

GOOGLE

SEARCHING FOR HELP

She turned to Google for help getting sober. Then she had to escape a nightmare.

By Cat Ferguson | Sep 7, 2017, 8:00am EDT

easha Ali had been drunk for the last two days, but she didn't want to be anymore. The 39-year-old math teacher and mother of two was in a spiral familiar to anyone who's struggled with addiction. A difficult event — a hospitalization, thanks to lingering symptoms from a birth defect — had stressed her to the breaking point, and then she'd gotten home and found herself alone in her house, depressed and unable to sleep. After a few days without drinking, she gave in, and spent the next 48 hours on a bender.

On the second night, January 8th of this year, she got an email from the hospital. Her liver enzymes had been dangerously high — even before the days of abuse. The birth defect that put her in the hospital had already left her with several damaged organs. Afraid of hurting another, she searched the test results in Google. Right there at the top was an ad for rehab.

"I thought to myself, 'Oh my God, even Google knows I need rehab,'" Ali told me.

It's hard to say exactly who was on the other end, when, just before 11PM, Ali called the number in the ad. The 800 number was ephemeral. It's missing from Yellow Pages listings, social media, and even sites for complaints about telemarketers and spam, and it was disconnected by the time I called it. The untraceability is frustrating, but not surprising. Google offers advertisers unique "tracking" phone numbers that forward to a company's

phones, so they can understand which ads are bringing in the most clients. The phone numbers only stay up as long as the ad does.

"OH MY GOD, EVEN GOOGLE KNOWS I NEED REHAB."

Ali's call to the hotline lasted almost an hour. The woman asked for Ali's insurance details and other personal information, which Ali gave her, but mostly, they talked. Ali told the woman what was going on with her, why she wanted treatment, and what kind of rehab she hoped to end up at. "Somewhere with palm trees," she remembers requesting.

The woman told Ali she'd call back with a referral. Ali fell asleep while waiting.

KEY POINTS

- Google results for phrases like "rehabs near me," along with the resulting ads, are often peppered with 800 numbers for lead generators, third-party call centers selling potential clients to rehabs
- Some rehabs run hotlines that seem like unbiased referral services, but refer most patients to treatment centers they own
- The worst operations overbill insurance for tens of thousands of dollars, pay referrers a portion of the bill, and in extreme cases, can look a lot like human trafficking
- Deceptive practices are common in online rehab marketing, including Google and SEO scams that redirect callers away from legitimate treatment centers
- At some call centers, reps are paid bonuses for "performance" (i.e., how many admissions they sign up), and many use high-pressure sales tactics on desperate callers
- · A new law in Florida, where many of the call centers are based, bans deceptive sales tactics for rehabs
- It remains unclear how much legislation and other pressures will affect these marketing practices

At 8:30AM the next day, her phone rang. It was a placement service called Aid in Recovery, and it'd found a good place for her, a Florida outfit called Wellness Counseling and Residential Detox.

"Our mission is to make sure you have the best possible chance to break free from alcohol and drug addiction. We do this by matching your specific needs with the best rehabs across the nation," Aid in Recovery's website promised when Ali looked it up. Spending January in Florida was an easy sell. At 12:30PM, Aid in Recovery sent Ali flight information. Four hours later, she was on a plane.

"I had a lot of guilt and shame about my drinking, and so I really wanted to stop. I'd been trying to cut back, and I realized I wasn't going to stop on my own," Ali told me over the phone a few months after she got out of Wellness. Had she been clearheaded, she thinks she might have noticed the warning signs, like the salespeople telling her that treatment wouldn't cost her anything.

What Ali found in Florida was a far cry from the tailored retreat she was expecting. The facility was in a recently converted ex-motel; she told me her room was crammed with three twin beds and a small chair. Most of her treatment at the understaffed facility consisted of large therapy groups, and personnel were unprepared to deal with her serious medical issues. Having started out looking for help with her alcoholism, she ended up getting a lesson on the complex, opaque web of treatment centers and marketing operations that use the internet and high-pressure telemarketing techniques to profit off a booming market: addicts in America.

In the shadow of America's opioid crisis, an array of business models have sprung up to generate "leads," marketer-speak for addicts with money — or good insurance. Some are

third-party marketers operating referral hotlines, while others are entities owned by and referring to a single rehab company. Some serve both purposes, referring to their own treatment centers and selling the callers they can't use. While quite a few treatment centers and marketers are honest and upfront, many others use deception and call-center scam tactics to get clients.

SOME SPEND HUGE SUMS TO SHOW UP IN THE SEARCHES OF DESPERATE PEOPLE WITH THE RIGHT INSURANCE

The companies are united by their dependence on Google, some of them spending huge sums on ads to show up in the searches of desperate people with the right insurance. Aid in Recovery, the company that sent Ali to Florida, spends over a million dollars a month on Google search ads for websites they own, according to an estimate by web ad analytics company SpyFu.

Florida has taken notice of the industry's marketing tactics. On June 26th, Governor Rick Scott <u>signed a long-awaited ban</u> on deceptive treatment center advertising that outlines specific disclosure requirements and cracks down on other questionable practices that have become common in the rehab industry. The bill, which explicitly covers misleading statements online, passed unanimously in both the Florida House and Senate.

As of <u>June 24th</u>, Aid in Recovery's website continued to imply it was an independent company, as it had when Ali went to Florida: "We have the most accurate and latest information on treatment programs available," Aid in Recovery said on the front page. "We do not promote any particular approach to addiction treatment, just high success rates."

HAD SHE BEEN CLEARHEADED, SHE THINKS SHE MIGHT HAVE NOTICED THE WARNING SIGNS

By July 9th, Aid in Recovery had changed its web copy, deleting all of the language suggesting they were independent, and adding a disclaimer that the company "is associated with affiliated treatment centers located in AZ, CA, and FL and Aid in Recovery may refer a person to one of these entities if the person's treatment needs and payment abilities match the treatment offerings at these facilities." (Aid in Recovery also removed some aggressive and misleading statements about going to rehab far from home, including that "it has been proven that the success rate is higher" when addicts go out of state for treatment.)

Some of their affiliates are now named on the website, including Wellness, where Ali went. But those aren't the only businesses in Aid in Recovery's network. Company filings and court records reveal a tangled web of holding companies within blandly named holding companies, adding up to a multimillion-dollar rehab business, all tied together by an LLC called Treatment Management Company. It spans four states, and includes phone rooms, urinalysis labs, detoxes, and rehabs. All of them are connected to one man, Bryan Deering, a millionaire who made his money in concrete.

Many are concerned about the way profits in the industry have been prioritized over patient outcomes. In 2015, Michael Lukens, a former business partner of Deering's, made a YouTube video denouncing unethical behavior in the rehab industry.

"I actually have perspective from behind the scenes," Lukens says on the video. "By and large, the mentality of the owner-operator is continuously putting profits ahead of people."

"We completely reject any suggestion that we have been deceptive in our operations or in dealing with clients or prospective patients," Treatment Management Company said in an

emailed statement. "Our marketing efforts are in line with other health care companies in the United States."



pen another tab, and Google "alcohol rehab near me." Take a look at the ads up top. (If you have an ad blocker, you'll have to turn it off.)

If you're in Arizona, and you click on the top ad, you'll cost that advertiser around \$221. If you're in Colorado, that click costs the site \$230. Sorry, New Yorkers, your click is only worth \$43 — but if you searched "drug treatment centers," you'd go for around \$121. (These are estimated averages from April this year, provided to *The Verge* by advertising analytics company SEMrush.)

That's assuming you don't live in a city with a high percentage of Medicaid recipients. In New Jersey, the statewide cost for ads on "best alcohol rehab centers" searches is \$190 per click, but that's an average. Smart marketers tell Google they don't want their ads showing up in any searches from Trenton, Camden, or other low-income cities. It's also good practice, if you're hoping to attract well-heeled (or at least well-insured) clients, to keep your ads away from searches with words like "free" and "Medicaid."

Of course, there are other ways to prevent poor people from calling your hotline. One of Aid in Recovery's AdWords listings, which I saw on Google in the middle of August when searching for "treatment center South Florida," is titled "Addiction Treatment Center - No Medicaid. No Medicare." When I repeated the search, their listing was titled "Addiction Treatment Center - (Private Insurance Only)." A few days later, I tried "texas rehab" and got an Aid in Recovery listing titled "Luxury Drug/Alc Rehab Centers. - (Private Insurance Only)." All three list different 800 numbers.

Some methods of targeting patients are more deceptive. My editor in New York City Googled "rehab" in February; one of the top AdWords results was for The Watershed. "Rehab in NY - Choose The Watershed Rehab," it read, listing an address in Brooklyn. "No Medicaid/Medicare." Searching the Brooklyn address brings up their "locations" page, which clarifies the rehab "provides treatment services only in our Florida and Texas facility locations," before listing addresses in 32 other states, including nine in New York and eight in New Jersey. (The other three ads in my editor's results were for rehabs in Florida.)

THAT CLICK COSTS THE SITE \$230

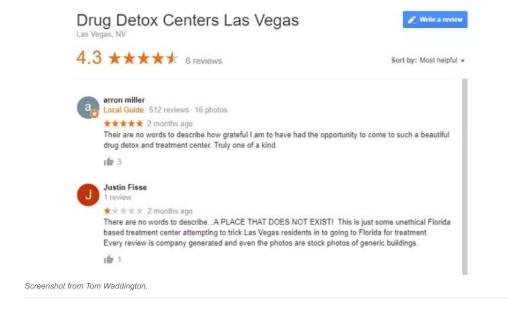
A friend Googling "rehab near me" in the Bay Area in August got ads for a third-party lead generator; a local rehab with a hotline that rang to the parent company's New Jersey call center; and a site operated by Aid in Recovery (its closest facility is 400 miles away).

Once a potential client is on the phone, it's up to the phone room salesperson to convince them that they should travel to the treatment center the call center is repping, whether or not going away from home was the person's intention.

"Google 'drug treatment Dayton Ohio," Alan Johnson, chief assistant state attorney of Florida, suggested to me. "Call a couple of those numbers that pop up, right up front, and see what you get." He laughed a little. "See if you actually get somebody in Dayton."

Johnson is head of the Palm Beach County Sober Homes Task Force, which has been helping draft legislation about fraud and other illegal activity in the treatment industry since July 2016.

Google declined to comment on the record when I asked them about issues around geographic targeting of ads.



The search giant actively courts treatment centers, both online and off. In May, a Google "digital ambassador" was a featured speaker at the Treatment Center Executive & Marketing Retreat, a networking getaway for C-suiters and financiers of addiction treatment businesses. In July, two Google executives talked about AdWords at a marketing conference for mental health professionals. And in February, Addiction Professional, the rehab industry's main trade rag, ran a webinar called "Attracting Patients Online in Their Time of Need." One of the speakers was Danielle Bulger, a senior account executive with Google's health care division and a featured speaker at the aforementioned retreat.

In a study using what Bulger called their "humongous dataset," Google found 61 percent of people who went to rehab used the internet to find treatment — a bigger number by far than those who relied on their family, friends, or doctors.

"While the gravity of the situation is not lost on us here at [Google], we do know that if we do our jobs well as marketers, as digital evangelists, as content producers that answer these very important questions, we can help lives," Bulger told her listeners.

"SEE IF YOU ACTUALLY GET SOMEBODY IN DAYTON."

But the search engine's ubiquity gives scammers easy access to the same customers, and their business-friendly tools work equally well for black- and white-hat marketing.

One of the most common scams is so easy you could try it yourself (but please don't). Google's business listings — the snippets that pop up in Google searches or on Maps — all have a little link in them: "Suggest an edit." If a business hasn't claimed its listing, it's easy to change the phone number to anything you want. Scam marketers do it constantly, rerouting a treatment center's calls to their own hotline, trusting their sales reps to convince the caller they've come to the right place, as Alfred Lubrano of the <u>Philadelphia Enquirer</u> reported in June.

Even if a company has claimed the listing for their center, which usually involves Google mailing a postcard with a security code to the business address, sometimes Google's algorithm lets spammers' suggested edits through anyway. Business owners aren't notified of such changes by email, instead seeing them only if they log into their "Google My Business" account page, according to Tom Waddington, a Google Top Contributor, which means he volunteers to answer user questions in the Google help forums. (In exchange, Google gives him easy ways to escalate reports about scams and other complaints to Google employees, and flies him to Mountain View every year for a special conference.)

"Overall, allowing users to suggest and moderate edits provides comprehensive and up-todate info, but we recognize there may be occasional inaccuracies or bad edits suggested by users," a Google spokesperson told me via email. "When this happens, we do our best to address the issue as quickly as possible."

But experts told me it's a lot more common than Google suggests.

"If you're a facility and you don't check your map on a regular basis, you will be hijacked," cautioned Johnson. And patients need to be careful, too. Once the rep has you on the line, he says, they'll tell you whatever they need to to reel you in. If a patient is looking for a specific rehab, Johnson told me the reps might respond, "Well they're full, but we have the same program in Delray Beach.' Like as not, they hook somebody in, thinking they're getting something that they're not getting."

"IF YOU'RE A FACILITY AND YOU DON'T CHECK YOUR MAP ON A REGULAR BASIS, YOU WILL BE HIJACKED."

Sam Bierman, executive director of Maryland Addiction Recovery Center, a strong critic of shady marketing tactics, has a couple of quick and dirty rules for families and doctors on the hunt for a rehab. One is to pay attention to the website's staff page. If they don't list their top brass, at the very least, then you have no idea who you're talking to, and should consider looking elsewhere. He also suggests asking the person who answers the phone if they're actually at the treatment center. If they tell you they're based somewhere else, tread carefully.

A few weeks before we talked, a fake number showed up on the Google listing for a treatment center owned by a friend of his. Bierman gave it a call. "I said, 'Are you guys a treatment center?' 'No, we're a national hotline.' I said, 'Okay, well are you guys for-profit or not-for-profit?' And she said, 'No, we're a national hotline." Then the woman hung up on him.

"A lot of it is just taking advantage of consumers who may not know any better," Bierman told me with anger in his voice.

Google has made <u>efforts to block such hijacking</u>, but it's a game of cat and mouse. When lead generators aren't hijacking real rehab listings, they're submitting dozens or hundreds of fake ones, spamming Google Maps in an effort to get their 800 number in searches for, say, "rehab Los Angeles." In the early days, a treatment center in Florida could give legitimacy to a fake listing just by renting a post office box to receive the security code. Google eventually got wise to that, so scammers switched to private mailbox rentals, people's houses, and "virtual office" services.

Scammers in other industries try to game AdWords and Google business listings, too. Google has to contend with lead generators for <u>locksmiths</u> and other businesses pretending to be a specific company near the searcher's location, and fraudsters have used AdWords for <u>phishing attempts</u>, keylogging malware, and <u>tech</u> support scams.

Some security experts complain that the company's response to scams, especially those using Google Maps business listings, is glacially slow. For instance, in 2014, security expert Bryan Seely hijacked the phone numbers on Google Maps business listings for FBI and Secret Service offices. A year later, when Google still hadn't fixed the security flaw, he used the same technique to create a verified Maps listing for Edward Snowden's office... inside the White House.

"A LOT OF IT IS JUST TAKING ADVANTAGE OF CONSUMERS WHO MAY NOT KNOW ANY BETTER."

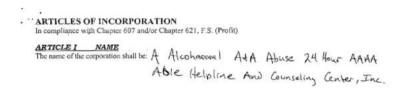
Waddington told me he hasn't seen any complaints from rehabs in the Google help forums recently, but said complaints tend to come in waves. "Hopefully this current downtime is a sign that Google has improved their ability to combat the issue," he said, "but it could also just mean that drug rehab spammers have improved their ability to avoid detection. I feel Google has a long way to go in identifying and removing spam listings overall." He first saw complaints about business listing hijackings back in February 2016.

Last year, Google trialled a more proactive approach, according to Mike Blumenthal, a Google top contributor and co-founder of Local U, a conference series on internet marketing. Google often gives him early information on news-about the search platform. Businesses in a few select demographics had to verify their location, or be hidden from search results. It was evidently too clunky. In July, a Google representative told Blumenthal they would instead be "leveraging a behind-the-scenes approach to combat" fraud, requiring less work from the business owner.

"We use automated systems to detect for spam and fraud, but we tend not to share details behind our processes so as not to tip off spammers or others with bad intent," the Google spokesperson told me by email. "We've significantly reduced fraud with treatment center listings on Google and are committed to continuing to eradicate this type of fraud on our platforms."

hese kinds of rehab marketing techniques may seem like a uniquely modern phenomenon, but 16 years ago, the *Miami New Times* published a story that, anachronisms aside, could have been published today. Michelle, desperate to get sober, dialed the first rehab number in the phonebook. The salesperson quickly vetted her insurance, oversold the amenities, and bought her a plane ticket. When she landed, "Michelle discovered a few minor surprises: there was no fitness center, the pool was actually an algae-clogged hazard, and her insurance company was billed \$1,000 per day instead of \$400."

Like Ali, Michelle was searching at the height of desperation and latched onto whatever she saw first. In Michelle's case, the number popped up first in the Yellow Pages because the treatment center owner had filed the rehab under an alphabetically optimized name, Aaron Alcohol Abuse Addiction Assessment Counseling. (Business name paperwork took a pretty surreal turn during this analogue SEO war. In 2004, a former Sea Winds exec named his new company AALCOHAAAAAL A + AABUSE 24 HOUR AAAA ABLE HEPLINE AND COUNSELING CENTER, INC; in 2011, The Watershed, the same treatment center juggernaut from my editor's Google search, registered to do business as the letter A.)



The internet opened the floodgates of opportunity for sketchy ad tactics. Since the mid-2000s, a hodgepodge of in-house and third-party marketers have been generating enormous call volumes via TV spots, radio ads, and thousands of carefully targeted websites.

Third-party lead generators often send out "raw" calls in a kind of roulette, ringing a few times at each contracted treatment center until someone picks up. Much more valuable is a "verification of benefits" call, forwarded from a phone room that pre-vets addicts' insurance policies.

Some companies are startlingly blunt in describing their services. Take Treatment Link, a shop out of Pompano Beach, Florida, which doesn't hide any details from prospective marketing clients.

THE WATERSHED REGISTERED TO DO BUSINESS AS THE LETTER A

"All of our leads are **exclusive**, **filtered**, **& HOT!**," they exclaim on a page titled "Why We're #1." They tout calls, generally the most expensive in the industry, that are "qualified by our treatment specialists for cash payment or payment through an approved P.P.O network with their insurance provider."

Things are a little different over on Treatment Center Finder, the website Treatment Link uses to reel in addicts. "We provide treatment centers that guarantee your success," they promise — a pretty wild claim, considering the National Institute on Drug Abuse, part of the National Institutes of Health, estimates that 40–60 percent of addicts will relapse after rehab. "We will connect you with the drug rehab that will set you free from addiction, and lead you to a wonderful life beyond your dreams!"

Some call center practices, in particular paying per-head bonuses for each admission, risk turning into <u>patient brokering</u>, <u>essentially buying and selling patients</u>. Common brokering practices include paying "junkie hunters" for clients; bribing patients with cash, drugs, and other incentives; and kicking back a portion of insurance reimbursements for blood, urine, or genetic testing. At its worst, patient brokering looks a lot like human trafficking, as addicts are <u>passed around between brokers</u>, <u>kept high</u>, and <u>even forced into prostitution</u>. In <u>Florida</u>, <u>it can be</u> a first-degree felony carrying a \$500,000 fine.

After a few years of buildup, Obamacare kicked the scams into high gear. Suddenly, anyone could get insurance covering addiction treatment — including drug tests that, with

the help of a friendly medical professional, could turn one cup of urine into thousands of insurance dollars for rigorous chemical analyses. Professional groups generally recommend those tests only for confirming the results of suspicious or especially consequential pee-in-a-cup tests.

With exchange plans largely locked into paying for medically required tests, patients (and their urine) became gold mines. Some labs started offering kickbacks to treatment centers, who in turn began splitting the profits with halfway houses that would tempt clients with free rent and other services.

PATIENTS (AND THEIR URINE) BECAME GOLD MINES

More and more halfway houses and treatment centers opened, flooding the market with businesses <u>relying in large part</u> on trickle-down pee money. Street-level patient brokers and phone room lead generators stepped up to fill the beds with strategies across the ethical spectrum, including signing addicts up for Obamacare and paying their premiums. Some treatment center operators cut out the middleman by opening their own labs, which only increased the demand for new patients.

Almost every arrest by the Sober Homes Task Force has involved <u>urinalysis overbilling</u> in one way or another. "Laboratory testing as a complement to clinical care may be routinely billed for without legitimate proof of medical necessity," the task force wrote in a January report. "This is one of the engines that currently run the industry."

In 2007, web marketer Phil Cory started TreatmentUSA as a kind of Yellow Pages for addiction recovery businesses. When he added an 800 number eight months later, more than one provider offered him thousands of dollars if he would vet patients' insurance coverage ahead of time. He says he turned them down, sticking to selling raw calls off his 175 sites, and requiring centers to provide three appropriate phone numbers to people who didn't have good insurance or the money to pay. He later sold the company to rehab chain American Addiction Centers.

"THIS IS ONE OF THE ENGINES THAT CURRENTLY RUN THE INDUSTRY."

"I could have made millions — multimillions — off the calls I generated for the treatment industry playing the same game as anyone else, but I made pennies on the dollar sticking to raw calls," he told me wryly. "I went so far as to sell my company because the industry was getting horrific. There were bad actors coming into play and profiting ridiculously off of families, and that's just not right."

Cory and Johnson both say unethical marketers have made it incredibly hard for good providers to compete in the South Florida market. When your competitors are cheating, how do you stay honest and keep the door open? But now, they say, a reckoning has begun, and many treatment businesses are closing or fleeing the state.

"WHERE THERE'S HIGH ECONOMIC MOTIVATION. PEOPLE FIGURE OUT HOW TO SCAM GOOGLE."

Insurance companies have stopped paying out for urine tests the way they used to, stepped up audits, and delayed some <u>claims</u> to treatment providers. There have been over two dozen arrests of patient brokers in the <u>last year or so</u>, based on investigations by a broad alliance of government agencies. The Sober Homes Task Force, where government officials are joined by industry stakeholders, has been helping push legislative change, such as this year's law banning deceptive rehab marketing, which will eventually require marketers to register with the Florida government.

"It really boils down to — tell the truth. Disclose who you are, what services you provide, where you are. And if people do that, they won't run afoul of the new law," Johnson told me.

But addicts and scammers are both renewable resources, and even a combination of state laws, high-profile arrests, and algorithmic tweaks can only go so far when there's money on the table and inventive cheaters to rake it in.

"The hackers have gotten better, Google's gotten better," Google blogger Blumenthal told me. "Where there's high economic motivation, people figure out how to scam Google."



hen Ali clicked on Aid in Recovery's website, she found reassurance that their "knowledgeable and skilled admissions coordinators" would walk her through everything, and "create a customized treatment plan" just for her. "We do this by matching your specific needs with the best rehabs across the nation," the page said until the marketing bill was passed.

"The only thing they could say they did to match my needs was make sure the insurance would cover it," Ali told me.

Aid in Recovery employs clinicians, but the people who answer the phone generally aren't licensed medical professionals. One of their primary qualifications is often having lived with addiction themselves. Hiring addicts in recovery to sell rehabs (not to mention antiques, printer ink, gold coins, and fake timeshares) makes a lot of sense for both parties. Heavy drug users tend to accumulate points against them in the job market, like tattoos, track marks, criminal records, and long gaps in their resumes. But the desperation of long-term addiction can hone a certain genius for persuasion, too — a valuable skillset in the sales world.

When Ali called, the woman who answered knew just what to say to get her onto a plane. "She talked about how I needed to do this for my family, and that waiting would only make it more likely that things would get worse," Ali told me. "I got scared."

"I GOT SCARED."

To get the hard sell myself, I tried Aid in Recovery's live chat a handful of times before the new marketing law, mostly asking about treatment for a heroin-addicted daughter. Asking for a list of treatment centers was a nonstarter, as was getting information about what kind of financial deals they have with the treatment centers. The more questions I asked, the

more aggressive the salespeople got. On one chat, the marketer told me her own mother had just overdosed on IV heroin and died, so she knew what I was going through. When that didn't sell me on giving her my personal information, she pulled out all the stops.

"I don't know what would stop you from wanting to speak with a specialist to get further information," she wrote. "The more paranoid you are the longer it's going to take to get your daughter the help she needs."

In their letter responding to my detailed questions, Treatment Management Company said, "At the time we started Aid in Recovery, we marketed it as an independent company since we often had to refer clients out for detoxification."

"Over time, we have developed a full service offering of medical detoxification services, residential treatment, outpatient services, after care services and limited toxicology services. Because we currently offer full treatment offerings and as state laws and regulations have evolved, we now disclose on our AIR website, and in our calls with patients, that AIR is affiliated with our treatment facilities."

The site does now say that they are affiliated with centers in Florida, Arizona, and California, and they'll say it on the phone, although they're much more cagey in the live chat. According to public records, Deering, the owner of Aid in Recovery, has started or purchased the following rehab brands: Treasure Coast Recovery, Wellness Counseling and Residential Detox, and Executive Recovery Center, also known as The Lukens Institute, in Florida; Mountainside Recovery Center, also known as West Coast Wellness Center, in California; and Serenity Care Centers, Red Rock Wellness Care Centers, and Red Rock Addiction & Treatment Company in Arizona.

BEFORE JULY, EVERYTHING ABOUT AID IN RECOVERY'S PRESENTATION SUGGESTED IT WAS AN UNBIASED REFERRAL SERVICE

He is also the owner of National Laboratories, which specializes in drug tests for rehabs. It's a legal arrangement — as long as they don't bill Medicare or Medicaid, both of which ban practitioners from referring to labs with the same owner, or to labs owned by a family member.

Treatment Management Company, according to a statement, provides administrative support, but does not control any of the companies.

Since the marketing bill passed, Aid in Recovery has toned down the aggressiveness of their website copy some, changing their "in-state versus out of state" page to remove both a statement about how a local treatment center can't prevent gossip or "people seeing who enters and leaves the facility," and the incorrect claim that "it has been proven that the success rate is higher when one receives their treatment from rehab out of state." (It may actually be worse, since family participation improves the likelihood you'll finish a given program.)

Before July, though, everything about Aid in Recovery's presentation suggested it was an unbiased referral service. Its employee email signatures, for example, had this disclaimer: "Aid in Recovery, LLC is a placement service...our advice does not constitute medical advice or diagnosis...substance abuse treatment services recommended by us are provided by independent treatment centers who are solely responsible for their content and for conformance with applicable [laws]."

I've reviewed a January copy of Wellness Counseling's guidelines for how employees should handle patient discharges. Although the email disclaimers stated that Aid in

Recovery wasn't responsible for the services provided to Ali, and that no one from the company was giving her medical advice, the policy tells a different story. (Emphasis theirs.)

"All admits' level of care and length of stay is [sic] predetermined by AIR and the [utilization review staff]...If a client leaves facility grounds (AWOL) and is gone for 2 hours or more, than the client shall be discharged. The client will need to call AIR and interview with the clinical director to be readmitted...If the client states he 'was promised' a shorter length of stay or alternate discharge plan, the case manager should call Aid in Recovery (AIR) **WITHOUT THE CLIENT PRESENT** and confirm the program commitment. If the patient committed to detox only or discharge to another facility outside of our system, then AIR will set up discharge plans with the client and coordinate transport. If the patient committed to a "full continuum of care", then the case manager will ask the AIR counselor that worked with the client to assist with convincing client to follow through on commitment."

I spoke with a second former patient of Wellness, who left after insisting he had been promised a shorter stay. The staff more or less followed the guidelines, he told me. The techs listened to his Aid in Recovery recording (although he was around to hear it), and once they heard him say he only wanted detox, they let him go.

"Physicians at Wellness Counseling and other treatment facilities make their own independent determinations regarding the appropriate treatment plan and length of stay," Treatment Management Company wrote in a statement. "Any statements to the contrary are false and defamatory."

reatment Management Company has done a lot of growing up in the months since Ali called Aid in Recovery. Earlier this year, it expanded into Georgia, snagging a 17,000-square-foot office space, and this summer it finally got its own website, two years after getting a Florida business license. The site says the company has 31 treatment center locations across seven brands, and a "24/7 addiction hotline." No brand names are given.

When I asked a Treatment Management Company spokesperson how business practices have changed in response to legislation and the company's growth, he responded by email, saying, "A detailed timeline isn't possible. Internal policies, laws and regulations in three states have continually changed over the years. We have always been compliant with laws and regulations."

Deering got into rehabs in 2012, when he bought Treasure Coast Recovery, a rehab in Stuart, Florida. A year later, he bought a controlling interest in The Lukens Institute, a luxury rehab run by clinical psychologist Michael Lukens, and started Aid in Recovery to market them both. Multiple former employees who worked with Aid in Recovery independently told me Deering called clients "gold bars."

MULTIPLE FORMER EMPLOYEES SAID DEERING CALLED CLIENTS "GOLD BARS"

Asked about the "gold bars" comments, Treatment Management Company offered the following explanation: "The term 'gold bars' was invented by managers so that our phone reps understand that each person calling in is suffering from the ravages of addiction and needs to quickly get to treatment. Sadly, we sometimes spent hours getting approvals and we weren't always moving fast enough to get back to people who had their bags packed so they could start their journey to recovery. Managers urged our phone reps to think of each client as a 'gold bar' that we wouldn't let out of our sight until safe and sound – whether to one of our facilities or another facility where they could get the help they need."

Deering brought on Lindsay Lohan's press-hungry father, Michael Lohan, to market his new companies. "Inspired by his faith, Michael Lohan has decided to open the nation's first faith based clinical treatment center," a Lukens Institute <u>press release</u> said at the time. It was the second time God called to Lohan; in 2010, he claimed he was moving to Los Angeles to start a faith-based rehab, as well.

Lohan's press strategy for Aid in Recovery seems to have been centered around trashy headlines, including telling tabloids he wished <a href="https://historyco.org/histor

In late 2014, Lohan, who has also worked with several <u>treatment centers</u> in South Florida unaffiliated with Deering or Treatment Management Company, told <u>Radar</u> he was fed up with crime in the South Florida recovery scene. "Such treatment centers turn a person's dream into a nightmare," he reportedly told the gossip rag.

Lukens left the company right around when *Radar* published that story, because of what he calls "philosophical, moral, and ethical differences between us." He told me that patients would regularly come to the Lukens Institute and say someone in the phone room had lied to them about the program and its offerings. "Nobody said, 'Bryan told us to lie,' but I went to him about it and complained, and it didn't stop. So, he was either unable or unwilling to stop it," Lukens said.

"HE WAS EITHER UNABLE OR UNWILLING TO STOP IT."

According to Lukens, he made a deal that Deering would buy out his stake over the course of two years and then stop using The Lukens Institute name, which Lukens has trademarked. The psychologist maintains the deal has not been honored. "I took my toys and tried to go home, and he kept some of my toys," Lukens told me.

When I called the number on The Lukens Institute website, the answering service still said "Welcome to the Lukens Institute." When I pressed three for the clinical director, I got the voicemail for Executive Recovery's director, and when I pressed one for more information, I got Aid in Recovery, who told me their programs were "similar to Lukens, of course, but he has his own thing, mostly self-pay." The Lukens Institute logo appears on at least one Aid in Recovery website, as well. Treatment Management Company maintains the parting was "amicable" and that the purchase agreement allows for the use of the name.

About a year after leaving, Lukens made a <u>video echoing Lohan's sentiment</u>, criticizing the industry at large, including the "unscrupulous and sometimes criminal activity" of some treatment center owners.

"I actually have perspective from behind the scenes — by and large, the mentality of the owner-operator is continuously putting profits ahead of people, so very little attention is paid to improving the quality of care over time. It's as if they realize there's no money in it," he deadpans, with a college professor's resigned irony.

"The FBI is quite interested in this industry, and they're looking to crack down on some of these practices, and I support that wholeheartedly — I hope they clean up some of the mess here."

told her my life story," Ali said of the woman who answered her first phone call.

"She listened, and confirmed all my feelings, you know? She validated me." Ali says the rep told her it wouldn't cost anything out of pocket. She has yet to receive a bill from the company.

The salesperson took down Ali's insurance, and promised to call back. The next morning, an Aid in Recovery rep called to book her a flight to Wellness, a treatment center that matched her needs. Shortly after, she got an email asking her to confirm she could fly with her health conditions; once she'd sent that, she got an email with her flight information, which put her in Florida by dinner. She barely had time to pack.

SHE BARELY HAD TIME TO PACK

It's common for treatment centers in Florida to offer prospective leads inducements like plane tickets and waiver of co-pays and coinsurance, generally having patients sign a promissory note to pay them back. The notes theoretically prevent the plane tickets from being a violation of Florida's anti patient-brokering laws.

Although Ali's credit card was charged for her plane ticket, the other patient I spoke with had Aid in Recovery buy his ticket. He signed a promissory note, though he told me he didn't feel pressure to pay it back. According to former employees who worked with Aid in Recovery in its first two years, phone room salespeople were paid monthly performance bonuses. One told me they were paid based both on how many patients they brought in, and on other metrics, such as convincing patients to pay for their own flights.

(A recent job listing for Aid in Recovery lists the following responsibilities: "Sell a certain program based on the insurance, available resources, age, gender, and medical needs...Be prepared to ask client if they're able to contribute any money for either their flight, money on top of an insurance policy or to pay an out of pocket expense...Transfer the client to a client care coordinator to book a flight.")

Both patients feel Aid in Recovery over-promised what Wellness offered. They both spent about a week in detox and then moved to the rehab, a motel that had been converted a month or two before. The patients were co-ed, ranging from teenagers to the elderly. Ali and the other patient told me they were at Wellness with an old man with diabetes and a walker. They also told me people with widely divergent needs were mostly treated through group therapy sessions.

THEY DESCRIBED THE ATMOSPHERE AT WELLNESS AS DISORGANIZED AND UNDERSTAFFED

The two patients I spoke with described the atmosphere at Wellness as disorganized and understaffed, having just opened a few weeks before. Shortly before the man left, the treatment center sent a large group of people to the Executive Recovery Center, which does intensive outpatient while putting clients up in sober living houses. The patient, who told me his only drug use was alcohol, stayed behind, eager to get out of there.

"I learned about more drugs than I'd ever learned about in my life," he told me. "The people that were doing drugs were *chain* smoking. They said they were smoking about five times what they normally smoked, because there was nothing to do." While he told me he wants the company to be held accountable for their deception, he wasn't comfortable publicly discussing his stint in rehab, so I agreed not to use his name.

Individual therapy wasn't much better. Ali wasn't sure the center assigned therapists at all; the man thought he *had* an assigned therapist, he just wasn't sure who it *was*. Several

therapists talked to him during his time there, he recalls, mostly finding him on the outside patio and joining him for a chat.

"I LEARNED ABOUT MORE DRUGS THAN I'D EVER LEARNED ABOUT IN MY LIFE."

"They'd just did it nonchalantly, it wasn't like they called us into a room and talked to us," he told me. Walking up to someone in a public area and asking how they're doing is not a standard therapeutic technique.

"The center meets and exceeds all staff to patient ratios set by the state of Florida," Treatment Management Company said in their statement. "Counseling sessions – individual and group – are provided [in detox] but the focus in these critical early days of recovery is on treating the physical symptoms of withdrawal."

Ali's insurance was charged significant amounts for urinalysis throughout her stay. Three times — Ali's first and last days in detox, and her second day in the rehab facility — Wellness Counseling and Detox billed her insurance \$3,615 for a urine test, while National Laboratories, owned by Deering, billed her insurance \$6,800 for so-called definitive testing of at least eight drugs. Medicare rates for the tests are \$79.81 and \$155.42, respectively.

ALI'S INSURANCE WAS BILLED \$74.785 FOR 11 DAYS

In total, between Wellness, National Laboratories, and the medical providers who billed separately, Ali's insurance was billed \$74,785 for 11 days: \$40,605 for four days in detox, and \$34,180 for a week in the residential treatment center. Her insurance company reimbursed them \$22,046.37, about a third of what the providers requested, according to Ali's explanations of benefits.

"The [drug] test done at Wellness upon admission provides limited information to begin treatment, and comes back within a couple of hours. If the doctor needs more detailed information on the exact drugs and levels in the patient's system, he orders a confirmation test at National Laboratories," Treatment Management Company said, referring to their general practices, which are not illegal.

li had been at Wellness Counseling for about a week when she got sick.

Ali has gastroschisis, a rare birth defect involving the intestines and, often, other organs. She has to be careful about what she eats, has an implanted defibrillator, and regularly spends time in the ER for painful, even life-threatening abdominal problems.

Wellness Counseling doesn't have an on-site doctor, and Florida doesn't require them to, although the Sober Homes Task Force bill instructs the Department of Children and Families (DCF) to draft stiffer regulations by the beginning of 2018. Wellness' medical director, Jeffrey Bishop, is an osteopathic physician who uses his internet presence to shill for a multi-level marketing company that sells "Natural Weight Management Coffee...Also a very effective Immune Drink." Medical care was provided by a nurse practitioner who came to Wellness once a day.

On January 20th, Ali told staff that she was having stomach pain. One staff member suggested a painkiller that would have made the situation more dangerous, according to Ali. Upset by the interaction, she went back to her room. Then she realized she was having a medical emergency and went back to the front office for help, but was told she would have to wait.

SHE BEGAN DEMANDING A PHONE TO CALL 911

Increasingly anxious about her pain, she began demanding a phone to call 911, she recalls, but no one would let her use one. Several hours after her symptoms began, the staff finally called her an ambulance.

When she finally got to the hospital on Saturday night, she was determined not to end up back at Wellness. Thankfully, she didn't require major medical intervention, and convinced her discharge nurse to refer her to another treatment center, but their admissions office was closed until Monday. Exhausted, miserable, angry, and alone, not sure where she was, and with all her money and clothes back at the rehab, she picked a random direction and started walking.

She happened to walk by the sheriff's station, where a deputy agreed to help her retrieve her belongings. After several hours of chaos and frustration at Wellness, she got some of her stuff, including her cellphone and enough money to buy a plane ticket, and called a car to take her to the airport, she recalls. But the staff gave her something else by accident: the guidelines for staff members discharging patients. That was the first time she found out Aid in Recovery was more than just a referral company.

SHE PICKED A RANDOM DIRECTION AND STARTED WALKING

"When I saw the name Aid in Recovery on that paperwork, it shocked me," she said. Back home in Texas, Ali began looking into the company.

She contacted every local, state, and federal agency she could think of, but it didn't do much good. She filed three reports with the Department of Children and Families, which polices treatment centers in Florida, but each time, they would immediately close the case, she recalls. It wasn't until she complained to the Office of the Inspector General that DCF undertook a formal investigation.

An inspector visited the site, spoke to one patient, several Treatment Management Company executives, and reviewed a variety of documents, including Ali's medical records. She determined there was no wrongdoing by Wellness in a report that referred to the treatment center as "Wellington Counseling & Residential Detoxification Services" throughout.

DCF is, according to both people in the industry and in law enforcement, underfunded and otherwise ill-equipped to police thousands of treatment centers and halfway houses. A December grand jury report found the agency had 25 licensing specialists for 931 licensed rehabs. And until the last legislative session, which ended in May, they barely had the ability to punish treatment centers operating without a license, let alone those that break some rules and stick to others.

As of July 1st, the agency is getting more cash from licensing fees, and has the power to immediately suspend a treatment center's license. Operating without a license is now a third-degree felony, and background checks are now required for owners, directors, and clinical supervisors.

"WHEN I SAW THE NAME AID IN RECOVERY ON THAT PAPERWORK, IT SHOCKED ME."

These changes come after years of media and community pressure to clean up the industry. The Sober Homes Task Force finally broke legal ground late last year, with the first arrests of treatment center owners and operators who were allegedly involved in patient

brokering schemes. Dozens more have since been arrested, <u>around a quarter of whom</u> have pled guilty.

The Task Force also wrote most of the language in the deceptive marketing bill, which requires marketers to register with the state and creates penalties for lying about treatment programs. Johnson, state attorney and head of the task force, said the deadline and many of the details are still up in the air, but the application gives a sense of the scope. Marketing companies will have to give a full accounting of parent and holding companies, subsidiaries, and associated corporations, as well as a complete list of owners, business partners, trustees, shareholders, officers, and office managers, so the state can run background checks looking for fraud, embezzlement, and other relevant felonies.

Both of the bill's sponsors believe explicitly banning many of the tricks marketers use to lure addicts to Florida will result in fewer patients coming in from out of state. That's a big deal, considering approximately 75 percent of the current patient population in South Florida is from elsewhere.

Although this is movement in the right direction, Johnson had a word of caution about the law's reach. "These are guidelines," he told me. "It's up to the state and the industry to police ... The goal is to get back to an equilibrium where there's good treatment, as opposed to these rogue operators."

Ali, at least, found the treatment she needed, back home in Texas. She got a referral to a local treatment center from her psychiatrist — she's learned her lesson about calling numbers on the internet — and completed two back-to-back recovery programs. She's still sober, and now has to learn to navigate the world as an addict in recovery, with all the stigma that entails.

"I now belong to a different community of people, who don't have the same protection — that nobody fights for," Ali told me.

Laws may be changing, and a market correction may be underway, but that means more pressure and less money in an already oversaturated industry. "The next 18 months is gonna be the telltale sign," Cory, who started TreatmentUSA, told me. "You're going to see a lot of these [rehabs], especially in South Florida and California, shut their doors because they're not profitable."

SIZE DOESN'T MAKE A COMPANY IMMUNE TO THE INDUSTRY'S TARNISH

At the same time, treatment center conglomerates are growing more and more common, taking advantage of the fiscal benefits of efficient, centralized decision-making and resource-sharing. But size doesn't make a company immune to the industry's tarnish. Two of the largest rehab groups in the country — Elements Behavioral Health and American Addiction Centers — have been accused of unethical behavior, including hiring scammy marketing companies to steal Google business listings, though both disavowed the marketers' actions.

Subsidiaries of both <u>Elements</u> and <u>AAC</u> have been accused of participating in urine test kickback schemes, while facilities owned by <u>AAC</u> and two other chains, <u>CRC Health Group</u> and <u>Recovery Centers of America</u>, have been accused of maintaining lax standards of care that contributed to patient deaths. Former call center employees at the AAC facility told the *LA Times* <u>the sales environment was high-pressure</u>, and all about getting heads in beds. Several staff members, including the former president of AAC, were indicted on murder charges, later dismissed.

All four companies denied or failed to respond to journalists' questions about the above allegations.

At the moment, conglomerates control just a small part of the US market, but industry observers predict a steady increase in consolidation. All that money seems to be bringing with it a new kind of smooth-talking salesman: pharmaceutical reps.

"A lot of these venture capital firms are coming in and buying percentages, or whole treatment centers, and changing the salesforce from the marketing call centers into a pharmaceutical salesforce," Bierman, executive director of Maryland Addiction Recovery Center, told me. "We had a guy in our office a month ago, and I asked him what he did before this. He said he sold Viagra."

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