CHILD RAPES, SUICIDES, DEATHS, AND HUNDREDS OF MILLIONS OF DOLLARS IN HEALTHCARE FRAUD BY THE FOR-PROFIT BEHAVIORAL INDUSTRY—
Restoring Effective & Accountable Oversight: What is Needed

December 2018

A public interest report by
Citizens Commission on Human Rights International
A 50-year Mental Health Watchdog

6616 Sunset Blvd., Los Angeles, CA 90028
Tel: 323-467-4242 • Website: www.cchrint.org • Email: humanrights@cchr.org
INTRODUCTION

For three decades, the Citizens Commission on Human Rights (CCHR), an international non-profit mental health industry watchdog, has investigated widespread patient abuse and fraudulent billing scams in the for-profit behavioral system. Since 2015, especially, we have brought evidence of such abuse to the attention of state and federal legislators, the Centers for Medicare and Medicaid Services (CMS), Attorneys General, Medicaid and Medicare Healthcare Fraud units, Health and Human Services, Child Protective Services and more. Our evidence repeatedly shows that patients are at risk in for-profit psychiatric facilities that lack effective oversight.

The largest U.S. psychiatric hospital chain, owned by Universal Health Services (UHS) has approximately 200 behavioral facilities in the U.S. alone. As of September 2018, UHS had set aside $90 million in reserves to potentially settle a Federal Department of Justice (DOJ) investigation into its billing practices involving 30 behavioral facilities and UHS headquarters. UHS continues to come under scrutiny for patient abuse, yet is allowed to purchase or build more psychiatric hospitals.

Another major behavioral hospital chain is owned by Acadia Healthcare, which has 586 mental health and substance abuse facilities nationwide. Both these chains capture billions of dollars in Medicaid and Medicare funding in an overall $220 billion-a-year U.S. behavioral health industry. An investment banking report estimated the 17,000 mental health and substance abuse facilities in the U.S. represent nearly a quarter of it (combined revenue of $50 billion). Mental health facilities comprise 2.6 percent ($3 billion) of Medicaid long-term care (LTC), providing psychiatric services for children up to age of 21 and mental health facilities for those 65 and older.

Psychiatric Times estimates that between 10 and 20 percent of state mental health funds are lost to fraud, waste, and excess profits to for-profit managed care companies—representing $5 billion-$10 billion. UHS behavioral facilities bring in net revenues of over $4.6 billion a year. Acadia reported a $3.8 billion market value. In 2015, these two companies’ 786 facilities represented an 8.3 percent share of the mental health and substance abuse clinics market—4.6 percent of the total number of facilities. The potential for fraud in these two chains alone could be upwards of $230 million to $460 million. (Over the past decade, UHS has already accounted for about $37 million in False Claims Acts [imposes liability on persons and companies who defraud governmental programs] settlements, fines etc.)
The National Health Care Anti-Fraud Association (NHCAA) points out the human side to this: “Individual victims of health care fraud are sadly easy to find. These are people who are exploited and subjected to unnecessary or unsafe medical procedures. Or whose medical records are compromised or whose legitimate insurance information is used to submit falsified claims.”

In 2014, Richard Kusserow, a former 11-year Department of Health and Human Services Inspector General, noted: “Many health care fraud investigators believe mental health caregivers, such as psychiatrists and psychologists, have the worst fraud record of all medical disciplines.”

CCHR is providing this report on behalf of hundreds of thousands of consumers, including foster care children, forced into “mental health” treatment, who are not being adequately protected. In the effort to provide mental health care, regulators may fall prey to the rhetoric of for-profit behavioral providers that abuses covered in this report are “an unfortunate but common reality facing the healthcare provider industry,” it’s “just the way that it is,” or these are “isolated incidents.” They are not. They are systemic. Keeping budgets down by deferring mental health treatment to for-profit businesses has meant robust profits for the businesses and abuse and harm to the patients—in the end a greater cost to both government insurance programs and to patients’ lives.

CCHR is seeking support for regulations that provide better oversight of this industry and accountability: (1) Greater criminal and civil penalties for continued violations of standard of care, including patient safety infringements, especially where patient suicides have occurred while patients were not properly supervised. Every patient restraint death should be subject to police investigation and prosecution. Tougher penalties are needed for fraudulent billing practices, including hospital closures for repeated abuse and/or fraud.

Jan Eastgate, President, Citizens Commission on Human Rights International
BEHAVIORAL PROFITS CREATE HARM

Often, government agencies merely fine behavioral-psychiatric facilities responsible for fraud and patient abuse. These facilities commit Medicare and Medicaid fraud, they agree to non-prosecutable settlements or CMS Correction Plans and/or Corporate Integrity Agreements (CIAs), but then continue to be repeat offenders.

For example, CMS investigated Park Royal, an Acadia Healthcare facility in Fort Myers, Florida, for poor staff ratio and ignoring patient complaints. It was fined only $2,000 for failing to treat three patients. Yet allegations have included patient suicides and sexual abuse of patients, with one employee jailed for sexual abuse of several patients.9

In an article about healthcare fraud, the National Health Care Anti-Fraud Association (NHCAA) cited an example of a psychiatrist who fabricated diagnoses for his patients—many of them adolescents—for which he forfeited $1.3 million when convicted. “The phony conditions he assigned to them included ‘depressive psychosis,’ ‘suicidal ideation,’ ‘sexual identity problems’ and ‘behavioral problems in school,’” according to NHCAA.10

Diagnostic procedures have come under scrutiny in for-profit behavioral hospitals. BuzzFeed News’ explosive 2016 report about UHS, which spotlighted investigations into its behavioral sector, found “Current and former employees from at least 10 UHS hospitals in nine states said they were under pressure to fill beds by almost any method — which sometimes meant exaggerating people’s symptoms or twisting their words to make them seem suicidal — and to hold them until their insurance payments ran out.”11

Two dozen current and former employees from 14 UHS facilities told BuzzFeed that the rule was to keep patients until their insurance ran out in order to get the maximum payment.

An inspection of the for-profit industry finds this regularly occurring. In 2017 alone, at least six federal and state legislators, a State comptroller and State Attorney General (representing Alabama, Iowa, Massachusetts, Michigan, Oklahoma, Pennsylvania, and Tennessee) called for investigations into UHS.

“... The pattern of conduct [at UHS behavioral facilities] described by the [BuzzFeed] report paints a picture of greed and raises serious questions about patient safety.”

– Senator Charles Grassley, 2016

In 2017, at least six Federal and state legislators, a State comptroller and State Attorney General (representing Alabama, Iowa, Massachusetts, Michigan, Oklahoma, Pennsylvania, and Tennessee) called for investigations into UHS.
General (representing Alabama, Iowa, Massachusetts, Michigan, Oklahoma, Pennsylvania, and Tennessee) called for investigations into UHS.

A lawsuit filed against UHS in 2018 alleged:

“The enterprise works to admit people to facilities, whether they need to be admitted or not. Then, once admitted, the enterprise goes to extraordinary lengths to ensure that a patient is kept as long as a payer will pay or, upon suspicion and belief, until such time as a replacement patient or set of patients can be obtained. In furtherance of this scheme, admission documents are forged; documents to secure that a patient will remain in a facility are falsely notarized and then filed into the state court system; and, in some cases, a person’s medical record is written to reflect that services were provided or that certain events occurred, when, in fact, they did not occur.”

Further: “UHS and its affiliates will enter in clandestine joint ventures with physicians, predicated upon increasing referrals, increasing admissions and increasing lengths of stay.”

UHS officials once told investors that by reducing staffing costs and keeping occupancy rates high in its behavioral health division, this helped generate robust profits.

It was reported that Acadia is $3.2 billion in long-term debt. Penn Little, who runs his own investment firm in Chicago, believes Acadia would have a hard time paying this off, in the wake of allegations against the company’s facilities, stating: “Many patients and families are alleging various incidents of misconduct, which include wrongful death, sexual assault, and abuse/neglect of patients, some of whom are under 18.”

In June 2018, Acadia’s United Kingdom interests came under scrutiny for psychiatrists allegedly getting kickbacks as a reward for referring rich patients to one of its drug rehab facilities, Life Works, part of The Priory Group that Acadia acquired.
The payments, which are prohibited under General Medical Council (GMC) rules, are blamed for increasing the cost of private care in the UK. (The Priory Group denied it paid referral fees.)

On 10 November 2018, UK media exposed both Acadia and UHS as part of seven providers described as a “cluster of ‘fat cat’ private operators” that are “creaming off hundreds of millions of pounds from the NHS (National Health Service) after muscling in on the cruel but lucrative trade in locking up people with autism and learning disabilities.” Further, seven providers “are charging taxpayers up to £730,000 ($938,309) a year for each patient held in controversial and secretive secure psychiatric units.” £7.5 million ($9.6 m) was reportedly taken home by the boss of Acadia, which in 2016 bought Priory Group, with 10 UK hospitals “holding people with autism and learning disabilities,” according to The Daily Mail. Priory made £62.2 million ($79.9m) last year. It also reported that the boss of UHS had made £39,528,000 ($50.8 m) in a single year. UHS’s UK operations are run by Cygnet Healthcare. The Daily Mail reported that “furious families say they are ‘profiteering from misery’” and complain their “children are seen as ‘cash cows’ and are milked by private providers that can charge the NHS more than £14,000 ($18,000) a week and whose own staff help make decisions on sectioning [involuntarily detaining] people under mental health laws.”

The questionable practices reported in these companies’ for-profit behavioral facilities in the UK are strikingly similar to those in the U.S.

Although abuse and fraud in the U.S. facilities is widespread, only a small handful have shut down and there have been no prosecutions (other than for staff sexually assaulting patients)—sending the wrong message to an out-of-control system that puts profit before patients.

Repeated Allegations of Sexual and Other Abuses of Patients

Exposes of abuse by for-profit psychiatric facilities continue:

- Insufficient staff (violating patient safety requirements) which has led to patients committing suicide while supposedly under suicide watch.
• A review of lawsuits and allegations against about 20 UHS facilities between April 2017 and October 2018 revealed:
  
  - Child Abuse, including abuse of foster care children; internal surveillance videos showed foster children being tackled, dragged, and choked by staff members;
  - The rape of two girls aged 13 and 16; a 12-year-old boy sexually assaulted; a sexual abuse patient roomed with a known sex offender; assault and battery of an 11-year-old girl; and the restraint death of a 15-year-old boy.

• Allegations that a staff member in a South Carolina UHS facility grabbed a child in a headlock and punched him, while other children were repeatedly bitten, prompting the state’s regulatory agency to accuse the facility of failing to provide basic protection.17

• UHS’s Anchor Hospital in College Park near Atlanta, Georgia was accused of negligence after a 16-year-old sexual assault victim said she was raped. Her mother’s attorney, Chris Stewart said: “Once we started digging into it, we just saw how bad their history is over there.” The lawsuit said the hospital has a history of failing to have adequate staff and has been cited by the federal government for violations. People who are abused “shouldn’t be tortured at a place that they go to get help,” Stewart stated.18

• UHS’S Rock River Academy in Illinois closed in 2015 after allegations of staff raping and abusing juvenile residents; On September 9, 2015, a lawsuit was filed against Rock River on behalf of five adolescent females alleging sexual abuse and rape by staff. Hours that were billed as “group therapy” for girls with troubled 

"Once we started digging into it, we just saw how bad their history is over there [UHS’s Anchor Hospital, Georgia].”
People who are abused “shouldn’t be tortured at a place that they go to get help.”

- Chris Stewart, attorney, representing 16-year-old sexual assault victim who said she was raped at the facility
histories instead were spent watching movies in a common area, with no discussion afterward, according to a state monitoring report and interviews with former workers and reported by Chicago Tribune. 19

- A November 2015 report in the Naples Daily News showed Park Royal Hospital hired a Benjamin Bland without checking his credentials and put him over the care of patients despite having been twice arrested in the previous six years, had been fired from a job over accusations of sexual harassment and theft, and had admitted to choking a woman. Instead, Park Royal allowed him access to nearly a dozen mentally disturbed women who alleged he sexually assaulted them within the hospital's walls in 2013. Depositions and court records suggested Park Royal Hospital staff members made several missteps — and might have lied to police and lawyers — in the case of Bland, who in April 2014 pleaded guilty to sexual assault charges and received five years in prison. 20 In 2016, former patients of Park Royal Hospital settled a lawsuit over the sexual abuse of them. 21 Park Royal was also the subject of a scathing federal report that questioned its patient safety and quality control policies. 22

- A Disability Rights group, formed as a non-profit corporation with a mission to advocate for the human, civil and legal rights of people with disabilities in Ohio, investigated Acadia’s Ohio Hospital for Psychiatry (OHP), a 130-bed, inpatient psychiatric hospital located in Franklin County. 23 The group found substantiated allegations of sexual and physical abuse and the use of seclusion in an unsafe manner, among other abuses. 24

- In November 2018, an I-Team 8 News WISH-TV investigation in Indianapolis, Indiana followed up on abuses it had previously found in Acadia’s Resource Residential Treatment, which calls itself a “life-changing psychiatric residential treatment facility for children and young adults in Indianapolis.” Multiple former and current employees and residents reported fights, assaults, understaffing, inappropriate relationships between employees and residents, and kids kicking down doors and walls to escape. 25
• At least three UHS facility staffs were convicted of sexual abuse of patients, including a child, with two staff serving a combined 35 years in jail.

Profiting from Involuntary Commitment Laws

• The use of involuntary commitment laws, such as Florida’s Baker Act, to detain patients against their will; e.g., a woman went voluntarily to a UHS facility but once there was involuntarily committed for longer than the legal 72-hour hold and her insurance company was charged thousands of dollars. She told reporters “You sat around all day doing absolutely nothing. I can say I’m actually worse. It was very traumatic.”

• In January 2017, the Lee County Sheriff’s Office investigated an alleged sexual assault on a patient at Acadia’s Park Royal Hospital in Florida. It was also looking into the deaths of two patients who had recently been brought to the facility for involuntary mental health evaluations under the Baker Act: One, a 53-year-old man, was found dead in his room on January 27 from undetermined causes and a 55-year-old man died after going into cardiac arrest.

• The average stay in a mental health facility for someone Baker Acted is 4.5 days, at a potential cost of $9,000 per person.

• Potential fraud alleged from admitting and detaining patients; refusing to allow voluntary patients to leave; forging documents; and paying kickbacks to doctors for admissions.

• “Telemedicine” fraud: Psychiatric facilities have used “telemedicine” to also detain patients against their will; one woman visited a facility as a voluntary patient and without her knowledge a “doctor” whom she never saw or spoke with recommended her incarceration and she was not allowed to leave.
patient and without her knowledge a “doctor” whom she never saw or spoke with recommended her incarceration and she could not leave.

- WFAA News in Texas did an expose, “Against Their Will,” alleging that a mother took her 11-year-old son to UHS’s Millwood hospital seeking help and the hospital then detained him without her consent. As WFAA News detailed: “[T]he door locks behind you. You’re told you can’t leave. Stripped of your clothes, given a new bed. You have no idea when you’ll see your family again.” The facility billed his mother’s insurance company more than $11,000 for the unwanted stay.29

- In February 2018, Timberlawn Behavioral Hospital, Texas closed after several years of high-profile exposés of abuses at the facility and state officials threatened to shut it down because it was too dangerous for patients.30 This included the rape of a 13-year-old girl at Timberlawn that treated children as young as 12.31 The girl’s father told The Dallas Morning News, “This can’t happen to anyone else. The place needs to be shut down.”32

- In 2017, an Oklahoma state agency that monitors child abuse determined there had been 30 incidents of neglect or abuse at UHS’s Shadow Mountain behavioral hospital in the previous three years. Police records, state inspection reports, and lawsuits, as well as BuzzFeed News interviews with more than 15 current and former employees, including administrators and psychiatrists, revealed that Shadow Mountain was “a profoundly troubled facility where frequent violence endangers patients and staff alike, where children as young as five are separated from their parents and held in dangerous situations ....”33

- On April 10, 2017, the state of Massachusetts filed a suit against UHS in federal court, accusing it of illegally charging Medicaid for outpatient mental health care by unqualified staff.

- Modern Healthcare reported, “UHS this year has faced scrutiny” over allegations that the “for-profit hospital operator kept psychiatric patients longer than necessary to milk their insurance.”

  Modern Healthcare, 11 April 2017

In 2017, the state of Massachusetts filed a suit against UHS in federal court, accusing it of illegally charging Medicaid for outpatient mental health care by unqualified staff.

UHS has faced scrutiny over allegations that the “for-profit hospital operator kept psychiatric patients longer than necessary to milk their insurance.”
damages on the just over $94.2 million in reimbursements it made to UHS between 2005 and 2013, as well as civil penalties, or a total of more than $282 million.\textsuperscript{34}

- In October, 2018, Acadia announced the closure of 10 of its childcare facilities in Arkansas, claiming budgetary reasons, yet the announcement came after manslaughter charges had been filed against several of its staff for leaving a five-year-old boy strapped in a car that reached temperatures of 141-degrees that killed him.\textsuperscript{35}

- Arkansas regulators reportedly opened an investigation into Acadia’s Piney Ridge Treatment Center in 2016 after parents and former patients told local reporters the facility actually operated “more like a kid’s fighting ring.” A family said their daughter was forced to fight by staff. Former Piney Ridge patient Isabella Cudmore said what they called the “fight club” was going on when she was a patient seven years earlier. “I just feel that that treatment facility isn’t a treatment facility it’s all. It’s more like a kid’s fighting ring and that’s how I feel about it,” she said.\textsuperscript{36} Rodney Dewayne Thomas, a former Piney Ridge Treatment Center staffer was arrested in April 2018 and charged with one felony count of engaging children in sexually explicit conduct.\textsuperscript{37} Former employees told a local news station that Piney Ridge overlooked the misconduct and had attempted to “sweep it under the rug.” They said Thomas was notorious for inappropriate behavior with kids.\textsuperscript{38}

- In 2018, a \textit{Capital Forum} investigation into Acadia Healthcare uncovered “a pattern of patient care and safety violations at its behavioral health facilities that could put the company at risk of federal investigation or losing Medicare or Medicaid funding. The company’s strategy of rolling up [become larger by successive accumulations] new facilities then slashing costs may make it difficult at many of its locations to ensure that patients are managed safely and given adequate care.”\textsuperscript{39}

- A review of state inspection records for Acadia Healthcare facilities revealed a history of violations in safety procedures, medical care, and patient rights. \textit{Capitol Forum} obtained inspection records for nine of the 12 facilities which were cited for violations leading to lapses in safety or direct patient harm.\textsuperscript{40} According to \textit{Capital Forum}, “Acadia and/or its facilities have been the target of lawsuits over injuries and deaths occurring at the facilities.”

\textbf{In 2018, a \textit{Capital Forum} investigation into Acadia Healthcare uncovered “a pattern of patient care and safety violations at its behavioral health facilities that could put the company at risk of federal investigation or losing Medicare or Medicaid funding.”}
In December 2017 WXYZ 7 (ABC) Detroit news reported the results of its month-long investigation into Harbor Oaks Behavioral Hospital that revealed “a pattern of assaults on staff at one Acadia behavioral center dating back years, repeated allegations of physical and sexual abuse involving patients.” The facility was accused of rampant patient and staff abuse and inflated staffing levels only when hospital watchdogs visited, according to current and former employees. The allegations against Acadia were just “the latest in a string of revelations calling into question the safety of those inside Harbor Oaks Hospital,” according to the news report.

Employees sued three Acadia facilities in Texas for allegedly retaliating after the employees reported Medicare fraud. The suit against one of the facilities, Red River, resulted in a jury verdict in favor of the former employee.

There are repeated allegations of physical and sexual abuse involving patients in other for profit facilities:

Sundance Behavioral Healthcare System (SAS Healthcare Inc.): In November 2018, SAS Healthcare Inc. was indicted on nine criminal counts of violating the Texas Mental Health Code, accused of holding four patients involuntarily and illegally at its Arlington facility. The indictment also accused the corporation of refusing to allow two voluntary patients to leave the facility even though they’d repeatedly informed the hospital of their desire to leave. “People turned to what they thought was a trusted medical facility and were not allowed to leave as the law requires,” said Criminal District Attorney Sharen Wilson. “These offenses were a corporate failure, and the corporation must be held accountable.”

Sundance Hospital provides 24-hour inpatient care for children ages 5 to 17 and adults 18 and older. Scott Faciane has served as an attorney ad litem for 18 years, representing patients in thousands of cases involving proposed mental health commitments. He said Sundance has had a history of filing for orders of protective custody — also known as mental health warrants — for patients who had come voluntarily to the hospital and where it was unwarranted.
In addition to SAS Healthcare Inc., hospital psychiatrist Dr. Sreenath Nekkalapu was also indicted for the involuntary detention of one of the four patients. The punishment range for the charges against Sundance carries up to a $100,000 fine for each day the offenses were alleged to have been committed (33). The punishment range for Dr. Nekkalapu’s charges is up to 2 years in jail for each day the offense was alleged to have been committed (18) and up to a $50,000 fine for each day the violations were committed.47

Aurora Behavioral Healthcare/Signature Healthcare Services: On November 30, 2018, ProPublica Illinois reported that Federal authorities announced they were pulling funding from the Aurora Behavioral Healthcare’s Chicago Lakeshore Hospital which was under investigation following numerous allegations of sexual abuse, assault and patient safety violations. 48 Aurora Chicago Lakeshore Hospital has been under Federal and state investigation over allegations that children were raped and sexually abused by staff and other patients, physically assaulted and inadequately supervised. The Illinois Department of Children and Family Services had investigated 16 allegations of abuse and neglect in 2018 alone. In addition to child welfare investigations, the Illinois Department of Public Health conducted a series of inspections on behalf of federal authorities since July 2018 that found the hospital had failed to ensure the safety of suicidal patients, obtain consent before giving patients — including children — powerful drugs and sufficiently monitor patients. 49 Aurora Behavioral Health Care, a company which was developed in September of 2000 and originally made up of acute psychiatric hospitals based in California, which now and has facilities also in Arizona, Illinois, Nevada and Texas.50 Psychiatrist Dr. Soon Kim started the company.51 He is also the President and CEO of Signature Healthcare Services, the parent company of Aurora.52

A 2003 Metro News investigation alleged that a web of for-profit companies affiliated with Kim collected at least $23 million from the hospital in a span of four years. “That windfall came at a heavy cost, say critics, who point to government reports that show patients at Aurora suffered from inadequate care while an undermanned staff struggled to do its job,” according to Metro News.
Mel Ravitz, a former Detroit city councilman who served on the Aurora board for more than a year before resigning in protest, told *Metro News*: “Dr. Kim milked Aurora for all he could. What happened there is scandalous.” Kim, along with his wife, Bouh, also a psychiatrist, amassed a net worth of $40 million, according to an unaudited financial statement submitted to Illinois regulators.\(^5\)

In 2009, Kim agreed to pay a $350,000 settlement to Michigan state health officials regarding a patient-privacy lawsuit. Then-Attorney General Mike Cox asserted that patient records were being burned at three of Kim’s hospitals, possibly as far back as 2006.\(^4\)

In 2010, the U.S. Department of Health & Human Services collected a $104,747 fine from Signature for employing someone who “was excluded from participation in Federal health care programs,” a release stated. Also in 2010, the U.S. government and a mental-health worker sued Aurora’s hospital in Pasadena for fraudulent Medicaid and Medicare billings. The complaint depicted a poorly run and sparsely staffed enterprise that contributed to eight patient deaths and “several rapes,” dating back to 2003.\(^5\) Allegations included the facility billed the federal government for high quality care but delivered “minimal, substandard care,” the owner “drained assets” and “cut critical services for patients and employees,” staff failed to monitor a patient who was found dead in his room, a patient hung himself on the hospital campus and a 14-year-old girl was raped at the hospital.\(^6\) The case settled in September 2014.\(^7\)

In February 2018, a lawsuit was filed against Aurora and Signature Healthcare in Santa Rosa, California, on behalf of Teresa Brooke, the former Chief Nursing Officer at Aurora Santa Rosa Hospital, an acute psychiatric facility. It alleges Brooke was fired after making complaints both to the facility and to a government agency. The complaint details numerous examples of dangerous conditions at the hospital, alleging that staff and patients “were subjected to routine punching, kicking, choking, and, on one occasion, even a “full-blown patient riot” and that the staffing shortages “led to high incidence of patient self-harm and multiple occurrences of sexual violence involving patients, some of them minors,” during Ms. Brooke's tenure.\(^8\)

In 2016, Acadia Healthcare and UHS were both interested in bidding for Signature Health Services,\(^9\) Aurora/Signature had $5.3 billion in assets and total operating revenue of approximately $5.1 billion for the year ended December 31,
In 2017, Medicare represented 27 percent of Aurora’s income and Medicaid 8 percent, while managed care and other patient service revenue represented 64 percent.

Electroshock: Consumer Misrepresentation

Children and adults can be detained in for-profit psychiatric hospitals and subjected to electroshock treatment (ECT), despite no clinical trials proving the ECT device is safe and effective and regardless of the long term memory loss and brain damage it can cause.

CCHR has established that in some states, these facilities have electroshocked the developing brains of children in the 0-5 age group. CCHR’s recent review of ECT promotion on psychiatric facility websites shows the information provided is deceptive and misleading in order to gain consent.

For example, three UHS psychiatric hospitals showed information that minimized the risks of ECT and/or promoted theories that are unproven and arguably deceptive. UHS’s River Point Behavioral Health performs 900-1000 ECT treatments a year and claims the 460 volts of electricity that ECT sends through the body is safe for pregnant women.

Tenet Healthcare, which also has behavioral facilities (and has its own history of fraud and abuse investigations when it was National Medical Enterprises) announced in 2014 it was increasing the number of patients to receive electroshock treatment in one of its facilities in Worcester, Massachusetts by 900 percent.

The adverse effects of ECT can prolong the length of a hospital stay; thus, its delivery can increase profits.

In August 2018, UHS revealed the average length of stay among its behavioral health patients declined 2.3 percent on average compared with the same quarter in 2017, and patient days declined 1.2 percent. UHS said it is working to reverse the trend to justify longer stays.

In October 2018, *The Daily Mail* quoted Joey Jacobs, CEO of Acadia, saying he hoped UK’s National Health Service (NHS) would axe more NHS-funded psychiatric
facilities to boost Acadia’s coffers, telling shareholders, “What we hope does occur is that they continue to close beds and have a need to outsource those patients to the private providers. We would be the big winner there.” In October 2018, Acadia announced a joint venture agreement to develop a $26 million behavioral health hospital in Columbus, Ohio, which would include an “electroconvulsive therapy center.”

**How many more child rapes and abuses?**

How many more children are to be raped and killed in for-profit “mental health” facilities? How many patients will be damaged by electroshock or restraint procedures? How many Americans have to lose their liberty because of coercive and illegal involuntary detainment? When will our legislatures enact effective and accountable state- and federal-oversight systems and regulations and hold the culpable facilities and treating doctors accountable both civilly and criminally?

CCHR did an analysis of the fraud found in six chains of psychiatric facilities and found how incestuous this industry is. The government investigates and fines major behavioral for-profit chains over fraudulent schemes. Those chains then sell off their facilities to other chains, which come under further government investigation (usually over potential fraudulent practices)—a revolving door system. Six companies—NME, Charter Behavioral Health/Magellan Health Services (Charter), Hospital Corp. of America (HCA), Paracelsus Healthcare Corp., Psychiatric Solutions Inc. (PSI) and UHS—have accrued more than $3.7 billion in criminal and civil fraud settlements and fines that we know of since the early 1990s.

CCHR investigated NME and other chain of “for-profit” hospital chains, including Charter, Paracelsus and HCA in the 1990s, with information turned over to the FBI and state authorities at the time. Dr. Robert F. Stuckey, a former medical director at one of NME’s psychiatric hospitals, admitted that psychiatrists and hospital staff “were absolute geniuses at diagnosing insurance.” CCHR helped to obtain state government hearings and personally met with NME company executives about psychiatric fraud in their facilities. NME eventually dumped its psychiatric division (selling it mostly to Charter Behavioral Health). In 1995, NME changed its name to Tenet Healthcare and in 2014 said it was expanding again into behavioral health.
In September 2003, Senator Charles Grassley wrote to the CEO of Tenet Healthcare, which had been investigated and prosecuted for healthcare fraud, stating: “The $54 million settlement, as well as Tenet's failure to acknowledge any liability or wrongdoing, is further evidence, in my opinion, that Tenet views healthcare fraud settlements as the cost of doing business with the federal government, while profiting at the expense of innocent victims and America's taxpayers. It is long past due that Tenet, and its officers, directors and board members, be held accountable for the corporate culture and governance practices that resulted in healthcare settlements totaling over a billion dollars in the past decade.”

In 1998, the Houston, Texas-based Paracelsus Healthcare Corp. (PHC), which CCHR investigated, agreed to settle $7.3 million to settle allegations that two of its hospitals in Southern California defrauded the Medicare program. Two years earlier Paracelsus reached a separate settlement with Aetna Life Insurance Co. in a massive lawsuit in which the hospital operator was accused of fraudulent billing for psychiatric services for private patients in Orange and Los Angeles, California counties. Aetna alleged that the group systematically lured unsuspecting patients from throughout the country with false promises and improper perks, then tagged the patients with bogus diagnoses and stuck them in mental hospitals until their benefits ran dry. On September 15, 2000, the PHC parent company filed a voluntary petition for protection under Chapter 11 of the United States Bankruptcy Code.

Abuses are not limited to only the above for-profits. In November 2018, the American Civil Liberties Union (ACLU) of Illinois demanded the state Department of Children and Family Services' put a hold on admissions to Chicago Lakeshore psychiatric hospital, alleging youths were sexually and physically abused due to lax supervision and improper staff-conduct. A 7-year-old girl was sexually assaulted at the facility.

- A 7-year-old girl reported that a 12-year-old boy sexually assaulted her.
- Two young female patients accused a male staff member of touching them in a sexual manner.
- A hospital staff member pleaded guilty to sexual abuse and was placed on the state’s convicted sex offender registry.
Outside of Illinois, Aurora Behavioral Health Care, the owner of Lakeshore, has psychiatric facilities in Arizona, California, Nevada, and Texas. In 2016, both UHS and Acadia were considering a take-over of Aurora.

Government agencies place foster care children in private and state psychiatric hospitals; in Texas, for example, between 2009 and 2015 there were roughly 4,000 psychiatric admissions for foster care children each year, who are detained longer than non-foster care children. Many people were outraged by the reports in 2018 of over 11,000 immigrant children being ripped from their families, incarcerated in more than 100 facilities in 17 states with allegations that they were drugged, beaten, or violently assaulted. This must get corrected, yet the same abuse is occurring in behavioral-psychiatric hospitals across the country.

Legislation Creates Fraud & Abuse

In the book Mental Health Inc: How Corruption, Lax Oversight and Failed Reforms Endanger Our Most Vulnerable Citizens, published this year, Art Levine, a prize-winning investigative journalist and author chronicles at least six gory and preventable deaths at Acadia's Sierra Tucson facility in Arizona. He further discusses how “indifferent professional associations, pharmaceutical-subsidized patient advocacy groups and government regulators either push a drug-industry agenda or fail to halt what amounts to an epidemic of behavioral health malpractice.”

In 2016, David Wright, deputy regional administrator for CMS in Dallas told The Dallas Morning News that “patient complaints against the company [UHS] aren’t just isolated to one region, but extend across the country.” According to the article, “Federal regulators usually focus only on incidents at individual hospitals, not across chains, so government data is fragmented and you can’t easily compare Universal Health to its peers. And the company operates hospitals under a variety of names that can make it difficult for patients and watchdogs to evaluate its overall care.”

Legislation has helped enable the culture of behavioral health malpractice we see reported today, especially the Mental Health Parity and Addiction Equity Act and Affordable Care Act which “were a mandate for the $3 trillion insurance industry to pay out unlimited reimbursements for a lifetime disease with no cost-effective
solution. Regulators had inadvertently created an environment ripe for investment,” according to Penn Little.\textsuperscript{79}

Florida State Attorney Dave Aronberg said: “This is an entire industry that's been corrupted by easy money. Unscrupulous actors have taken advantage of well-intended federal law and a lack of any good law at the state level, to profit off people at the lowest stages of their lives.” Absent sufficient regulation, the industry saw nearly every publicly-listed behavioral healthcare provider’s stock soar from 2012-2015, wrote Little in a November 16, 2018 article on Acadia Healthcare.\textsuperscript{80}

- \textit{The Chicago Tribune} reported that investors prefer the mental health industry because the profit margins are much bigger than those at community hospitals. \textsuperscript{81}

- Alan B. Miller, Chairman and CEO of UHS attributed the Affordable Care Act (ACA) for increasing profits.\textsuperscript{82} In 2015, UHS’s Chief Financial Officer also reported behavioral health contributes “much more to the bottom line.”\textsuperscript{83} Pension funds, government, insurance companies (a potential conflict of interest), and investors, like banks, holding companies, and corporations together owned about 5.6 percent of UHS, according to \textit{Market Realist} in 2015.\textsuperscript{84}

- Joey Jacobs, the CEO of Acadia Healthcare stated: “Mental health parity was the beginning. We saw a big benefit. And then the Affordable Care Act was very positive for our industry.”\textsuperscript{85} Acadia described the investment environment for behavioral facilities in the U.S. as a “large market with attractive trends.”\textsuperscript{86}

- In June 2016, National Public Radio (NPR) also reported that because of the ACA, “Suddenly there's a huge stream of cash for Acadia and other companies to tap into.”\textsuperscript{87}

\textbf{Opioid Crisis Creates Profit}

Penn Little further wrote: “The best natural target [for investment] was opioid addiction, with its high demand for substance abuse treatment services. This epidemic in the United States exploded throughout the mid-2010s, skyrocketing the number of Substance Use Disorder (SUD) centers. Many users were young adults and children on their parents’ insurance plans. “Most drug addicts are treated through Substance Use Disorder centers. The concept of treating addiction is broadly defined. No clear federal definition exists for what constitutes a SUD center, so some entrepreneurs started opening centers in strip malls, filling them with beds, signing users up – often through unethical methods.”\textsuperscript{88}
Acadia owns 119 methadone and Suboxone drug rehab facilities in about 20 states, with the most clinics centered in Pennsylvania (15), Wisconsin (13), Massachusetts (12) and Oregon (6). Substance abuse treatment is a profitable business for psychiatry and hospitals delivering its treatments, and especially the cash cow treatment for opioid addiction: Suboxone (a mixture of buprenorphine and naloxone) is a form of opioid that is used in opioid withdrawal. 89 UHS also has outpatient Suboxone programs.

Little noted: “Unscrupulous operators resorted to extreme exploitation of minimal regulation via patient brokering or “junkie hunting,” as it’s often called, to increase revenues further. Prosecutors say that treatment centers frequently – illegally – waive co-pays and deductibles, telling patients and parents that insurance will cover everything. Or they will rack up huge bills for patients, charging $4,000 for every unnecessary urine test.” 90

Solutions & Accountability Needed

What is needed is legislation that provides not only more effective oversight but also stronger accountability measures: criminal and civil penalties, removal from CMS programs and their funding, and hospital closure where systemic abuse is found.

Only such a comprehensive solution can begin to thwart the level of abuse, fraud and malpractice that is so widespread today in the for-profit mental health industry.
ABOUT CITIZENS COMMISSION ON HUMAN RIGHTS:

The Citizens Commission on Human Rights (CCHR) was established in 1969 by the Church of Scientology and Dr. Thomas Szasz, professor of psychiatry at the State University of New York Upstate Medical University in Syracuse, New York, to investigate and expose psychiatric abuses committed under the guise of mental health care. Today, it has around 150 chapters in over 30 countries. Its board of advisors, called Commissioners, includes doctors, lawyers, educators, business professionals, and civil and human rights representatives. CCHR has inspired and helped orchestrate many hundreds of reforms by testifying before legislative hearings and conducting public hearings into psychiatric abuse, as well as working with media, law enforcement and public officials the world over.

MISSION STATEMENT: CCHR investigates and exposes psychiatric violations of human rights. It works shoulder-to-shoulder with like-minded groups and individuals who share a common purpose to clean up the field of mental health. We shall continue to do so until psychiatry’s abusive and coercive practices cease and human rights and dignity are returned to all.

The Hon. Raymond N. Haynes
California State Assembly
“CCHR is renowned for its longstanding work aimed at preventing the inappropriate labeling and drugging of children.... The contributions that the Citizens Commission on Human Rights International has made to the local, national and international areas on behalf of mental health issues are invaluable and reflect an organization devoted to the highest ideals of mental health services.”

U.S. Congressman Dan Burton
“CCHR is a shining example of what people can accomplish in a free society. Through united action, effective education and advocacy, CCHR has helped to bring about critically needed healthcare reforms that make our society and country a better place.”

U.S. Congressman Ron Paul
“CCHR efforts have been crucial to raising public awareness of the threat to liberty posed by the scheme to subject all children to intrusive screening without parental consent. I congratulate CCHR for its efforts to protect individuals from cruel, inhumane, and degrading treatment.”

Dennis Cowan, former healthcare fraud investigator
CCHR shows “consistent work in exposing fraudulent and harmful practices in the field of mental health...Their expertise, publications, and reports are a tool for any investigator conducting investigations into mental health fraud or other criminal activity in the system.”

For more information, contact:
Citizens Commission on Human Rights International
6616 W. Sunset Boulevard
Los Angeles, CA 90028
Tel: (323) 467-4242 or (800) 869-2247
Fax: (323) 467-3720
Website: www.cchrint.org; E-mail: humanrights@cchr.org
58 http://www.paracelsus-healthcare-corp.com/
46 http://marketrealist.com/2015/01/assessing-universal-health-services-revenue-mix-admissions/.