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Cover Story

Opioid crisis spurs a surge in treatment centers

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While construction crews hammered away at renovations that will nearly double the number of patient rooms at his company's Main Line inpatient addiction treatment facility, [Brian O'Neill](#) offered up a sobering statistic on Pennsylvania's problems with substance abuse.

"Today, by standard metrics, in the state of Pennsylvania there is a 100-year supply of patients [for addiction treatment facilities] with everybody full," said O'Neill, a real estate developer who in 2014 founded and became CEO of King of Prussia-based Recovery Centers of America.

RCA – which is spending millions of dollars on expansion projects at four of its six treatment centers, including its Devon center that opened last year – is far from the only company working little by little to increase the supply of treatment sites.

The opioid addiction epidemic, which during the past two years has claimed more than 2,000 lives in Philadelphia, has fueled a rapid proliferation of privately owned and operated addiction treatment centers in the region.

[Angela Colistra](#), an assistant clinical professor at [Drexel University](#) who studies opioid use disorders, said caution is needed when selecting where to get treatment.

"It's really a perfect storm," Colistra said. "We have opioid epidemic reports stating people with substance abuse disorder aren't getting access to care and there aren't enough of treatment beds available. At the same time, you have to ask yourself are people opening new treatment centers doing so to provide the care or because funding is available through things like the 21st Century Cures Act [which was signed into law in late 2016]. It's probably a little of both."

Colistra said nationally reports of "predatory practices" such as patient brokering and the overuse of



JOHN GEORGE

RCA founder and CEO Brian O'Neill (right) chats with Steve Wicke, chief executive officer of the King of Prussia company's Devon addiction treatment center.

drug screening to bill insurers continue to grow.

“Consumers need to be aware,” she said. “They should look for treatment programs with evidence-based practices where care is provided by trained clinicians.”

Data provided by the [Pennsylvania Department of Drug and Alcohol Programs \(DDAP\)](#) shows that between 2015 and 2017, the state has licensed 179 new addiction treatment centers of which 45 — more than 25 percent — opened in the five-county Philadelphia area.

The number of applications approved during the past three years statewide is more than the combined total of the applications approved during the preceding five years. The department approved 158 addiction treatment centers between the beginning of 2010 and the end of 2014— 50 of which were in southeastern Pennsylvania.

During the first four months of 2018, another five addiction treatment centers have opened in the region. The state also has another 47 license applications pending, 20 of which are for addiction treatment centers in southeastern Pennsylvania.

The New Jersey Department of Health could not provide specific figures on addiction treatment center openings, but a Health Department spokeswoman said the state is receiving about eight new applications per month. Prior to the opioid addiction epidemic, New Jersey received about five new applications per month.

Pennsylvania now has more than 800 licensed addiction treatment centers. The growth in the number of addiction treatment centers, and in the number of applications from people seeking to operate such facilities, has tested the abilities of the DDAP, which is responsible for licensing and inspecting centers.

“When there’s an increase it’s always a challenge,” said Ellen DiDomenico, the department’s acting deputy secretary. “Our folks are busy. I don’t want to shortchange all the work they are doing. ...We focus on not wanting to circumvent the process that ensures licensed facilities provide quality care. It’s a balancing act between meeting the increased need [for addiction treatment services] and making sure we get out there and see the facilities.”

DiDomenico said the department received some help in January when Pa. Gov. Tom Wolf declared a statewide heroin and opioid epidemic disaster emergency declaration. The declaration, extended for another 90 days in April, contained a provision that allows facilities adhering to state safety and quality standards to be inspected every two years instead of yearly.

“That allows us to spend more time with facilities that need our help or more monitoring, and less time on ones that demonstrate consistent quality,” she said.

DiDomenico said about half the state addiction treatment centers are meeting state standards at a level to qualify for inspections every other year. Most of those in the other half, she said, are still providing quality care, but had issues raised during inspection that require close monitoring. Those issues range from a breach of a patient confidentiality rule to incomplete credential information for a new staff member to a fire safety violation.

“I think in general we’re happy with the quality of the providers in the state,” she said. “Are there some bad apples? Are there facilities we have concerns about? Certainly.”

A problem area in Pennsylvania and other states, DiDomenico said, has been with “recovery houses” that are not regulated by or under the jurisdiction of the state. Recovery houses, also known as halfway

houses, provide living arrangements for individuals recovering from addiction. They do not offer treatment programs.

Documented fraudulent activity around the country involves the operators of recovery homes allegedly forcing clients to go to specific treatment centers that bill government insurance programs for the care and pay a kickback to the recovery house operators.

DiDomenico said a priority of DDAP is moving the care of addicts to evidence-based treatment programs. "We are always innovating and making changes in regulations and training to make sure Pennsylvania residents are receiving the latest treatment advancements."

Among the businesses that have expanded into the Philadelphia addiction treatment market is CleanSlate, a Massachusetts-based operator of 44 outpatient treatment centers in eight states and Washington, D.C. Founded in 2009, the company opened a South Philadelphia center in December and a second facility in Port Richmond in March.

Dr. Julia Ann O'Hara, who serves as medical director for both sites, said the second site, just minutes from Kensington, was picked to be close to the area with the greatest need for its services. "We are right down the street from the heart of the epidemic," O'Hara said.

While CleanSlate has been in business for almost a decade and it counts former U.S. Rep. Patrick J. Kennedy among its board members, it entered Philadelphia as an unknown entity. Because of the damage done to the industry's reputation by centers involved in fraudulent money-making schemes, O'Hara knows the company will have to prove itself to patients and referral sources to succeed.

"It's one of the barriers to getting entrenched here," she said. "New people coming into town are looked at suspiciously, and rightfully so."

For the first couple of months the centers were seeing no patients as staff worked to build relationships with community organizations, health care providers and even the city prison system.

O'Hara said CleanSlate's treatment approach is to view addiction as a chronic disease and provide evidence-based medication treatment that follows guidelines set forth by the [American Society of Addiction Medicine](#). "When you learn the neuropsychology of addiction, you learn it's a formidable foe," she said.

The centers also try to "go the extra mile" for its clients, she said, such as accompanying them to a pharmacy to ensure they get the correct medication.

CleanSlate is also in discussions with Ampersand Health, a Nashville, Tenn.-based company that operates a group of CityLife neighborhood health clinics in Philadelphia, about having a presence in its primary-care centers.

New addiction treatment centers are showing up in the region in unusual settings.

Chicago-based Footprints to Recovery in March opened an 8,700-square-foot outpatient addiction treatment center in the middle of an office complex in Wayne.

Hirsch Chinn, the company's founder and CEO, said its centers tend to attract millennials with substance abuse problems. The Wayne facility is filled with modern furniture including a cluster of chairs that hang from the ceiling. It has a yoga studio, an art studio and table tennis. "We try to create an atmosphere that is young, hip and modern," Chinn said. "We try to make the environment fun, but at

the same time provide world-class treatment.”

Other treatment centers are offering alternative types of therapies.

Earlier this spring, dental surgeon and anesthesiologist Dr. Franco Picofazzi teamed up with Philadelphia technology entrepreneur Richard Masterson to open BrainSpark in Plymouth Meeting. The outpatient center offers NAD IV therapy to addicts.

The therapy involves an enzyme called nicotinamide adenine dinucleotide (NAD) that is administered in the form of a slow IV drip and produces, according to the company, a naturally occurring chemical spark that repairs damaged cells and improves cell signaling to the brain to reduce cravings for drugs or alcohol. “It’s a rebooting of your brain,” Picofazzi said.

He believes the therapy isn’t used more frequently because of the medical community’s desire to maintain the status quo. “Conventional therapy [detoxification and medically managed withdrawal followed by structuring inpatient or outpatient behavioral health programs and counseling] is the standard of care,” he said. “It’s the established mechanism for treating opioid addiction. It’s covered by insurance and FDA approved. It’s what we have with the current system and it’s making millions of dollars for the people providing it.”

Marc D. Miller, president of King of Prussia-based Universal Health Services, said the makeup of addiction treatment business has changed in recent years.

“There are definitely a number of people from outside of health care who are looking at the current situation as a business opportunity,” Miller said.

Historically, he said, it has been common to see doctors and other health care providers that specialize in different areas of medicine get involved in addiction treatment. “This is different,” he said. “We are seeing people who don’t have a history in health care getting in this space.”

Miller said UHS, the country’s largest operator of behavioral health care facilities, has been in the substance abuse treatment market for decades – treating hundreds of thousands of patients with a variety of complex behavioral health and substance use challenges. Two local UHS facilities have dedicated programs to treat substance abuse as a primary diagnosis: KeyStone Center in Chester and Fairmount Behavioral Health System in Philadelphia.

Given the growth in treatment options as the number of providers expands, Miller said UHS advises patients and caregivers to educate themselves so they make the right choices. “Some people need to go away from home and others may need a specialized program,” he said. “You need to get a feel for what’s best for you.”

Miller believes some of the newer providers have done a great job providing addiction treatment services, but he is concerned the proliferation of centers — particularly those opened by people outside the health care industry — does raise the risk of patient care failures at some facilities.

Brian O’Neill at Recovery Centers of America also said competition is growing in the addiction treatment industry, and he welcomes more providers.

“There’s an estimated 23 million people suffering from a substance-use disorder,” he said. “Of those 23 million people, only 2 million a year get any kind of treatment. I would never knock a competitor if they are helping get some of the remaining 21 million people treated.”

O'Neill said his one gripe is when outpatient providers try to grab market share by comparing their cost structure with that of an inpatient facility.

"We provide intensive medical procedures that require 24-7 direct medical supervision," he said. "That can only be accomplished in an internal corridor, hospital-like setting with full-time nurses and nurse practitioners and doctors either on-site or on-call full time.... We have very specific views about treating addiction. They are not Gucci or gimmicky. They are tried and true."

The treatment process includes medically monitored inpatient detoxification and therapeutic residential treatment that focuses on diagnosing addiction and craving triggers, restoring patients' confidence, treating co-occurring disorders, and "immersing" patients in a rigorous 12-step program. The recommended treatment consists of 30 days of inpatient care followed by 60 days of outpatient care.

"There are proprietors that believe they can attract a patient at a very high compensation by comparing their costs to an inpatient stay," he said. "What they fail to represent to patients is the risk associated with unsupervised detoxification and the physical and mental side effects from inappropriate medical detoxification."

RCA, in addition to growing its bed count at four of its six inpatient centers, plans to open a 135-bed facility in Sayreville, N.J., later this year.

The company's growth, however, has not happened without setbacks.

Last year, the Massachusetts Department of Public health imposed a temporary ban on admissions at RCA's treatment center in Danvers while it investigated the death of a 61-year-old patient at the facility. That ban was lifted about three months ago.

"We had two things happen," O'Neill said. "One, we were new in the business and we had new systems and new management and they had a learning curve – which they got up to very quickly. Second, we did an acquisition of a company and we acquired management with the company that was not up to our standards and we quickly replaced them.... What I will also say is the regulators were helpful to our organization because they helped us to be the most buttoned-up, compliant company in the world."

THE PENNSYLVANIA PROCESS

Pennsylvania's process for granting a license to an addiction treatment center starts with the prospective operator filing an application that contains its policies and procedures.

Centers are also required to secure local zoning approval and certificates of occupancy. Once those conditions are met, the state conducts a site visit which includes a physical walkthrough to determine if the facility adheres to all safety, privacy, space and other state standards. The state also reviews staff credential to ensure its clinicians are qualified to provide the level of care being offered at the site.

Once a center is licensed, the state conducts annual, or biennial in some instances, inspections that include reviewing staff additions, ensuring safety standards are being maintained, and examining patient charts to see that treatment is being documented and progress is being made with patient care.

On rare occasions, the state will revoke a license. Before that step is taken, the state will issue a provision license that gives a center a period of time to address and correct any deficiencies. State

officials said it is not uncommon for a troubled facility to shutdown before the state has to step in and revoke its license.

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