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HEALTH

Maryland woman working to expose opioid treatment scam

By CHRISTINE VESTAL
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Donna Johnson, a working mother of four who lives in a quiet upscale neighborhood in suburban Maryland, is determined to thwart an insidious addiction treatment scam that's spreading across the country.

It ensnared her son, then 21, in Florida five years ago when he was desperate for treatment for his addiction to opioid painkillers and heroin — and she was desperate to get him help.

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Prompted by a man whom Johnson met online, she agreed to sending her son to South Florida, where he cycled through more than two dozen sober homes and treatment facilities over four years, receiving little actual therapy. He relapsed every time he was discharged, only to be picked up by another facilitator and admitted to another sober living program.

Now, Johnson fears that some of the same people who preyed on her son are setting up shop in Maryland, and she wants state elected officials to outlaw the deadly business scheme before it takes root.

Florida enacted an anti-kickback law in 2017 that gave police the authority to crack down on drug treatment fraud, and since then, similar laws have been enacted in Arizona, California, New York, Tennessee and Utah.

Here's how the scam works: Seemingly caring people join recovery-related online chat groups, answer addiction hotlines advertised online or show up at fundraisers for addiction recovery. They typically say they're in recovery themselves and are therefore uniquely qualified to help.

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People with addiction and their families often don't want to ask their doctors or pastors for help because they're ashamed and want to hide their illness. So, turning to a stranger can be appealing.

To attract victims, "patient brokers," as the scammers are known, typically offer free airline tickets and pocket money, according to prosecutors. They waive insurance deductibles and copays and tout the camaraderie and beach life the patients will enjoy in a place such as Florida. Parents, relieved that their son or daughter has finally consented to treatment, are eager to go along.

Past legal cases show the brokers can make initial commissions of as much as \$2,000 per patient — and then rake in additional fees when they re-enroll the same patients after they relapse.

Within two to four weeks of a patient checking into a sober home where treatment is subpar or nonexistent, insurers may stop paying claims under standard protocols for that type of service, and the fraudulent operators dump their young clients on the street, prosecutors say.

That's when the shuffle begins.

The patients, mostly in their 20s, typically start using drugs again, sometimes aided by cash they've received as a goodbye gift from the treatment provider. Some die of an overdose because their tolerance for the powerful drugs has plummeted. Many become homeless.

Others might be picked up by a friendly recruiter who helps them get into another sober home, where their insurer is obliged by recent federal laws — the Affordable Care Act of 2010 and the Mental Health Parity and Addiction Equity Act of 2008 — to start paying again after they've relapsed.

[Millions in federal grants come to Maryland to curb opioid-related deaths »](#)

Past cases show that the cycle can continue until the insurance company stops paying on the patient's 26th birthday, when the Affordable Care Act allows insurers to drop dependent care coverage under a parent's policy.

For Johnson, one of the first clues that something was amiss with the addiction treatment center she sent her son to in Florida was a \$13,000 charge to her insurance company for drug testing that her son said he never received.

Excessive numbers of urine drug tests and widely varying prices for them are just part of the insurance fraud schemes perpetrated by many of the same operators who pay patient brokers to deliver customers, prosecutors say.

In Maryland, state Rep. Karen Lewis Young, a Democrat who represents Frederick, is drafting a patient brokering bill that she plans to propose in the next legislative session with Republican cosponsor Rep. Jesse Pippy, she told Stateline in an interview. The idea for the law, she said, came from Johnson.

“These marketers are looking for young people with good insurance and vulnerable parents who want to do anything they can for their children. They’re targeting them,” Young said.

“Who could be against outlawing patient brokering?” she asked.

Dave Aronberg, the Palm Beach County, Florida, state attorney known for the nation’s first crackdown on patient brokering in 2016, said he and assistant state attorney Alan Johnson have been talking to advocates in Georgia, North Carolina, New Jersey, Ohio and Pennsylvania about enacting similar laws in their states.

They also worked with California officials to help craft a patient brokering law enacted there last year.

Initially, advocates for people with addiction opposed California’s law, worried it could be used to discriminate and concerned it could dampen a much-needed expansion in the addiction treatment business.

Local property owners said the bill didn’t go far enough to restrict the sober homes that were proliferating in their neighborhoods. And treatment companies and their

attorneys wanted to make sure that handing out small freebies to their patients wouldn't get them in hot water.

By describing how the patient brokering law worked in Florida, Aronberg and Johnson said, they were able to illustrate that the California law would improve the health and safety of people with addictions, while boosting relations between sober homes and their surrounding neighbors.

Aronberg also testified before Congress as it developed a 2018 federal anti-kickback law aimed at the addiction treatment industry.

In July, the National Alliance for Model State Drug Laws, which is funded by the U.S. Department of Justice, released a template for a patient brokering statute based on Florida's 2017 law.

"We're seeing patient brokering and other unscrupulous forms of marketing show up all over the country now," said Gary Tennis, president of the model drug law group.

"Even if it hasn't hit your state yet, it's coming," he cautioned. "States need to be prepared with the right tools to combat it."

The federal anti-kickback law only applies to federal health care programs and is not broad enough to address the full range of false marketing, insurance fraud and patient brokering that is occurring in the industry, Tennis and others say.

According to Aronberg, Palm Beach County police have arrested 95 allegedly fraudulent treatment operators and patient brokers in the past two years. The arrests and investigations, along with the local media attention they have garnered, have stanching the flow of vulnerable, young drug-addicted patients to South Florida, primarily from out-of-state, he said.

As a result, drug overdose deaths in Palm Beach County declined from 647 in 2017 to 400 in 2018, nearly a 40% drop, according to the state's medical examiner.

Aronberg stressed that states need to take a multi-layered approach to beating addiction fraud. In 2017 and 2018, the Florida Legislature appropriated roughly \$300,000 to help create a sober home task force to improve law enforcement strategies, develop new treatment industry ethics policies and inform the public about addiction treatment fraud. Those groups have been invaluable, he said.

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“Forcing the addiction treatment industry to change its marketing approach made a huge difference,” Aronberg said. “That’s what lured unsuspecting people down to South Florida to ostensibly go through rehab.

“More than 75% of Palm Beach patients came from out of state, only to leave in an ambulance or a body bag,” he said.

“We believe we’ve cleaned up well over a majority of the problem here. Unfortunately, some of it has moved to other states,” he said. “Florida may now be the safest place you can send your loved one for treatment.”

In an opioid epidemic that is killing at least 130 U.S. residents every day, the demand for addiction treatment started rising sharply about a decade ago.

And with private insurers newly required to pay for behavioral health services to help people quit, the addiction treatment industry started booming.

[As opioid epidemic continues, Baltimore looks to address gap in reaching overdose victims overnight »](#)

The drug treatment industry became fertile ground for fraud once insurance money started rolling in, because unlike the rest of the medical profession, it historically had consisted of mostly small companies whose owners were in recovery themselves and were only lightly regulated by federal or state licensing and accreditation agencies, explained Peter Thomas, quality assurance officer for the National Association of Addiction Treatment Providers.

“In the past, most treatment providers were in the business because they wanted to help others, not because they wanted to make money,” Thomas said.

In the past several years, though, investors who cared more about profits than patients have gotten into the business, he said. Insurance companies were taken advantage of and by 2016, they responded by tightening up their claims processing and authorization procedures, Thomas said.

“These changes have also challenged ethical treatment providers. But the scrutiny will be worth it if it weeds out the bad actors.”

Insurance providers argue that addiction treatment fraud not only puts patients' lives in danger, but that it also raises overall health system costs and increases premiums for everyone, not just those sent to sober homes.

“These ‘sober homes’ are often associated with providers that do not provide evidence-based addiction treatment, frequently bill excessively for urine drug screening tests, and might be fraudulently billing multiple insurers for one patient's services,” said Cathryn Donaldson, communications director for insurance industry trade group America's Health Insurance Plans, in a statement to Stateline.

“Even more alarming, there are reports of ‘sober homes’ that may perpetuate access to drugs that keep people addicted rather than assisting them in recovery,

exacerbating the crisis,” she said.

Johnson’s son, Marc Speal, landed in South Florida in January 2015.

Addicted since he was 17 after taking the opioid painkiller Percocet at a party, Marc had completed a 28-day intensive residential treatment program at a Maryland addiction center. But soon after he left treatment, it became clear he needed more help.

In an online group called The Addict’s Mom, Johnson found a young man who told her he was in recovery and would be willing to help her son get the treatment he needed. He told Johnson he’d look after her son and even gave him a free plane ticket to Florida.

“He seemed genuinely concerned about Marc, so I trusted him,” Johnson said. “He promised me he wouldn’t leave him on the street.”

But that’s exactly what happened.

Johnson had heard about fraudulent treatment centers in Florida that discharged kids when their insurance ran out, leaving them with nowhere to live and vulnerable to relapse.

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But back then, she said she put too much trust in what she now realizes was a patient broker, and she didn’t fully understand how the scam worked.