



**Predicting closure of private substance abuse treatment facilities**

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Researchers in organizational ecology have long been interested in identifying the factors associated with organizations' closing their doors or "organizational death." Though the predictors of closure have been examined across many different types of organizations, private substance abuse treatment centers, often characterized as being unstable and having high closure rates, have not been subject to empirically based study of closure. Data for this study are derived from a nationally representative longitudinal study of 450 private substance abuse treatment centers. This study, begun in 1994, includes two waves of on-site interviews with both center administrators and clinical directors conducted in 1995-96 and 1997-98 and five waves of telephone follow-ups conducted at six month intervals in the interim between on-site data collections and following the second on-site visit. Using discrete time event history analysis, the authors examined predictors of closure. Contrary to most previous research on organizational death where the "liability of newness" predicted closure, center age was not a significant predictor of closure among private substance abuse treatment centers. Significant predictors of closure included being a freestanding facility, center capacity, the percentage of clients covered by Medicaid, and the ratio of patients to FTEs.