650 personnel, almost half of whom are healthcare professionals, including addiction medicine providers, medical assistants, nurse care managers, and behavioral health counselors.

 Is a member of the American Society of Addiction Medicine (ASAM) and its providers regularly complete ASAM trainings and reference current guidelines to deliver evidence-based treatment.

 Employs a highly qualified staff of laboratory managers, quality specialists, analysts, and ASCP registered clinical scientists who operate two high-complexity CAP-accredited toxicology and medical labs, and three CLIA-certified moderate-complexity labs to rapidly supply comprehensive and accurate clinical information to providers.

Ideal Option's goal is to deliver cost-effective, outcomes-based addiction treatment that improves patients' lives while materially reducing the financial and social burden associated with untreated, or ineffectively treated, substance use disorder. As part of its mission, the Company:

 Diagnoses and treats Hepatitis C, sexually transmitted infections and other communicable diseases, and provides reporting to public health agencies.

 Facilitates patient access to food, housing, employment, transportation, and other resources by partnering with community-based organizations, government agencies, law enforcement, and leaders at the local, state, and national level.

TO LEARN MORE idealoption.com | 1.877.522.1275 | info@idealoption.net

Idaho Patient Outcomes

ANNUAL REPORT BRIEF

With nine¹ clinics in Idaho, Ideal Option is committed to providing low-barrier treatment access to those struggling with substance use disorder.



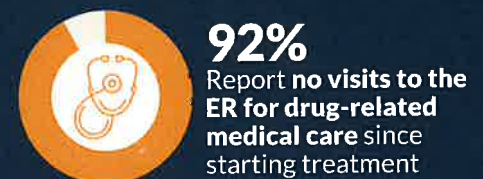
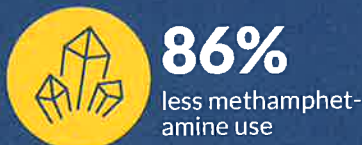
¹Rexburg opened March 2023

Ideal Option has been providing evidence-based treatment for substance use disorder using FDA-approved medications – the gold standard in addiction treatment – for more than 10 years.

Self-reported outcomes gathered via survey of over 2,100 Ideal Option patients after a minimum of 6 months of treatment show:

Ideal Option's Treatment Works.

Lab testing results² for patients who remained in Ideal Option's treatment program and stayed on their prescribed medications show:



Stages of Care

INITIATION

New patients, re-start patients, or patients not yet stabilized on buprenorphine.



STABILIZATION A

Patients who are starting to feel stable on buprenorphine and have reduced their use of opioids.



STABILIZATION B

Patients who are stable on buprenorphine and have stopped use of opioids but may still be using other non-prescribed substances.



MAINTENANCE A

Patients who are completely stable on buprenorphine and abstinent from all non-prescribed substances.



MAINTENANCE B

Patients who have long-term stability on buprenorphine and are abstinent from all non-prescribed substances.



GRADUATION CRITERIA

*Verified by diagnostic test

- ✓ No Withdrawal Symptoms
- ✓ Reduced Cravings
- ✓ Taking Buprenorphine*
- ✓ Reduced Opioid Use*

- ✓ No Withdrawal Symptoms
- ✓ No Cravings
- ✓ Taking Buprenorphine*
- ✓ No Opioid Use*
- ✓ No Non-Prescribed Benzos or Sedatives*

- ✓ No Withdrawal Symptoms
- ✓ No Cravings
- ✓ Taking Buprenorphine*
- ✓ No Opioid Use*
- ✓ No Non-Prescribed Benzos or Sedatives*
- ✓ No Stimulants*

- ✓ Long-term Stability
- ✓ No Withdrawal Symptoms
- ✓ No Cravings
- ✓ Taking Buprenorphine*
- ✓ No Opioid Use*
- ✓ No Non-Prescribed Benzos or Sedatives*
- ✓ No Stimulants*

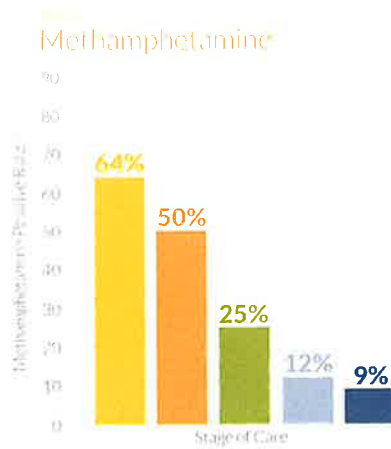
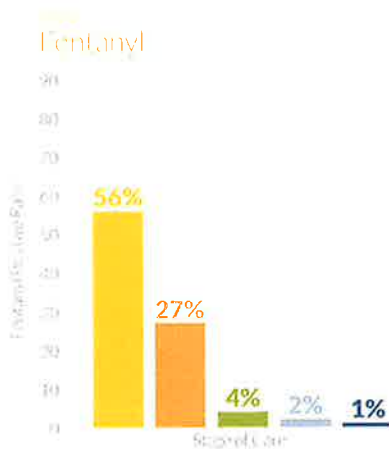


This evidence-based treatment approach leverages contingency management behavioral theory to optimize patient outcomes, and it helps to achieve clinical consistency while enabling providers to customize care and acknowledge and celebrate key milestones toward long-term recovery.



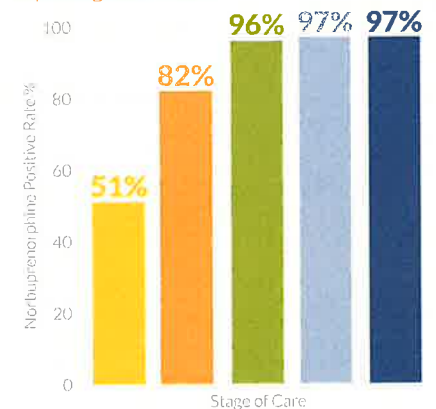
67% patients who returned for a second visit remained in treatment after 6 months
Since 2017*

Ideal Option relies on lab test results as a key indicator of treatment outcomes. The charts below show opioid and methamphetamine positive rates by Stage of Care in 2022.

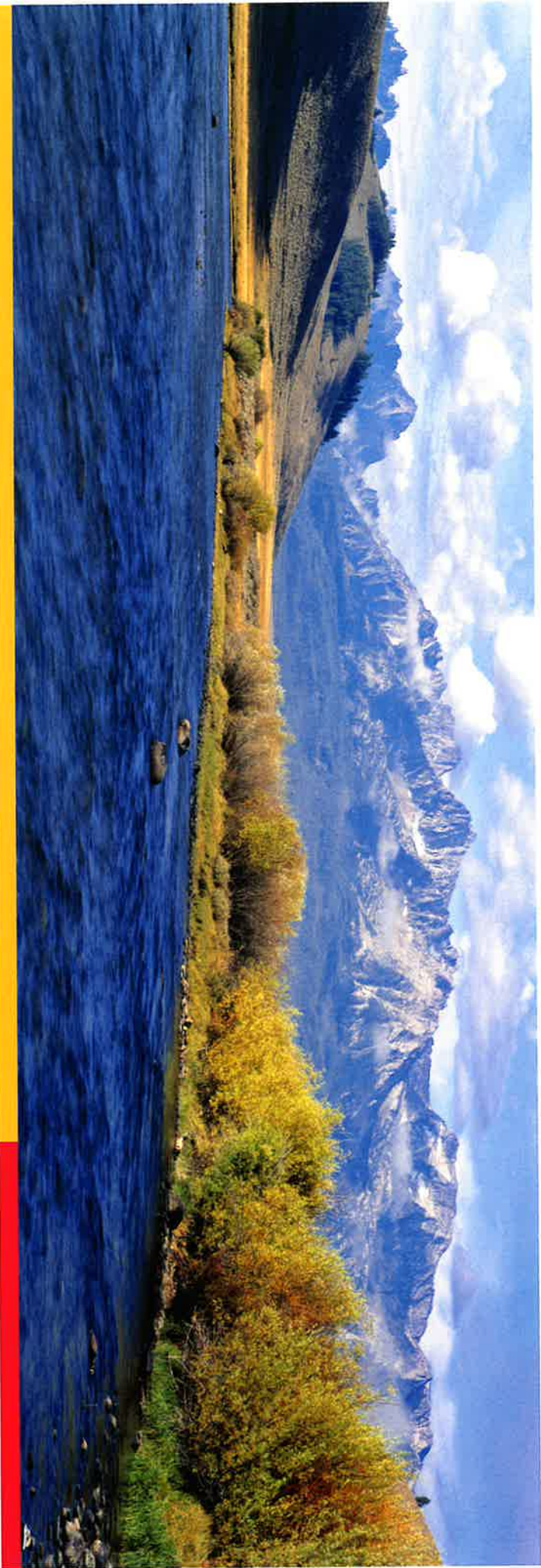


Medication Adherence

Norbuprenorphine Positive Rate by Stage of Care



*Data as of 12/31/2022. © 2023 Ideal Option, Inc. All rights reserved.



The Polysubstance Epidemic

Addressing the Problem in Idaho

March 2023

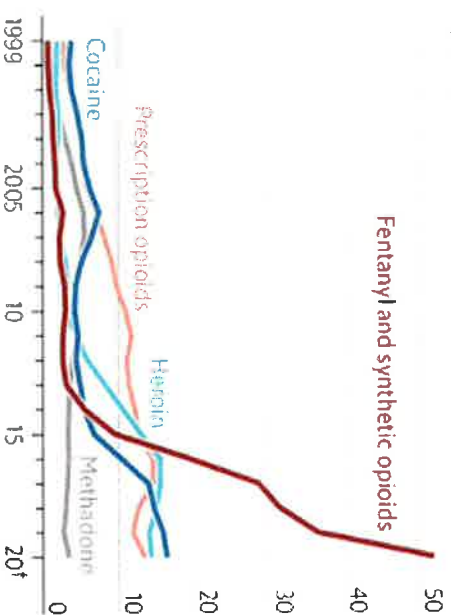


Synthetics and Polysubstance: The New Reality

The other epidemic

United States, drug overdose deaths*

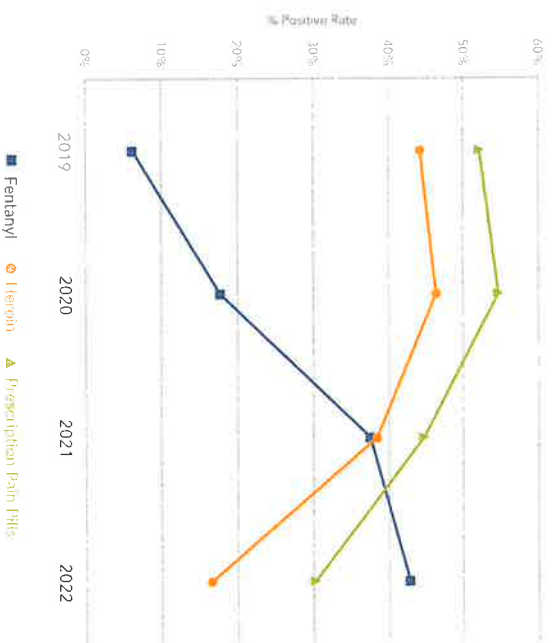
By year, '000



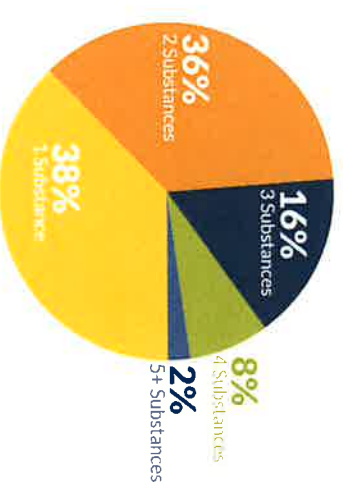
Source: Centers for Disease Control and Prevention

The Economist

2022 Opioid Positive at 1st Enrollment



2022 Polysubstance Use at 1st Enrollment



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Patient Outcomes
Kaiser Permanente | 2023

The Epidemic Must Be Tackled Now

The Problem:

- Societal problems caused by substance abuse are *out of control!*
- Spiraling homelessness, crime, sickness, unemployment, death

The Solution:

- **Real-time Early Warning System**
 - Monitor illicit synthetics with anonymized lab data
- **Measured Treatment Outcomes and Savings**
 - Outcomes-based treatment pays for itself in reduced medical costs alone



You Can't Manage What You Can't Measure

FOX 17

These pills cannot be discerned from the real thing with a naked eye: DEA warns of fake pills flooding streets



FOX 29

New 'Frankenstein' opioids more
rotts skin, turns humans into
'zombies'

FOX NEWS

New 'Frankenstein' opioids more
dangerous than fentanyl alarming
state leaders across US as drug crisis
rages

FOX2 now!

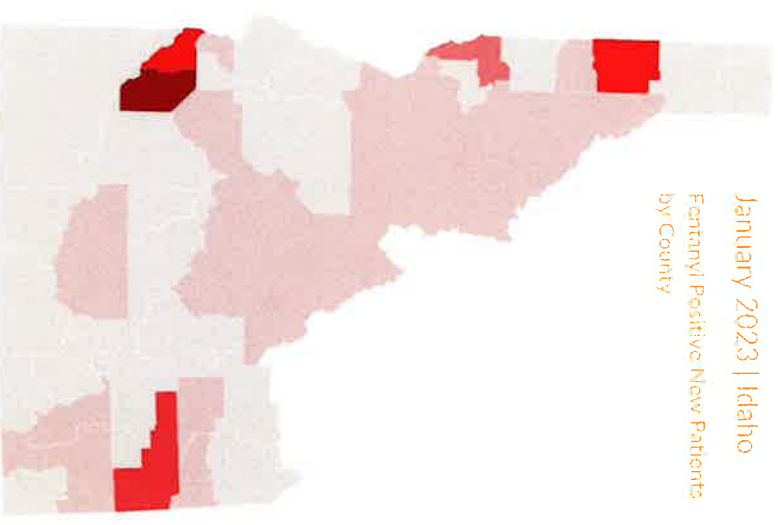
Counterfeit "Xanax" pills
contain fentanyl, could
cause overdose

We can't see what's happening

Criminal forensic labs can only reveal
the tip of the iceberg: overdose deaths
and drug confiscations

Outpatient treatment data could change this

Anonymized patient data paints a vivid
picture of the usage landscape

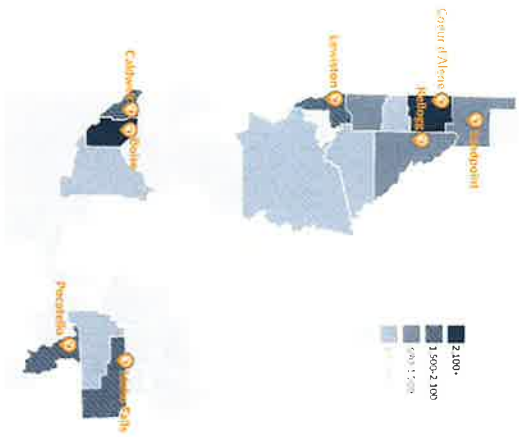


Measured Treatment Saves Lives

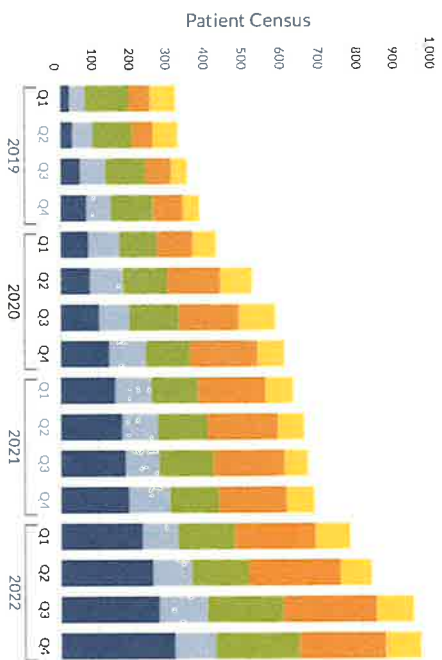
Outpatient treatment allows people to return to life

Prescribed buprenorphine is safe and effective

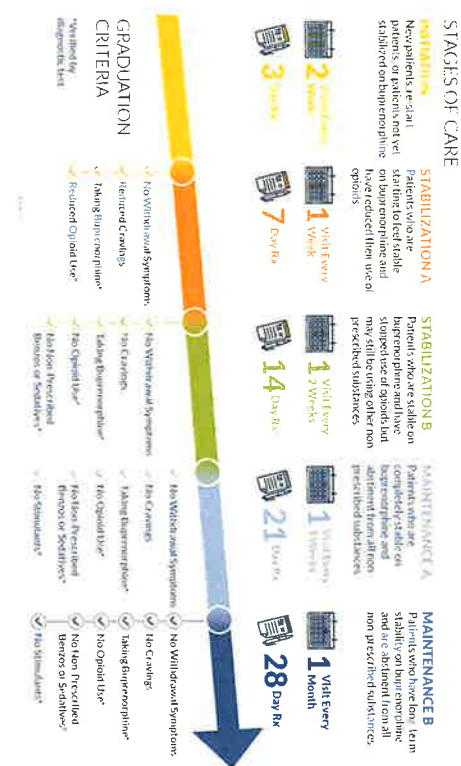
2022 Active Patients by County



2019-2022 Idaho Census by Stage of Care



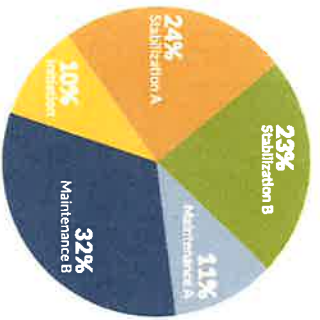
How the Program Works



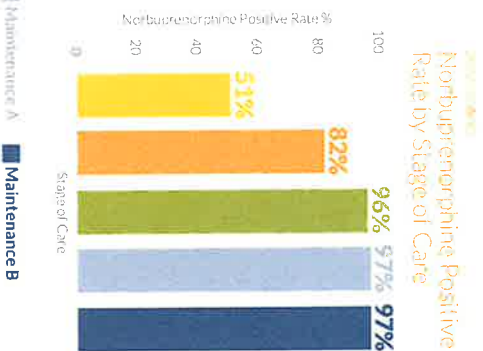
Measured Treatment is Effective

Measurement-based treatment yields excellent patient outcomes

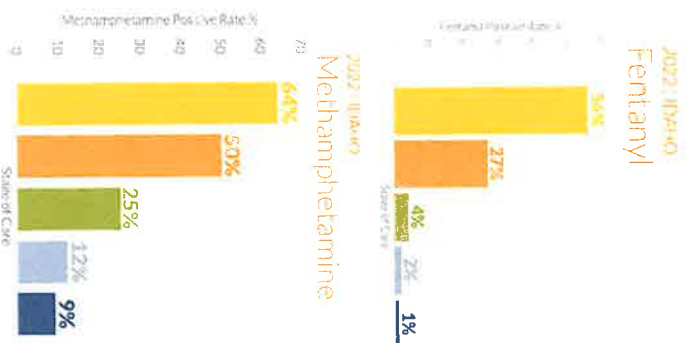
Patient Census by Stage of Care



Medication Adherence



Drug Use Recovery



Treatment Works

98% less fentanyl use

86% less methamphetamine use

Life Improves

94% Reported improvement in housing

89% Reported improvement in employment

96% Report no drug-related arrests or charges since starting treatment



Measured Treatment Saves Money

Treatment Pays for Itself in Medical Savings

Annual Medical Costs



Medical Savings
Treatment reduces per capita medical spending – including treatment costs

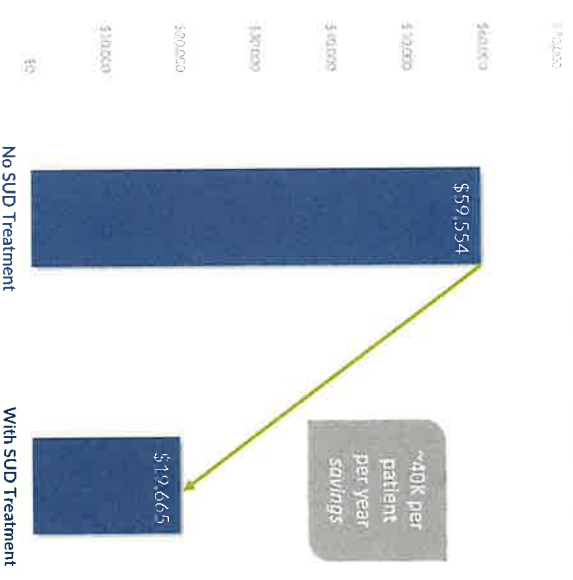
After treatment begins, ER visits decline from 7.2 to 4 per year.¹ Annualized ER expenses, including average hospitalization rates of 14% per ER visit², decline by ~\$3,148.

Criminal Justice Savings
The cost burden on criminal justice is even greater than Healthcare – and the potential savings are enormous!

After treatment begins, costs for policing, courts, jail, probation and victimization decline ~\$40,000 per person per year.^{3,4}

Treatment Also Drives Major Criminal Justice Savings

Average Annual Criminal Justice Savings



Berkley Research Group analysis of 2019-20 CMS data for Ideal Option WA state Medicaid patients.
 Weiss AJ (IBM Watson Health), Jiang HJ (AHRQ). Most Frequent Reasons for Emergency Department Visits, 2018. HCUP Statistical Brief #286. December 2019. Agency for Healthcare Research and Quality, Rockville, MD. www.hcup-us.ahrq.gov/reports/statbriefs/sb286-ED-Frequent-Conditions-2017.pdf; Liang L (AHRQ), Moore B (IBM Watson Health), Son A (AHRQ). National Inpatient Hospital Costs: The Most Expensive Conditions by Payer, 2017. HCUP Statistical Brief #281. Month 2020. Agency for Healthcare Research and Quality, Rockville, MD. www.hcup-us.ahrq.gov/reports/statbriefs/sb281-Most-Expensive-Hospital-Conditions-2017.pdf.
 Cost-effectiveness of Treatments for Opioid Use Disorder. Fairley M, Humphreys K, Joyce VR, Bounthavong M, Traffon J, Combs A, Olive EM, Goddard-Fieberl DJ, Aech SM, Brandeau ML, Owens DK. Cost-effectiveness of Treatments for Opioid Use Disorder. JAMA Psychiatry. 2021 Jul 1;78(7):757-777. doi: 10.1001/jamapsychiatry.2021.0247. PMID: 33797932; PMCID: PMC8014209.
 The costs of crime during and after publicly-funded treatment for opioid use disorders: a population-level study for the state of California. Emanuel Krebs, Darren Urada, Elizabeth Evans, David Huang, Yin-Hing Hser, and Brandon Moskowitz. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5382102/

Summary

The drug epidemic is getting worse.

Idaho can respond by:

1. **Deploying an early warning system**
2. **Expanding measurement-based treatment**
3. **Targeting and tracking outcomes and savings**

