

CareUnit closes doors in Tampa

[NORTH SUNCOAST Edition]

St. Petersburg Times - St. Petersburg, Fla.

Author: JEFF TESTERMAN

Date: Apr 28, 1993

Start Page: 6.B

Section: TAMPA BAY AND STATE

Text Word Count: 863

Document Text

The CareUnit of Tampa has closed abruptly, the last of five drug and alcohol treatment centers owned by Comprehensive Care Corp. in Florida to shut its doors.

Company officials blamed last month's closing on increased competition in the behavioral health field and cutbacks in insurance reimbursements. But they also acknowledged that lawsuits and a recent kickback scandal left Comp Care with a damaged public image.

The CareUnit of Tampa notified the Florida Department of Health and Rehabilitative Services in a letter dated March 4 that it would close at 5 p.m. the same day.

A second Tampa Bay area residential treatment center closed last weekend. Straight Inc. blamed the closing of its drug treatment facility for adolescents in St. Petersburg on "the depressed economy and lack of financial resources of any families."

Comp Care decided to close free-standing facilities in Tampa, Coral Springs, Sacramento, Calif., Albuquerque, N.M., and Newport Beach, Calif., "because they were losing money, and we didn't see opportunity for great recovery there," said Fred Follmer, the company's chief financial officer.

"With the closing of our last centers in Florida and with the closing of Straight, obviously the insurance companies are clamping down harder on what they'll pay there," Follmer said. "It remains to be seen what effect that will have on the communities."

An HRS official praised the Tampa CareUnit as "a beautiful facility" but said it closed "fairly suddenly."

"Their administrator approached us some time ago and wanted to do business with the state," said Mark Englehardt, HRS program director for alcohol, drug abuse and mental health in Hillsborough County. "But we had commitments elsewhere and we couldn't afford their rates anyway."

State records show that adult inpatients were charged \$465 a day for detoxification services. When the center admitted its first patients in the summer of 1988, administrators said treatment typically cost \$10,000 for a 30-day stay, with about 80 percent of the tab covered by private insurance.

HRS officials said the remaining patients at the 62-bed facility were transferred elsewhere March 4.

Comp Care officials said they were unaware of any connection between the closing of the Care-Unit in Tampa and a scandal involving an indicted Georgia state official who reportedly made referrals to it.

Billy Tyson, former chief of the employee assistance program for the Georgia Department of Corrections, was charged last year with bribery, theft and racketeering. He was accused of accepting more than \$100,000 in kickbacks for referring state employees with drug or alcohol problems to the CareUnit of Aurora, Colo., outside Denver.

Also indicted by the Tattall County, Ga., grand jury was Thomas Palmer, the former administrator of the Aurora CareUnit who is accused of paying Tyson bribes. Tyson and Palmer are expected to go to trial some time in July.

A Tattall County prosecutor said Tuesday that Tyson apparently referred patients to CareUnits in Florida, but that those referrals were outside the scope of the Georgia criminal case.

"We're aware that Tyson was involved with the CareUnit in Jacksonville and in Tampa, but we're not sure to what extent," Assistant District Attorney Steve Archer said.

Follmer said the scandal caused the patient population at the Aurora CareUnit to go "down the tubes," but said he had no knowledge of any dealings between Tyson and any Florida CareUnits.

"What Thomas Palmer did, he did on his own," Follmer said. "The company wasn't indicted."

Comp Care was once regarded as a trendsetter in the residential treatment center field. The St. Louis-based company capitalized on the growing numbers of insured patients who began to seek inpatient care for drug or alcohol dependency during the 1980s.

By 1985, Comp Care's revenues soared to \$160-million, and profits hit \$17.2-million. In 1987, Comp Care operated 25 treatment centers across the country.

But that turned out to be the company's high-water mark. Comp Care reported that its market share fell from 27 percent to 11 percent in 1988. In the last fiscal year the company reported a \$4.56-million loss.

The closing of the CareUnit at 12220 Bruce B. Downs Blvd. in Tampa leaves the company with just six treatment centers.

"The payors are now disallowing a lot of inpatient treatment and going to partial hospitalization or outpatient treatment," Follmer said. "With all the competition on managed care plans now, we're not getting very favorable reimbursement on many of our contracts."

The company also has been hurt by bad publicity. Two former administrators allege in lawsuits that budget cuts at one California treatment center resulted in a lack of supervision that led to a drug overdose death of one patient and to the rape of another.

That facility has been sold.

The CareUnit in Tampa has been accused of negligence that resulted in an employee with questionable credentials engaging in sexual relations with a female patient there.

Filed late last year by a woman listed only as "Jane Doe," the suit alleges that the employee induced the patient to have sex, and that the company should have investigated the counselor's background more fully before employing him.

Comp Care officials say the alleged acts were outside the scope of the CareUnit's employment and that they were not negligent in hiring him.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.

Abstract (Document Summary)

The CareUnit of Tampa has closed abruptly, the last of five drug and alcohol treatment centers owned by Comprehensive Care Corp. in Florida to shut its doors.

The CareUnit of Tampa notified the Florida Department of Health and Rehabilitative Services in a letter dated March 4 that it would close at 5 p.m. the same day.

Comp Care decided to close free-standing facilities in Tampa, Coral Springs, Sacramento, Calif., Albuquerque, N.M., and Newport Beach, Calif., "because they were losing money, and we didn't see opportunity for great recovery there," said Fred Follmer, the company's chief financial officer.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.

COMPANY NOTES Series: COMPANY NOTES

[CITY Edition]

St. Petersburg Times - St. Petersburg, Fla.

Date: Aug 23, 1993

Start Page: 16

Section: BUSINESS

Text Word Count: 255

Document Text

CONSTRUCTION

Itasca Construction Associates, 1911 U.S. 301 N, Suite 150, Tampa, has completed a 4,700-square-foot project on new office space for SouthTrust Bank in St. Petersburg. HOTEL

Clearwater Parks and Recreation Department has presented its 1993 Annual Appreciation Award to JP Hotels, owner of the Holiday Inn Surfside on Clearwater Beach and four other Pinellas County Holiday Inns. The award, presented each July in honor of National Recreation and Parks Month, recognizes JP's financial support to events including the Clearwater Fun 'N Sun Festival, U.S. Military Band Concerts at Coachman Park, Clearwater Celebrates America, Florida Recreation and Parks Association district activities, and several sponsorships and youth activities. MARKETING Wehr Constructors Inc., 4322 El Prado Blvd., Tampa, has selected Design 2 Inc. of Tampa to provide design and communications support for the firm's marketing and business development efforts. REAL ESTATE O'Callaghan Realty, 7116 Central Ave., St. Petersburg, announced it has completed the transaction between the Pinellas Park Wesleyan Church and Straight Foundation Inc. for the sale of two buildings, totaling 21,440 square feet on 6.02 acres. The church purchased the former site of Straight Inc. at 3001 Gandy Blvd., St. Petersburg, in late July. SECRETARIAL Professional Secretarial Services has opened at 13825 U.S. 19, Suite 404-B, Hudson. Services include lien and permit application filing, payroll processing and tax preparation. News of Florida companies may be sent to Piper Jones, Business News Department, the Times, P.O. Box 1121, St. Petersburg, FL 33731. Photos may be sent, but not all will be used, and they cannot be returned.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.