



Does Service Diversification Enhance Organizational Survival? Evidence from the Private Substance Abuse Treatment System

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Journal of Behavioral Health Services & Research, 2005; 32:241-252

The rate of closure among US substance abuse treatment facilities in the private sector is considerable, further reducing access to treatments that are already in short supply in many locales. This research considers the extent to which specific types of service diversification reduces the likelihood of treatment center closure in the private sector using a nationally representative sample of 450 substance abuse treatment centers. Over the study period, 26.4% of centers ceased to offer substance abuse treatment services. There was mixed evidence that centers offering a more diversified array of services had a lower likelihood of closure. Specifically, the number of treatment tracks tailored to specific demographic groups was negatively associated with the likelihood of closure. There was a positive association between closure and offering an inpatient psychiatric program. These findings suggest that there may be strategic benefits in expanding services to meet the needs of diverse clientele.