

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

May 29, 2018

Mr. Jason Brian
Founder
Redwood Recovery Solutions
155 East Blue Heron Boulevard, Third Floor
West Palm Beach, FL 33404

Dear Mr. Brian:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce is continuing to examine the opioid epidemic in the U.S. that is taking 115 American lives per day.¹ On December 12, 2017, the Subcommittee on Oversight and Investigations held a hearing examining concerns of patient brokering and addiction treatment fraud.² The Subcommittee heard testimony about problems that stem from the dramatic surge in the number of substance use disorder treatment facilities and sober living homes, recovery residences, or halfway houses (hereinafter referred to as “sober living homes”) in states across the country.

The hearing followed letters from the Committee to the Department of Health and Human Services³ and six states,⁴ as well as numerous media reports, about the practice of patient brokering—through which individuals known as patient or body brokers exploit men and women who are seeking treatment for their opioid addictions. These patient brokers allegedly rely, in

¹ Centers for Disease Control and Prevention, Opioid Overdose, Understanding the Epidemic, available at: <https://www.cdc.gov/drugoverdose/epidemic/index.html/>.

² H. Comm. on Energy & Commerce hearing, “*Examining Concerns of Patient Brokering and Addiction Treatment Fraud*,” (Dec. 12, 2017), available at <https://energycommerce.house.gov/hearings/examining-concerns-patient-brokering-addiction-treatment-fraud/>.

³ Letter from Greg Walden, Chairman, H. Comm. on Energy & Commerce, et al., to Tom Price, Sec’y, U.S. Dept. of Health & Human Services, July 13, 2017, available at <https://archives-energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/documents/20170713HHS.pdf>.

⁴ Letters from Greg Walden, Chairman, H. Comm. on Energy & Commerce, et al., to Mr. Thomas J. Betlach (AZ), Dr. Karen Baylor (CA), Dr. Robert Werthwein (CO), Ms. Ute Gazioch (FL), Ms. Allison Bauer (MA), and Ms. Jennifer Smith (PA), Nov. 17, 2017, available at <https://energycommerce.house.gov/news/letter/letters-departments-six-state-governments-patient-brokering-allegations/>.

part, on call centers and call aggregators to generate leads on potential patients. Rather than focus on the health needs of the individuals who are seeking treatment, however, the emerging patient brokering industry views potential patients as commodities that can be bought, sold, or traded.⁵ As part of the Committee's oversight into the role that call aggregators play in patient brokering, the Committee is seeking information from your business.

Individuals and their loved ones who are seeking treatment for substance use disorders are recruited and directed by these patient brokers to seek treatment at certain treatment facilities. In exchange for steering patients towards specific facilities or sober living homes, patient brokers receive generous financial kickbacks from the facilities or sober living homes.⁶

One of the ways that patient brokers can generate leads on potential clients is through phone hotlines that connect to call centers or call aggregators. During the course of the Committee's investigation into patient brokering, the Committee received testimony from the President and CEO of a treatment facility who said call aggregators "are essentially collecting leads for treatment centers who are willing to pay a price" and that the call centers will prescreen potential patients with the goal to "ultimately sell the patient's information to the highest bidder."⁷ Some treatment facilities and marketers are upfront about their use of call aggregators and disclose the names of companies or facilities that answer potential patients' calls. Others reportedly engage in deceptive tactics to hide the fact that they refer patients to treatment facilities that pay for referrals or to facilities owned by the same company that is operating the hotline.⁸

Patient brokers are predominantly paid in one of two ways, a per-head fee that can range from \$500 to \$5,000 for each patient who successfully enters a treatment center, or monthly treatment facility fees that are based on the broker meeting a quota of patients and can result in earnings in the tens of thousands of dollars.⁹ According to some reports, in an effort to lure

⁵ See Teri Sforza et al., How some Southern California drug rehab centers exploit addiction, ORANGE COUNTY REGISTER, May 21, 2017, available at <http://www.ocregister.com/2017/05/21/how-some-southern-california-drug-rehab-centers-exploit-addiction/>; David Armstrong and Evan Allen, The addict brokers: Middlemen profit as desperate patients are 'treated like paychecks,' STAT, May 28, 2017, available at <https://www.statnews.com/2017/05/28/addict-brokers-opioids/>; and Lisa Riordan Seville, et al. Florida's Billion-Dollar Drug Treatment Industry Is Plagued by Overdoses, Fraud, NBC NEWS, June 25, 2017, available at <http://www.nbcnews.com/feature/megyn-kelly/florida-s-billion-dollar-drug-treatment-industry-plagued-overdoses-fraud-n773376>.

⁶ Testimony of Douglas Tieman, President and CEO, Caron Treatment Centers at H. Comm. on Energy & Commerce hearing, "Examining Concerns of Patient Brokering and Addiction Treatment Fraud," Prelim. Transcript pg. 18, Dec. 12, 2017, available at <http://docs.house.gov/meetings/IF/IF02/20171212/106716/HHRG-115-IF02-Transcript-20171212.pdf>.

⁷ Testimony of Douglas Tieman, President and CEO, Caron Treatment Centers at H. Comm. on Energy & Commerce hearing, "Examining Concerns of Patient Brokering and Addiction Treatment Fraud," Dec. 12, 2017, available at <http://docs.house.gov/meetings/IF/IF02/20171212/106716/HHRG-115-IF02-Wstate-TiemanD-20171212.pdf>.

⁸ Cat Ferguson, *Searching for help: She turned to Google for help getting sober. Then she had to escape a nightmare*, The Verge, Sept. 7, 2017, available at <https://www.theverge.com/2017/9/7/16257412/rehabs-near-me-google-search-scam-florida-treatment-centers>.

⁹ David Armstrong and Evan Allen, *The addict brokers: Middlemen profit as desperate patients are 'treated like paychecks'*, STAT, May 28, 2017, available at <https://www.statnews.com/2017/05/28/addict-brokers-opioids/>.

patients to these facilities, perks are sometimes offered, such as “scholarships” to go into rehab, free housing, discounted groceries, daily yoga sessions, money to go to the movies, and free cigarettes, among other enticing benefits.¹⁰ Further, it is unclear if these patient brokers or call aggregators have any medical background or necessary training to assist or make medical decisions for potential patients. The Committee is concerned about these practices as they appear to be motivated by profit, rather than what is most clinically appropriate for individuals.

Perhaps most disturbing is the allegation that some patient brokers follow these individuals with substance use disorder after their release and provide them with drugs to induce relapse so that the entire process can be repeated.¹¹ This scheme creates an incentive for relapse and profit rather than treatment and, ultimately, sobriety.

The exploitative tactics employed by patient brokers and some call aggregators have been deployed amid a perfect storm. More than 20 million people over the age of 12 reported a substance use disorder in 2016, including 1.8 million people whose disorder involved prescription pain pills.¹² As the opioid epidemic has ravaged the country, individuals with substance use disorders who are vulnerable and desperately in need of help have continued to search for treatment options. The business of advertising and recruiting for substance use disorder treatment requires greater scrutiny, and those battling addiction deserve a safe and dependable environment when seeking treatment. These schemes are harming individuals and their loved ones.

To assist the Committee in its efforts, please provide written answers to the following questions, as well as the requested documents, no later than June 12, 2018. As the parent company of TreatmentCalls.com, the Committee asks Redwood Recovery Solutions to provide relevant information and documents as related to the business of TreatmentCalls.com.

1. Does your call center refer, connect, or recommend individuals seeking treatment for substance use disorder with substance use disorder treatment facilities, detox centers, and/or sober living homes (hereinafter referred to as “facilities”)?
 - a. If so, please provide a list of the facilities to which you offer these services.
 - b. If so, when did your call center open and begin referring or connecting individuals for treatment?
 - c. If so, do these facilities pay your company for these services?

¹⁰ *Id.*

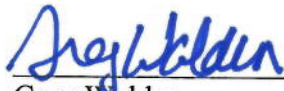
¹¹ Lisa Riordan Seville, et al. Florida’s Billion-Dollar Drug Treatment Industry Is Plagued by Overdoses, Fraud, NBC NEWS, June 25, 2017, available at <http://www.nbcnews.com/feature/megyn-kelly/florida-s-billion-dollar-drug-treatment-industry-plagued-overdoses-fraud-n773376>.

¹² Substance Abuse and Mental Health Services Administration, *Key Substance Use and Mental Health Indicators in the United States: Results from the 2016 National Survey on Drug Use and Health*, available at <https://store.samhsa.gov/shin/content/SMA17-5044/SMA17-5044.pdf>.

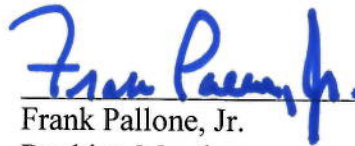
- a. If so, please provide the name(s) of the search engine(s) and describe the payment structure (per click, per month, per year, etc.) and how much your company paid for that service.
7. Please provide a breakdown of the number of calls that your company has received and/or routed to any facilities by month, from January 2013 to present.
8. Are there requirements for those who work at your call center(s) to have any certification or training to ensure that they are qualified to help individuals who are seeking assistance in deciding which treatment facility is most appropriate for them? If so, please describe any such certifications or trainings.
 - a. Please provide all training materials provided to your employees.
9. Have any facilities that you have connected patients with, owned, or operated had a license revoked or been shut down? If so, for each such facility, why was a license revoked or the facility shut down?
 - a. Were any of those facilities found to be participating in patient brokering or similar fraudulent activities? If so, how many and when?
 - b. Please provide all documents, including emails or other communications, related to any facilities that you have connected patients with, owned, or operated that had a license revoked or were shut down.
10. Have any criminal charges been brought against individuals employed by your company or any affiliated treatment facilities in relation to work done for the companies? If so, please list the individuals and charges and indicate whether the individuals are still employed by the company.
 - a. Have any lawsuits been brought against your company or any affiliated treatment facilities? If so, please provide a list of each lawsuit and the case outcome, the related court case numbers, as well as the court each lawsuit was filed in.

Please also make arrangements to provide a briefing to Committee staff to review your response by June 12, 2018. An attachment to this letter provides additional information about complying with the Committee's request. If you have any questions, please contact Brittany Havens, Andrea Noble or Brighton Haslett with the Majority staff at (202) 225-2927 or Christina Calce or Kevin McAloon with the Minority staff at (202) 225-3641. Thank you for your prompt attention to this matter.

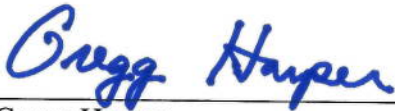
Sincerely,



Greg Walden
Chairman



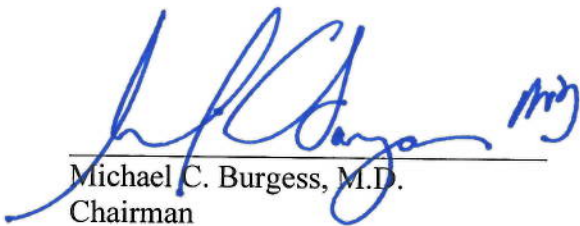
Frank Pallone, Jr.
Ranking Member



Gregg Harper
Chairman
Subcommittee on Oversight
and Investigations



Diana DeGette
Ranking Member
Subcommittee on Oversight
and Investigations



Michael C. Burgess, M.D.
Chairman
Subcommittee on Health



Gene Green
Ranking Member
Subcommittee on Health

Attachment