

## Storefront health clinics under scrutiny

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TRENTON (AP) - The state Department of Human Services is investigating possible fraudulent practices among so-called storefront mental health clinics.

Kids of North Jersey Inc., a controversial treatment center for troubled youths in Secaucus, was one of those clinics under investigation. The state pulled its license a year ago. Since moving from Hackensack to the isolated Castle Road in Secaucus in 1993, the center drew fire from parents and guardians who accused the center of operating in a cult-like manner.

"We went in and looked at the program," explained Ed Rogan, Human Services spokesman, referring to the intense investigation of the facility. "The program just didn't meet our standards. They weren't supplying the type of care our patients needed." State officials don't know if KNJ is operating elsewhere treating clients who are not the state's.

Regulators are now focusing on about 15 facilities, including KNJ, where officials may have used deceptive tactics to enroll vulnerable patients, and then provide services of questionable value, state officials said.

Officials already are pressuring four centers in an attempt to recoup \$4 million in Medicaid overpayments. The probe began last fall, when site inspections revealed unsafe conditions.

Many of the clients are former residents of state hospitals who have moved into boarding homes. Human Services staff have received complaints that new clinics recruit patients by offering them cigarettes and candy and serve them by running bingo games or taking them on trips to McDonald's.

"There wasn't a lot of policing, until these allegations came up," Margaret Murray, director of New Jersey Medicaid, told The Star-Ledger of Newark for yesterday's editions. "We realized we had to make some changes."

The Human Services department has reacted to the complaints by considering stiffer licensing rules, billing oversight and inspections of the clinics, known as partial-care providers.

The number of partial-care centers in New Jersey has doubled since 1995. Their Medicaid price tag has increased from \$30 million to \$57 million in three years.

The New Jersey officials' findings illustrate a national problem of providers seeking "to make a quick buck" from government programs, said Pope Simmons, who heads the National Community Behavioral Health Care Council.

The dubious recruitment efforts also can undermine the health of legitimate providers who are losing patients and, therefore, income.

"These newer storefront-type operations that have sprung up are not necessarily legitimate providers," said Debra Wentz, director of the New Jersey Association of Mental Health Agencies. "They're going to boarding home operators and essentially saying, 'These people are hanging around, we can take them off your hands.'"

Kids of North Jersey clinic in Secaucus had been licensed as a children's partial-care provider. State investigators yanked its license after an inspection revealed that the clinic was treating drug abusers and eating-disorder sufferers through a program resembling a boot camp, officials said.

"We had never come across anything like this before," said Human Services official Dennis Doderer. "We were pretty repulsed by it."

KNJ treated adolescents with behavioral disorders and drug and alcohol problems. Owners explained that counselors used peer pressure, marathon group therapy sessions, and a highly restrictive daily regimen to blast away all aspects of a client's compulsive past.

In 1990, Bergen County investigators "rescued" more than a dozen clients from the Hackensack facility after determining they were being held against their will.

Other centers being sued include Social Clubhouse in Springfield and Discovery House, which has run centers in Toms River, Phillipsburg and Greenwich Township. Medicaid also is negotiating repayment terms with Medallion Care, which has done business in Clifton, Ewing and Hightstown.

Ari Lutz, manager of Medallion Care, defended his organization by stating that it had "a good track record" in keeping clients out of hospitals and moving them into jobs. Social Clubhouse and Discovery House officials did not return phone calls.

The whereabouts of the Kids of New Jersey owner, Miller Newton, are unknown, said Doderer.

During an interview in 1991, Newton, an author, medical anthropologist and ordained minister, said his business was saving the lives of young kids. He said other programs fail because they don't isolate a teen-ager from the environment where the abuse took place. At KNJ, the teen addict was put into a community where his or her every waking moment was monitored.

"What we are doing is repairing a small number of young people so they can take their place in society," he said.

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