FREE WORKSHEET | OCTOBER 2026

Rehab Center Pre-Opening Checklist and Budget Worksheet

A companion to Lead to Recovery's guide, **How to Start a Rehab Center** (leadtorecovery.com/blog/how-to-start-a-rehab-center/). Work through the 14 steps in order, price every budget line with a published figure or a written quote, then run the break-even worksheet before you sign a lease. Prepared by Matthew Travers, Co-Founder and President, Lead to Recovery.

Phase 1: Plan the program and the math

1. Choose your level of care and location

- ☐ Pick the ASAM level(s) and population you will serve
- ☐ Confirm zoning for behavioral health use at the exact address, in writing
- ☐ Count programs offering the same level of care within your drive-time radius
- ☐ Check your state licensing timeline and Certificate of Need rules

2. Run a feasibility study

- ☐ Market demand and capacity gaps
- ☐ Financial feasibility: census, payer mix, cost
- ☐ Regulatory path: license, DEA, OTP certification, CON
- ☐ Staffing availability, facility needs, community and referral landscape

3. Build your revenue model and break-even point

- ☐ Pull your state Medicaid fee schedule for each level of care
- ☐ Collect commercial rate assumptions for your market
- ☐ Complete the break-even worksheet on page 4

4. Price your startup budget line by line

- ☐ Complete the budget worksheet on page 3
- ☐ Get written quotes for every quote-only line
- ☐ Fund working capital before signing the lease

Phase 2: Fund, license and build

5. Secure funding

- ☐ Match each source to what it pays for: SBA 7(a), SBA 504, private capital, state and federal grants

6. Get licenses and permits

- ☐ State behavioral health license application submitted
- ☐ DEA registration if you dispense or administer controlled substances
- ☐ OTP certification under 42 CFR Part 8 if you dispense methadone
- ☐ Certificate of Need (if your state requires one)
- ☐ Building, occupancy, fire and business permits

7. Write your policies and procedures manual

- ☐ Admission and discharge, patient rights, documentation, medication management
- ☐ Incident reporting, supervision, HIPAA and 42 CFR Part 2, emergencies, infection control

8. Hire clinical leadership and staff

- ☐ Medical director and clinical director in place before the survey
- ☐ Counselors, nurses, case managers, peer support
- ☐ Admissions, billing, facility and IT

9. Design the facility

- ☐ Ligature-resistant hardware, secure medication storage, staff sightlines
- ☐ Group rooms, soundproofed offices, resident spaces
- ☐ State physical plant requirements for your level of care

10. Pursue accreditation

- ☐ Choose CARF or The Joint Commission based on your payer contracts
- ☐ Request a fee estimate and set a survey readiness date

Phase 3: Payers and patients

11. Contract with payers and enroll in Medicaid

- ☐ Credential every clinician with every payer
- ☐ Start Medicaid provider enrollment as soon as your license allows
- ☐ Confirm whether your state allows provisional billing
- ☐ Set up utilization review and denial management

12. Build your marketing before you open

- ☐ Apply for LegitScript certification during licensing
- ☐ Website and Google Business Profile live before the license arrives
- ☐ Call tracking on every channel from day one
- ☐ Budget the first three months at launch-month cost per lead

13. Build programming on evidence-based practices

☐ Name your methods (MI, CBT, medications for OUD and AUD, contingency management, trauma-informed care) in the program description and on the website

Phase 4: Open

14. Launch and manage the first 90 days

- ☐ Weekly census tracked against your break-even occupancy
- ☐ Admissions response time and same-call insurance verification
- ☐ Incident and quality improvement log from day one

BUDGET WORKSHEET

Startup budget, line by line

Published figures come from the source named in each row. Lines marked quote only have no reliable public benchmark; get written quotes. Write your own number in the last column.

Line item	Published figure	Source	Your quote
The Joint Commission behavioral health onsite survey	From $3,330 (small organization)	The Joint Commission fact sheet	
The Joint Commission annual fee	From $1,930 a year	The Joint Commission fact sheet	
CARF accreditation survey	Priced by surveyors and survey days	Request an estimate from CARF	
DEA registration, opioid treatment program	$296 a year	21 CFR 1301.13	
DEA registration, dispensing practitioner or clinic	$888 for three years	21 CFR 1301.13	
Counselor salary (per FTE)	$59,350 median (May 2025)	U.S. Bureau of Labor Statistics	
Registered nurse salary (per FTE)	$97,550 median (May 2025)	U.S. Bureau of Labor Statistics	
Operating cost, 20-bed residential program	About $194,700 a month	South Dakota Medicaid rate model; Lead to Recovery calculation	
Treatment center website	$4,800	Lead to Recovery published pricing	
Local SEO	$750 a month per location	Lead to Recovery published pricing	
Google Ads management	From $1,000 a month plus ad spend	Lead to Recovery published pricing	
Real estate or lease and build-out	Quote only		
General and professional liability insurance	Quote only		
EHR system and implementation	Quote only		
State license and Certificate of Need fees	Quote only (varies by state)		
Furniture and equipment	Quote only		
Working capital (monthly operating cost x months before steady collections)	Your calculation		

Sources: The Joint Commission, Behavioral Health Care Accreditation Fact Sheet; Code of Federal Regulations, 21 CFR 1301.13; U.S. Bureau of Labor Statistics, Occupational Outlook Handbook (May 2025 pay); South Dakota Department of Social Services, Mental Health and Substance Use Disorder Rate Study, Guidehouse, January 5, 2024; Lead to Recovery pricing, leadtorecovery.com/pricing/.

BREAK-EVEN WORKSHEET

How full do you need to be?

Break-even occupancy = cost per available bed-day / average revenue per occupied bed-day.

Input	Example	Where the example comes from	Yours
A. Cost per available bed-day	$320.13	South Dakota model rate $336.98 x 95% occupancy	$
B1. Medicaid revenue per occupied bed-day	$336.98	South Dakota intensive inpatient rate plus room and board	$
B2. Commercial revenue per occupied bed-day	$1,152.63	Peterson-KFF 2023: $21,900 per stay / 19 days	$
C. Medicaid share of patient days	75%	Your payer mix	%
D. Blended revenue = C x B1 + (1 - C) x B2	$540.89	Calculated	$
E. Break-even occupancy = A / D	59.2%	Calculated	%
F. Beds	20	Your program	
G. Monthly operating cost = A x F x 365 / 12	$194,746	Calculated	$
H. Months before steady collections		Your state and payers	
I. Working capital to raise = G x H		Calculated	$

Break-even occupancy by payer mix (example inputs)

Payer mix (share of patient days)	Average revenue per occupied bed-day	Break-even occupancy
100% Medicaid	$336.98	95.0%
75% Medicaid, 25% commercial	$540.89	59.2%
50% Medicaid, 50% commercial	$744.81	43.0%
25% Medicaid, 75% commercial	$948.72	33.7%
100% commercial	$1,152.63	27.8%

Read the model with two cautions. Commercial plans authorize days through utilization review, so collected days run below admitted days, and the commercial figure includes professional fees and patient cost sharing. Programs built for commercial patients staff above the Medicaid model, which raises line A. Replace every example input with your state rates, contracted rates and staffing plan.

This worksheet is general business information, not legal, tax, accounting or financial advice. Confirm licensing, billing and financing decisions with qualified advisors in your state.