06/11/2019 -ATIN- Recovery Centers of America is launching a major expansion into addiction treatment markets in the Midwest and South from its Northeastern base. RCA, founded by Philadelphia real estate developer Brian O’Neill, plans on hiring an additional 250 employees in the near future.

The move is a major validation of the local catchment client acquisition business model, a trend Treatment Magazine began reporting on years ago - RCA calls it "neighborhood-based" - and stands in stark contrast to the sagging fortunes of those centers predominantly employing the "destination" client acquisition model that for years drove the private side of addiction care. American Addiction Centers, heavily reliant on Internet marketing and the destination model, last quarter reported huge loses and is desperately searching for liquidity to shore up its balance sheet.

RCA, which has six centers in the Northeast, is arguably the top example of the local catchment model.

The company, which has employed a mix of acquisitions and greenfield development in its growth, is well funded, backed as it is by Chicago-based private equity firm Deerfield Management. RCA has raised at least $330M, including a $100M tranche in 2015. RCA’s capital raising deals are among the largest and most successful in the history of addiction treatment, on a par with the former CRC Health Corp, now part of Acadia, with Bain Capital, a $750M deal that at the time was the largest in treatment history and still ranks among the biggest.

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