

**OPENING STATEMENT OF THE HONORABLE GREGG HARPER
CHAIRMAN, OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE
“EXAMINING ADVERTISING AND MARKETING PRACTICES WITHIN THE
SUBSTANCE USE TREATMENT INDUSTRY.”**

JULY 24, 2018

As Prepared for Delivery

The Subcommittee will come to order. Today the Subcommittee holds a hearing entitled “Examining Advertising and Marketing Practices within the Substance Use Treatment Industry.” This hearing builds on the Subcommittee’s extensive work over the past four years examining the causes and scope of the opioid epidemic, including ways to effectively treat individuals with a substance use disorder.

The opioid epidemic continues to ravage our nation. According to the Centers for Disease Control, approximately 2.1 million Americans over the age of 12 suffer from an opioid use disorder. Meanwhile, the number of Americans dying from opioid overdoses has increased in recent years to 115 deaths each day.

As the opioid epidemic continues to take its toll, the demand for treatment has dramatically increased. According to the Substance Abuse and Mental Health Services Administration, the number of treatment facility admissions for opiate use increased 58 percent between 2005 and 2015. With rising demand, the number of treatment facilities has also grown. However, the increased demand for treatment and attendant proliferation of treatment facilities have raised a number of concerns about practices within the industry.

Our December hearing examined “patient brokering,” the practice of recruiting individuals with a substance use disorder and luring them to treatment facilities and sober living homes, often in other states, in return for financial kickbacks. We also heard testimony about the problems stemming from the dramatic surge in substance use disorder treatment facilities, including practices employed by businesses known generally as “call aggregators.” These practices incentivize profit over the recovery and well-being of the individual seeking treatment.

The information we learned at the hearing in December, along with additional reports and research that the Committee conducted, led us to dig deeper into these marketing and advertising practices within the drug treatment industry.

If you compare how one seeks care for a substance use disorder to how one would seek care for any other illness or disease, the difference is staggering. For

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example, if you aren't feeling well most people would go to their primary care doctor or if it's an emergency, the ER, and that doctor is likely to refer you to another doctor or specialist depending on what's wrong. Here, individuals seeking treatment for themselves or a loved one often turn to the internet to find resources to guide them in choosing a treatment center – one study found that 61 percent of people who went to rehab used the internet to find treatment. Such online searches can prove overwhelming, patients are often at the mercy of what they find online with little or no guidance from a medical professional.

Many treatment-focused websites advertise hotlines that purport to direct individuals to a trained professional that can help the individual assess what treatment facility will best meet their needs. These call centers may appear to be unaffiliated third-party referral services, but they are often either owned and operated by treatment facilities or are paid by facilities to refer calls. While some centers disclose their relationship with treatment facilities, others may engage in deceptive marketing tactics to hide them. Moreover, these call centers are often staffed by sales representatives rather than medical professionals. In some cases, the individuals staffing the company's call center receive a bonus each month based on the number of callers that are successfully admitted into one of the company's facilities.

In some of the worst cases, call aggregators or call centers may refer patients to facilities that don't meet their needs based on a financial arrangement and once patients enter treatment they may be vulnerable to exploitation by unscrupulous business owners.

Concerns raised about deceptive advertising and marketing practices have already led to action. For example, several states have passed legislation, the National Association for Addiction Treatment Providers updated its code of ethics, and Google placed a temporary restriction of online advertising by treatment providers due to “misleading experiences among rehabilitation treatment centers.”

As the opioid epidemic continues to claim lives, it is vital that we ensure individuals seeking treatment for themselves or loved ones are able to find treatment that best meets their needs without being misled by those who would prioritize financial gain over saving lives.

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We thank our panel of witnesses for joining us this morning. I hope that today’s hearing will shed light on how we can combat deceptive marketing practices while protecting legitimate treatment centers and the individuals desperately seeking their care.

We thank you for appearing before the Subcommittee today and look forward to hearing your testimony.