HOUSE JUDICIARY COMMITTEE
SUBCOMMITTEE ON COURTS

PUBLIC HEARING ON HOUSE BILL 710

JANUARY 20, 2000

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A subsidiary of the Pennsylvania Chemical Abuse Certification Board

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Good afternoon, I appreciate the opportunity you have provided to testify at this hearing.

My name is Deb Beck. I am President of the Drug and Alcohol Service Providers Organization of Pennsylvania (DASPOP).

DASPOP is a statewide coalition of drug and alcohol prevention and treatment programs, practitioners, employee assistance programs and drug and alcohol associations representing more than 365 organizations, programs and clinics, over 3,000 certified addiction professionals, 1,200 student assistance professionals, 400 prevention specialists and others throughout the state. Our members represent the full continuum of services, including prevention, education, inpatient hospital detoxification and rehabilitation, inpatient non-hospital detoxification and rehabilitation, outpatient, intensive outpatient and halfway houses.

I am here to testify in support of House Bill 710 and to ask for quick action on this needed legislation.

Why do drug and alcohol treatment programs, prevention programs, student assistance programs, certified addictions counselors and employee assistance programs – why are we speaking in one voice in support of House Bill 710?

In 1986 and again in 1989, the Pennsylvania House and Senate joined together to buck the insurance industry and enacted a strong insurance law that requires coverage for the treatment of alcohol and other drug addiction. (Act 64 of 1986, Act 106 of 1989).

Coverage for the treatment of addiction is the law of the Commonwealth for all group health plans.

Despite enactment of this strong law, today few people in the state are able to access treatment or access the full coverage described in statute.

Today, parents, employees and employers and the state pay the premium, but few can access the treatment.

We believe that House Bill 710 will address this situation by providing a statutory base for the right of the consumer to sue a health plan that fails "to conform with accepted standards of medical practice . . . "

Although case law appears to be moving in the direction of upholding such a right to sue, passage of House Bill 710 will move that process along and is likely to have an immediate ameliorative effect.

One only needs to consider the attached article regarding Aetna's training video to see clearly the need for this law. The Aetna internal training video exposes the practice of handling consumer cases differently depending on whether the claims fall under the ERISA pre-emption against lawsuit or under the state law!

Delays in response, denials of treatment, lack of training in addictions by the managed care gatekeepers, failure to use well known diagnostic tools for addiction, financial incentives to deny or minimize treatment – all of these are common practice in the handling of people seeking help for addiction.

Under the provisions of House Bill 710, the health plan would be liable for any injury, death or other damages that occur if the plan failed to provide care conforming to standard practice.

Sadly, this is a needed legal tool. It provides for a balance of power.

Please consider with me two cases described in the attached article. The first involves a lawyer from the state of New York, the second a youngster from Lebanon county, Pennsylvania.

The right to sue or appeal for denial of the treatment benefit -- of what use are these rights in these two cases?

For people and families with addictions, for the health care and the criminal justice systems, for the workplace and for the taxpayer – delay and denial of treatment is no small matter.

Alcohol and other drug addictions are progressive, fatal illnesses if allowed to go unchecked.

Without intervention and treatment, the untreated addicted individual continues to deteriorate destroying health and employability. Whole families are sucked into the downward spiral as the untreated individual deteriorates to loss of health, job, family, to crime, jail, suicide and to death from related illnesses.

Simply put – without treatment people with addictions die, often destroying everything and everyone around them along the way.

The parallel suffering and damage to families is utterly without measure but like a stone cast on still water, the damage reverberates across all aspects of our society.

Here in Pennsylvania, I meet with the families and have heard the desperate stories of people with coverage for treatment of addiction who died or committed suicide while trying to access treatment through that bottomless quicksand of delays and denials called managed care.

Let me state again - without treatment, this is a progressive, always fatal illness.

For this reason, discussions about consumer protection and access to care are deadly serious discussions to us.

Unlike some other diseases, addiction can't wait. An addict in withdrawal or an alcoholic reaching a moment of truth is too sick to engage in a complex pre-authorization or appeal process.

According to Jim Wrich, CEO of J.Wrich and Associates and a leading auditor of managed behavioral health care, in the area of mental health and addiction treatment, administration and profit frontloading by managed care can be as high as 40% of the premium.[1]

With administration and profit-taking this high, it is no wonder that provision of treatment suffers – to maintain anywhere near these levels, care has to be denied, care has to be avoided!

[1] Brief Summary of Audit Findings of Managed Behavioral Health Care Services, James T. Wrich, May 1998

There is a tragic game going out there – a game of keep-away with access to addiction treatment.

While keep-away goes on we wonder why the nation's drug and alcohol problems seem intractable, families deteriorate and prisons burgeon.

While the game goes on – 8 million Americans are estimated to need this help at some point in their lives.

While the game goes on – an estimated 1 in 4 children grow up in a home with an untreated addicted person, a job is lost, a mother commits suicide in her home, a youngster overdoses on heroin, a funeral is held and a family buries its young son. The game goes on.

Some time ago, I stopped asking for managed care complaints – can't handle what I have. Nonetheless, still they come. Some come by phone. Sometimes I'm stopped on the street. Other stories come to me in writing, in heartwrenching letters with pictures tumbling out of envelopes. All of the families have long histories of embarrassment and shame – long histories of struggling – desperately struggling to find help. All had trouble accessing the health benefits enumerated in the plan and for many, treatment permitted simply wasn't long enough.

Prevention and Student Assistance programs around the state tell me this is one of their biggest problems. They work with parents, teachers and police to reach out and identify kids and then the big wait begin – or the child is only permitted a few days in rehab and is forced to leave.

And believe me – you do not want a troubled kid who is using heroin sitting in class next to your kids while an insurer doddles over coverage.

In closing, thank you for your time.

Please move this bill along. It will have a preventive effect, ending irresponsible practices and cavalier, dismissive handling of families in trouble.

Let's pass this bill. The lives of our children may depend upon it.

Consumers for Quality Care

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Date: 10/8/98

Internal Video Of Aetna Training Shows Consumer's Ability To Sue Is Criteria For Claims Payment

After Damages Barred By ERISA, Insurer Stopped Investigating Claims

Consumers with an identical medical problem but a different ability to sue will have very different experiences with Aetna, according to an internal video tape of Aetna lawyers training claims managers about procedures for denying claims. The video shows the insurer considers liability exposure in determining whether or not to pay a policyholder's claim. Aetna separates claims where no damages are available – those subject to the federal Employee Retirement Income Security Act or ERISA -- and non-ERISA claims, where consumers can sue.

The taped training also makes clear that following the U.S. Supreme Court's Pilot Life ruling (where ERISA was found to supercede state common law causes of action), Aetna dropped its field investigation force and increased its claims personnel case loads 4 to 4.5 times the industry average. The burden of proving a claim is payable shifted from the company to the disabled patient, who is often unable to properly document their own file.

"This video proves that patients with private employer-paid health care are second class citizens in the minds of insurers and HMOs because these working Americans cannot receive damages against the companies," said Jamie Court, director of Consumers For Quality, which obtained the video and transcript after a court seal was lifted in an Alaska case that concluded this summer.

Early in the training, Aetna's in-house counsel Jeffrey Bloomenthal clarifies the difference between ERISA and non-ERISA cases: "we have an obligation, certainly, in a non-ERISA setting, under State law, to conduct what is called a

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reasonable investigation." Later, Bloomenthal notes of a new state liability law in Texas, meant to apply to all patients. "In the state of Texas, the State Court – in that scenario, we could be subject to – we'll get into more of this later – to back pay and damages, to punitive damages, to a whole range of extra contractual liability that could be many, many millions of dollars."

Bloomenthal tells claims managers, "Well, let me just say that in the non-ERISA context, none of you will ever have to testify, 'Well, you know, we do more in the non-ERISA context than the ERISA context because our lawyers tell us there's --- punitive damage exposure.' That—that would be a cry to Congress to enact legislation to repeal ERISA, there's obviously attempts to do that. "

"This is the smoking gun that shows insurers make denials based on money, not strictly medical determinations," said Court. "Congress must act to ensure that every patient with the same medical indications is treated equally and fairly – regardless of whether they can sue for damages."

Investigations Stop After Pilot Life Ruling

Testimony and documents in the Fisher case brought to light the following startling revelations about Aetna's claims handling in wake of the the Pilot Life decision, according to the Fisher family. After the 1987 ruling preventing patients with private employer-paid health care from receiving damages:

- Aetna abolished its claims handling guidelines – leaving analysts without guidance about how to fairly treat claimants. Repeated trial testimony supported that the guidelines worked and were essential for analysts to treat claimants fairly. Industry experts characterized the elimination of the guidelines as outrageous.

- Aetna eliminated field representatives in 1989, and by 1992, had none, according to testimony. Field representatives are the people who ordinarily investigate a claim by talking to the claimants, treating doctors, friends, and co-workers. Field representatives are often necessary to fairly investigate and evaluate a disability claim. Trial testimony reveals that Aetna no longer interviews claimants and rarely contacts treating doctors (except to get medical records) or contacts friends and co-workers.

- In the early 1990s, Aetna began asking its analysts to reduce the use of Independent Medical Exams (IME). These are exams by independent doctors to gain another perspective on whether or not someone is disabled. Instead of IMEs, Aetna placed increasing reliance on its in-house doctors.

- By the mid 1990s, Aetna was basing evaluations of its analysts in part on their ability to reduce investigations and reduce payments on claims.

- Testimony at trail indicated that supervisors carefully audit or review all claims approved by analysts. Denied claims are not reviewed unless appealed or contested by the claimant.

Long Time Employee Blows Whistle On Changes

The training tape transcript shows that at one point Aetna investigated nearly 100% of claims; by February 1997 almost no claims were investigated with the burden shifted to claimants to "prove" their claims. The case load of analysts at Aetna had risen to 4 -5 times the industry average.

One long-time Aetna employee spells out in the training video (transcript available upon request):

Employee: We got to talk reality in the claims department, okay...For 24 years I've been in the LTD (Long Term Disability] area, and 12 years as an analyst, and I think we went - we've seen the pendulum go. We used to investigate 100% of our cases practically, and that was called 'overkill.' But now we investigate a far, very tiny percentage of that. And part of that investigation was the information gathering and, you know, you pulled in the names of doctors, you got this information. Alot of times this information, now we deal with some of our national customers, like PEPSICO, where they send us practically nothing. I mean, you almost have to start from ground zero and go out and it's extremely time consuming. And what we're finding today is that the claim investigator is, does not have the - because of the 8 or 900 case load versus 200 for competitors, and go out and solicit all these - I agree its vitally important, that's not the question, the question is having the time to go out and investigate and work up that file the way it's supposed to be. And that's just the - that's the critical issue.

Aetna's In-house Counsel, Jeffrey Bloomenthal: Now, I know, why we didn't call on you...It's cost benefit analysis, obviously in terms of, you know, what is the most critical information for making a determination. I certainly don't want to see anybody testify in court 'that a cost, you know, we just didn't think any of this additional information was required." But at the same time, you're right, the pendulum does have to swing back the other way."

The training tape makes clear that the burden of proving a claim is payable falls on the consumer - who, in a disabled state, must supply all necessary information to the investigator.

Trainees Think Patients Should Not Be Responsible For All Info

In the video, the adjusters, themselves, express how difficult is for a disabled person to handle those burdens and that the claims personnel is in the best position to gather information and investigate claims.

Trainee: If we're tying to be very specific about what kind of – wouldn't it be better, you know, by law, if it should go to court or whatever, [for the claims handlers] to do the requesting themselves.

Another trainee: If you are concerned with all that money going out, why couldn't some of the money be allocated to perhaps set up a special (indiscernible), reviewing these claims (indiscernible) – she has a better handle on, really what our claim load is more so than you do. How come time can't be spent on people that can really go out and research all these medicals that are just sitting there in the file?

Two patients with precisely the same medical needs would be treated very differently by the Aetna claims system– simply because one is ERISA and one non-ERISA.

Americans who buy their own health insurance, employees who receive health insurance through church or government employers, and Medicaid and Medicare recipients, are not subject to the ERISA loophole and can sue their insurer for bad faith and punitive damages. 125 million workers with private sector employer-paid health care cannot receive damages due to ERISA.

Non-ERISA Review Team of One Lawyer

Business decisions (liability exposure), not medical criteria, appear to be determinative at Aetna in the wake of Pilot Life.

The non-ERISA claims, according to the training video, are all reviewed by the Specialty Review Team – one Aetna lawyer. The ERISA claims can be denied without going to the "Specialty Review Team."

"Aetna has an apartheid-like system that is stacked against working Americans with private-sector employer-paid insurance benefits," said Court. "Congress can no longer turn its back now that it is clear that insurers are not only immunized from liability, but are actually prone to deny treatment based on that immunity."

The lack of remedies for patients with private employer-paid insurance benefits following the Pilot Life decision has allowed HMOs and insurers to breach the code of good faith and fair dealing with impunity. The Aetna evidence – which the

company tried to keep under court seal – shows the systemic nature of the industry's bad faith.

Congressman Lloyd Dogget – a former Justice on the Texas Supreme Court – wrote the Fisher Court in July of 1998 to break the seal on the evidence presented in this case.

Dogget wrote, "The Congress is now grappling with the unintended consequences of ERISA, namely the legal immunity this federal law provides to insurers who wrongully delay or deny medical care to patients covered under ERISA plans....the Congess is in critical need of information relating to the manner in which insurers process and/or resolve claims filed by patients covered under both ERISA and non-ERISA plans...Specifically, Members of Congress are seeking information that helps to explain how, and why, insurers process ERISA and non-ERISA cases differently."

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The New York Times

WEDNESDAY, MAY 26, 1999

H.M.O's Seen Limiting Mental Health Treatment

By RANDY KENNEDY

Robert Payton's mother had a premonition that she would never see her son again when she dropped him off at the ferry in Weehawken that muggy day last summer. "She turned around to wave goodbye to him from the car," recalled Mr. Payton's sister, Maureen Hussey, "and she didn't see him. She told me later that it seemed like an omen to her."

Mr. Payton was 42, a tall, athletic Manhattan lawyer with dark brown eyes and a fast, bright smile. He had been his family's quick study: magna cum laude from Boston University, a law degree and what looked like a promising legal career ahead. But it never took off, and his family discovered one reason why on a horrible day in January 1998, with a call from a hospital. He had accidentally overdosed on a mix of alcohol, cocaine and other drugs — his private demons, apparently, for years — and he lay unconscious for nearly two weeks.

When Mr. Payton finally woke up, he knew he was lucky to be alive, and he wanted to start fighting his addictions. But first, it turned out, he had to fight something else: his managed care company, Aetna U.S. Health Care, which would not approve his requests for in-patient drug rehabilitation.

Eight months later, after dozens of letters and hundreds of phone calls, he won — a grievance committee for Aetna recommended in a Sept. 8 letter that the coverage be approved. But Mr. Payton was not there to get the letter. He had died three weeks earlier, of another accidental overdose.

Mr. Payton's story may be extreme. But his case occupies one of the newest and most active battlegrounds in the national debate over managed care and patients' right to treatment.

To many medical professionals across the country, particularly those in mental health, as well as several state attorneys general, cases like Mr. Payton's illustrate a growing problem: managed care companies hindering access to mental health and substance abuse services covered in patients' plans.

The allegations — of administrative tangles, stonewalling and lack of information — are akin to those levied by patients and doctors who deal with managed care companies on issues of physical illness.

But critics of the managed care companies say those problems are magnified when mental illness and substance abuse are involved because health maintenance organizations consider those conditions to be a lower priority and more vulnerable to costly, possibly unnecessary, treatments.

State attorneys general also contend that managed care companies hinder those seeking mental health and drug abuse help because there is less chance they will resist. Over the last three years or so, the attorneys general say, they have received increasing numbers of complaints on the subject from doctors, clinics and patients.

"You're dealing with a population that is especially vulnerable," said Eliot L. Spitzer, the New York State Attorney General, whose office has set up a health care bureau to pursue complaints against managed care companies. And because of that vulnerability, he said, "we believe they think they have a greater latitude to deny care and escape the sanctions that should be imposed on them."

Robert Payton fought his H.M.O. over covering drug treatment.

Organizations that represent the managed care industry deny any such intent, and contend — though the statistics to back it up are several years old — that the advent of managed care has actually made those services, especially for mental health care, available to a wider population by helping to bring down prices of visits to psychologists and stays in clinics.

> A new battleground in patients' rights.

"If the states' attorneys general are going to make this assertion, we would certainly like to see how they plan to back it up," said Pamela Greenberg, executive director of the American Managed Behavioral Healthcare Association, which represents managed care companies specializing in mental health and substance abuse care.

In the case of Mr. Payton, Joyce Oberdorf, a spokeswoman for Aetna, said yesterday that the company still maintains that his policy did not cover what he was seeking. He was finally granted coverage, she said, because "a decision was made to make an exception — that his case was such that it warranted one."

"But by then unfortunately his drug problems were such that this happened," she said, "and it was a tragedy."

Mr. Payton — whose mother, Dolores, has filed a lawsuit seeking $800 million in damages from Aetna and from two doctors who work there as medical directors — was not officially denied the coverage for in-patient drug rehabilitation, which can cost tens of thousands of dollars.

But Aetna did not provide the authorization for the treatment, and Mr. Payton was forced to write letters and make dozens of phone calls and then to begin a grievance procedure, all of which his family's lawyer, David Trueman, says he meticulously documented in a journal. Mr. Payton pursued the case with his typical lawyerly persistence, his family said, even though they began to suspect that he was using drugs again.

Finally, on June 15, five months after he began seeking help and after three grievance procedures, he was informed by Aetna that he had not bought a rider to his health plan that would provide him with a period of in-patient rehabilitation, and so he was not eligible. Mr. Payton later asked the New York Attorney General's office for help, and in August, 10 days before he died, officials there wrote Aetna that they were "unable to understand the basis for your denial."

"Mr. Payton's contract," the letter said, "plainly covers in-patient substance abuse rehabilitation." A month later, Aetna's grievance committee sent its letter, saying that "the committee has found information to substantiate a change in the company's position regarding your request," though it did not say what that information was.

One of the exhibits in the suit filed by Mr. Payton's mother is a letter found on the I.B.M. computer in his Chelsea apartment where his body was found several days after he died. It was dated August 17, the day authorities believe he overdosed. It was an unfinished letter informing Aetna officials that he planned to attend his grievance hearing.

Those who accuse managed care of restricting access to mental health services and drug rehabilitation contend there is a cruel irony at work that causes the situation to persist. Those who are in most need of such help — often people depressed or addicted — are the ones least likely to venture into the maze of regulations and grievances to figure out what they are entitled to.

Consequently, say officials with the New York State Attorney General's office, this causes the percentage of grievances — red flags that could indicate problems with access — to be low. And this, in turn, has kept it off the front burner as a managed care issue.

In fact, as Mr. Payton's family likes to point out, if there were anyone who should have been able to negotiate the fine print and get quick answers from his H.M.O. it would have been a lawyer like him.

Ms. Oberdorf, the spokeswoman for Aetna, said yesterday that she could not comment on why it took eight months for Mr. Payton's claims to work their way through the system because those issues are part of the litigation. The case, in State Supreme Court in Manhattan, alleges wrongful death, breach of contract and negligence, among other things, against Aetna, and negligence and medical malpractice against the doctors. Aetna has filed a motion asking a judge to dismiss most of those claims and to remove the doctors as defendants.

Ms. Greenberg, the spokeswoman for the managed care companies, said that often in disputes between insurers and patients over mental health and drug abuse care, difficult decisions must be made because clients plans clearly do not include the type of help they are asking for, even though a doctor may have given them referrals for such help. "There are many situations where someone cannot get the care," she said, "because it is simply not a covered benefit and that piece of it is always ignored."

February 7, 1999

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Lebanon Daily News

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A hole in the net

When teen addict didn't get help he needed, he turned to crime

By LAURA RITTER
Staff Writer

On his third visit to a Weidman Street convenience store Saturday afternoon, Steven Coates did not receive a warm welcome.

He opened the door, showed the clerk a knife, and demanded the money in the register — just as he had done on two earlier visits the same day.

Though a different clerk was at the register each time, the one on duty during the third visit decided immediately it was time to take a stand. "There is no money in the register and you're not getting any," she reportedly told Coates as he stood in front of her.

Then she told him to get out, and she called police.

> "How can they teach a 16-year-old how to stay off drugs in seven days?"
>
> —Curt Coates, Steven's father

Beginning late last Friday night and continuing the following day, the 16-year-old from Jonestown hit five other convenience stores in or near the city, police say. Driving a light blue Geo and wearing blue Adidas athletic pants and a neon orange fleece jacket, the teen made no attempt to disguise himself.

As a clerk in one of the stores would say later, "He almost gave himself up."

When the 22-hour, one-man crime spree was finally over, Steven Coates admitted to police that he used the money from the eight robberies to buy crack cocaine.

Police charged him as an adult. If convicted on all counts, he could face 160 years in jail.

Steven Coates' journey from a typical kid who played GI Joe with his friends to a young man facing the prospect of life behind bars was swift, but not without twists and turns. He was kicked out of school — for truancy, his parents say, although the school won't comment. His mother tried to home school him, and he reached out for help to deal with his growing drug addiction. But he was denied the kind of assistance he needed by a healthcare system that many complain puts a higher premium on cutting costs than

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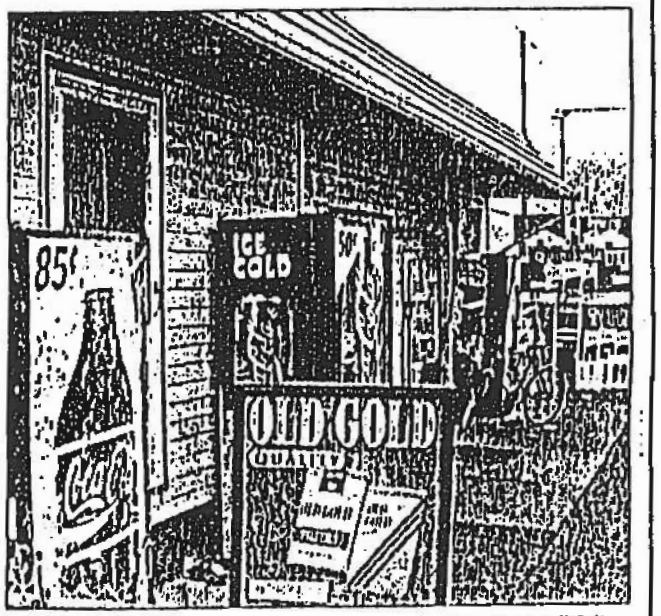

Jeff Clemens / Lebanon Daily News

A teenaged robber tried to hold up this North Side convenience store once too often last Saturday.

Teen launched robbery after rehab failed

(Continued from page 1A)

dealing with a person's problems.

Jails and prisons "are loaded with people who have not been able to get the type of chemical dependency treatment they need — there is no question about that," admits Sean Conaboy, vice president and director of the Caron Foundation, a health-care facility in Wernersville that specializes in helping people rid themselves of drug and alcohol dependencies.

Steven entered the Caron Foundation Jan. 20 after three times seeking help through Lebanon County Crisis Intervention, his parents said. On his third visit to the agency, he threatened to commit suicide — only then was he admitted to a rehab facility.

But just seven days later, he was discharged. Medical records provided by Steven's parents note that "insurance won't cover" a longer stay. The records also recommend that Steven participate in "intensive outpatient care."

Steven "verbalizes a desire for abstinence, but he tends to contradict himself. Relapse potential is extremely high due to his behavior and his inability to identify triggers," the records state.

In spite of the risks, Steven was sent home. Two days later, the string of armed robberies began.

Conaboy said behavior such as holding up convenience stores and using the money to buy crack "is absolutely, positively a symptom of addiction."

Without discussing Coates' case in particular, Conaboy said, "I would like to have someone invest the time they are going to spend on prosecution and incarceration in getting him some of the treatment he needs."

The Caron Foundation provided Lebanon County Commission on Drug and Alcohol Abuse a contribution of $50,000 for county adolescents who do not have the insurance or the financial means to seek treatment. But the Coates family has insurance — and in general, people with insurance are not eligible for that type of funding.

Though the Coateses were well aware that their son had problems, the idea that their child could commit eight armed robberies appeared to stun both parents. "Why would he do it this way? He didn't wear a mask or anything," his mother, Marianne, said.

As a child, she said, Steven played like other kids and did well in school. Until middle school, he got mostly Bs and Cs.

But problems had begun by the time he reached high school. He talked back to teachers and at least once swept his books to the floor. By 10th grade, in-school suspension was frequent, and he skipped school so much his parents faced fines for truancy. In March, he was expelled, just before his 16th birthday.

Northern Lebanon officials say confidentiality laws prohibit them from discussing a student's disciplinary record. However, acting Superintendent Coleen Heistand said depending on the nature of a student's problems, district students who are expelled are generally assigned to IU 13's Alternative School. Parents must also agree to that placement.

But for reasons that haven't been made clear by school officials, Steven did not attend the alternative school. He was instead home schooled by his mother, although both parents work outside the home.

Soon thereafter, Marianne Coates discovered foil wrappers under Steven's bed and then in her car, evidence to her that he was using crack cocaine. One night, she discovered him doing crack in her home, prompting their first visit to Crisis Intervention.

> "This is just the beginning of a long criminal history for this guy if he does not recognize that he is chemically dependent and will have to live a lifestyle free of mood-altering substances."
>
> —Caron Foundation's Sean Conaboy

Steven's father, Curt Coates, insists seven days of inpatient care was not even enough time for his son to recover from the physical symptoms of addiction, let alone change his behavior.

"He had no objection to staying longer — he was willing to go along with the program," Curt Coates said, adding that Steven needed "a little more time under his belt" before he was sent home.

"How can they teach a 16-year-old how to stay off drugs in seven days?" he asked.

To some extent, Conaboy agrees. "If we had our druthers, yes, we would keep people longer than we do," he said. But funding for extended stays, determined by managed care, is "clearly at issue here."

"Treatment costs money," Conaboy said. If a patient requires inpatient treatment, what must be decided is "where should it happen and who should pay for it," he said.

When it comes to behavioral health care, including drug and alcohol rehab, the benefits of about 85 percent of the American workforce are now governed by managed care companies — as they are for other forms of patient care.

Conaboy said the good news about managed health care is that it has forced the health care industry to develop clinical criteria for determining the best course of treatment.

"Where it has not been helpful is that it has really reduced the length of stay and not put enough emphasis on the psychosocial aspects of treatment and recovery," he said.

Still, the answers are not easy. Conaboy contends there is no magic number of treatment days that can guarantee a sober lifestyle. "Many, many kids go through seven to 10 days of treatment and go into intensive outpatient treatment and are doing absolutely marvelously," he said.

According to Kevin Schrum, director of Lebanon County Commission on Drug and Alcohol Abuse, "People will show you studies that prove that 28 days is not better than 14 days in terms of successful outcomes. It depends on the motivation of the individual and the quality of the treatment program.

"Some people want to keep kids in the bubble forever — and that won't happen," Schrum said. "We can't keep the child in treatment until adulthood."

But while 28-day programs are not necessarily more effective than shorter programs, given the circumstances of Steven's addiction, numerous people interviewed for this story agreed that seven days was not enough time.

Even Steven believed he needed more time to recover. When he called to tell his parents he'd been discharged, "he knew he needed more help. He didn't fight to come home," his father said.

After he was arrested, Steven admitted to his parents he was unable to maintain a drug-free lifestyle when he returned to his old neighborhood. "I should have known better," he told them. "That's what I get for hooking up with my old friends."

Describing a person like Steven, Conaboy said, "He wasn't dragging around in active addiction. He was strong, he was willing, he was able-bodied. A managed care company will not let him stay (as an inpatient) while we work out the long-term, chronic, (underlying) problems."

Conaboy said while inpatient services are part of the total picture, recovery requires compliance, discipline and willingness to remain sober. Regardless of the length of stay, recovering patients must participate in an outpatient program, have a family or support team who also participate, and enroll in a 12-step program.

"You will not find a case of somebody doing all three of those things and not doing well," Conaboy said. "It is not rocket science."

Conaboy said a patient participating in outpatient treatment should have attended a session at Caron or a Narcotics Anonymous meeting in Lebanon on a Friday night. "At some point on that Friday night, (Steven) made a decision not to do a whole lot of things he learned here," Conaboy said. "He knew and learned at least 10 other things he could have done.

"This is just the beginning of a long criminal history for this guy if he does not recognize that he is chemically dependent and will have to live a lifestyle free of mood-altering substances."

Still, even Conaboy acknowledges that the outcome could have been different if Steven had remained longer than seven days.

"We won't know for sure, but it couldn't have hurt," Conaboy said.

Boy, 16, arrested in holdup spree

(Continued from page 1A)

case, the robber showed a store clerk a knife and demanded cash from the cash register.

"No one was hurt. None of the clerks were hurt, he (Coates) wasn't hurt and nobody was injured," Wahmann said.

The string of robberies began about 11 p.m. Friday at the Getty Mart, Route 72 and Long Lane in North Lebanon. About 1:30 a.m Saturday, city police were called to a second robbery at Turkey Hill Mini Mart, 815 Quentin Road.

Later, at 4:35 a.m. Saturday, North Lebanon police investigated a robbery at CR's Friendly Market, 1999 E. Cumberland St. While those incidents were still under investigation, a robbery was reported at Beamie's Market, 147 Weidman St. — the first of three that would be reported at that location. The first occurred at 7:03 a.m., the second at 12:10 p.m. and again at 3:47 p.m.

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Just nine minutes later — at 3:56 p.m. — another robbery took place at CR's Friendly Market, 12th and Walnut streets in the city. And finally at 7:27 p.m., an eighth robbery took place at Kreiser Mini Mart, at Lincoln Avenue and Cumberland Street.

Coates was stopped by police officers John Sheaf and Morris Coleman, who noticed him driving erratically in the 600 block of Cumberland Street. The car he was driving, a light blue Geo, met the description given by witnesses to the roobberies.

When taken into custody, Coates was wearing blue workout pants and a T- shirt. Police found an orange fleece jacket with blue trim in the back seat of the car, matching descriptions of what the robber had been wearing. A knife was also recovered from the car.

Coates was arraigned before District Justice Nigel Foundling and placed in the Lebanon County jail. Bail was set at $100,000.

Holdup suspect is boy of 16

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By LAURA RITTER
Staff Writer

Police have identified the suspect in a weekend armed robbery spree as a 16-year-old Jonestown boy.

Steve Coates, of 213 E. Queen St., will be tried as an adult, according to Lebanon Police Chief Michael Wahmann. Coates has been charged with eight counts of simple assault and eight counts of robbery following a string of armed robberies over a 22-hour period that began at 11 Friday night in North Lebanon Township.

Coates was arrested in front of the Harrisburg Area Community College building on Cumberland Street at about 9:20 p.m. Saturday following a traffic stop.

Police would not discuss a motive for the robberies, nor would they say how much money was taken. In every

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Managed Care & Addiction Treatment

- Nearly two-thirds (2/3) of people needing drug abuse treatment do not receive it.[i]

- The largest unmet treatment need is among our young people.[ii]

- Pennsylvania's Act 106 of 1989 already requires all group health plans including HMOs to provide coverage for addiction treatment. Nonetheless, complaints about access to treatment are common.

- Insurance and managed care companies can generate profits while denied claims are appealed. According to a PricewaterhouseCoopers analysis of the U.S. Senate's Patients' Bill of Rights Plus Act, "health plans can generate interest income of up to $280 million each year if as few as one percent of claims are denied and then reversed . . ."[iii]

- Nationally, 10% of treatment centers closed between 1995 and 1997.[iv]

- Nationally, admissions to treatment centers from the criminal justice system increased during the same period.[v]

- According to the nation's leading auditor of managed care behavioral health plans, "In audits we have conducted, administrative loadings and profit totaling 50 percent or more of the premium paid in "at-risk" carve-outs are not uncommon. To date we have not reviewed such an arrangement in which the combination of administrative loading and profits was less than 45 percent."[vi]

- In 1998, the Hay Group, an independent organization that does analysis of health insurance evaluated addiction treatment benefits in comparison to general health care benefits. The Hay Group "found that between 1988 and 1998, the total value of employer-provided health benefits decreased in constant dollars, by 11.5% . . . substance abuse benefits declined by 74.5%.[vii]

- A lawsuit has been filed against Blue Cross of Maryland for using overly restrictive criteria to determine the coverage of medically necessary mental health and substance abuse treatment services. The causes of action being alleged are breach of fiduciary duty under the Employee Retirement Income Security Act and fraudulent misrepresentation in violation of the Racketeer Influenced and Corrupt Organization Act (Cohen, Milstein, Hausfeld & Toll, Washington, DC).

- A civil suit has been filed in Federal court against a well known managed behavioral health care firm for using different medical necessity criteria than those delineated in the member benefit handbooks. The class action lawsuit against Green Spring Health Services, Inc. and Blue Cross/Blue Shield of Maryland charges that subscribers were unable to obtain the actual behavioral health coverage described in the handbook.[viii]

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[i] "Changes Affecting NHSDA Estimates of Treatment Needs for 1994-1996." Substance Abuse & Mental Health Services Administration, *Analyses of Substance Abuse and Treatment Issues,* Analytic Series A-7, May 1998; and Albert Woodward et al., "The Drug Abuse Treatment Gap: Recent Estimates," Health Care Financing Review, 18(3) 5-17, Spring 1997.

[ii] "Summary of Findings from the 1998 National Household Survey on Drug Abuse," August 1999, Substance Abuse & Mental Health Services Administration, Office of Applied Studies.

[iii] "Psychologists Say Insurance and Managed Care Companies Have 260 Million Reasons to Deny Care," American Psychological Association, August 1999.

[iv] EAP Digest July/August 1999, page 11, Research funded by the National Institute on Alcohol Abuse and Alcoholism, page 11.

[v] Ibid.

[vi] "Brief Summary of Audit Findings of Managed Behavioral Health Care Services," submitted to The Congressional Budget Office, James T. Wrich, J. Wrich & Associates, Inc., March 1998.

[vii] "Managed Care Takes Toll on Substance Abuse Treatment", Join Together, Summer 1999.

[viii] "Green Spring Faces Class-Action Suit Over Denials of Claims", Alcoholism and Drug Abuse Weekly, pages 1 and 6, 10/25/99, Volume II, No. 41.