

10 things rehab centers won't tell you

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May 16, 2014, 2:07 p.m. EDT

Look out for pricey programs, unorthodox therapies and lackluster success rates

By **Charles Passy**, MarketWatch



Gary Locke

1. We're not always that effective.

Amy Winehouse sang about it in a Top 10 hit. Celebrities have embraced it as almost a rite of passage. And one former First Lady made it a key part of her legacy. We're talking rehab, as in the process of undergoing extensive — and sometimes costly — treatment for substance

abuse, often in an inpatient setting.

Roughly 23 million Americans are addicted to alcohol or drugs, according to the Substance Abuse and Mental Health Services Administration (SAMHSA), a federal agency. And while SAMHSA says only 2.5 million Americans are undergoing treatment, that's already enough to support a **sizable industry**, with more than 14,500 facilities for drug addiction alone, according to the National Institute on Drug Abuse. In all, rehab clinics are about a \$19 billion business, according to market researcher IBISWorld, including inpatient, outpatient and mental-health facilities. And with the Affordable Care Act (aka Obamacare) expanding coverage for addiction services, the industry could be poised for significant growth in the coming years.

But regardless of the many testimonials — Betty Ford, the First Lady who famously went on to help found the Betty Ford Center, an addiction facility in California, said “I know firsthand that treatment does work” — rehab doesn't always work in the long term. The National Institute on Drug Abuse **estimates the relapse rate** among drug addicts to be 40% to 60%. Some addiction experts say rehab centers are partly to blame. In her 2013 book “Inside Rehab,” Anne M. Fletcher, an award-winning health and medical writer who's devoted several years to researching treatment for substance abuse, paints a picture of an industry that relies too much on one-size-fits-all methods and that often employs a workforce that's less than up to the job. “There's a great deal of inconsistency in the quality of care provided across programs,” Fletcher writes.

But there's also the simple fact that addiction is a tough thing to treat because it's a lifelong problem, addiction experts say. At best, they note, rehab is a first-step solution, not a cure. “No treatment center will say, ‘I'm going to get you sober and you'll stay sober' for life,” says Kristina Wandzilak, founder and chief executive of Full Circle Intervention, a San Francisco-based treatment service.

Consider the case of the Oscar-winning actor Philip Seymour Hoffman, who entered rehab for drug addiction in his early 20s. “You get panicked...and I got panicked for my life,” Hoffman told CBS' “60 Minutes” of his decision to seek treatment. Hoffman's recovery proved not to be permanent: He died of a **drug overdose** earlier this year.

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2. Our success rates may mean little.

The statistics about relapse notwithstanding, rehab centers often tout their effectiveness – and say they have the numbers to back up their claims. Many quote success rates of 70% or higher. But those claims depend on how “success” is defined. In some cases, the figure may only refer to the completion rate – that is, the percentage of people who finish the program. Or it could mean a relatively short period of post-program sobriety – say, a year after completing treatment. And any post-program figure may be questionable since it could be a self-reported one (in other words, it’s a number that’s only as good as an addict’s word). The bottom line, says Dr. Akikur Mohammad, a psychiatrist who teaches addiction medicine at the [University of Southern California](#), is that any success rate that sounds too good to be true probably is. The programs play with numbers to “get some patients, to get some money,” he says.

Still, some programs stand by their figures. Cliffside Malibu, a high-end treatment center in California, reports a 70% success rate – based on one-year of post-program sobriety. And while program founder and Chief Executive Richard Taite allows that “people can make all sorts of outlandish claims” in the industry, he notes that Cliffside does extensive monitoring to make sure its rate is accurate. “I have a full-time research fellow on staff,” he says.

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3. A pricier program is not necessarily a better program.

These days, it seems hardly a week goes by without a report of a celebrity checking into one of those spa-like rehab centers — where a month of treatment can easily run in the mid-to-high five figures and where the amenities follow suit. Cliffside Malibu, for example, touts its “private and secluded” setting, with “oceanside views and exclusive access to exciting outdoor undertakings like horseback riding, surfing and hiking.” The program’s cost? Up to \$78,000 a month for a private room. By contrast, non-luxury rehab clinics can charge as little as \$7,500 per month — or about a tenth of Cliffside’s price — [according to Rehabs.com](#).

But the more expensive programs don’t always yield better results. For starters, experts say that it all depends on the quality and experience of the rehab center’s counselors, and that many lower-cost programs, particularly those that rely on public funding, have just as high a standard (if not higher) for their staff. Additionally, the pricier the program, the less incentivized it may be to push an addict into grappling with the issues at hand, says Dr. David M. Reiss, a psychiatrist who serves as a consultant to treatment centers. “They may not be willing to confront people as much if that means losing a lot of money” because of clients leaving the program, he says.

Taite of Cliffside Malibu counters that there’s almost nothing he won’t do to guarantee a client’s safety and long-term sobriety, be it working on a legal solution to separate a client from an abusive partner or seeing that the pool is heated a degree or two higher to encourage a client to start a much-needed exercise program. And while the amenities might seem over the top, Taite says they make addicts feel comfortable with the idea of rehab, which is never otherwise a given. “They walk in and say, ‘Okay, I can hang out here.’”

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4. Our staff may not be all that well-schooled.

Treatment counselors may be crucial to a rehab program's success, but that doesn't mean they necessarily have an advanced degree. In fact, [a 2012 report](#) from the National Center on Addiction and Substance Abuse at [Columbia University](#) found that only one state required providers of addiction treatment to have a master's degree; by contrast, 14 states did not require any licensing or certification for such counselors and 14 states required only a high school diploma or GED to obtain the proper credentials.

There are “no clearly delineated, consistent and regulated national standards” in the industry, said a report summary. Expanding on the findings, Fletcher, author of “Inside Rehab,” writes that “although there's been a movement to professionalize treatment, much counseling still is provided by minimally trained addiction survivors-turned-counselors whose own rehabilitation forms much of the basis for their expertise.” And while Fletcher doesn't discount the role that such counselors can play, she goes on to say that treating substance abuse is extremely complex. It may sometimes require a professional with training in mental illness, Fletcher argues, since the majority of addicts have “at least one other mental disorder such as depression, anxiety or bipolar disorder.”

Of course, treatment centers can — and often do — go beyond the state requirement when it comes to hiring counselors. “We use it as a minimum and always strive to exceed that,” says Debby Taylor, senior vice president and regional director of Phoenix House, a nonprofit organization that runs treatment centers throughout the country. Additionally, Taylor says, it's important to note that not all positions within a rehab require the knowledge that comes with an advanced degree. By way of analogy, she points to the types of professionals employed by a hospital, from doctors to nurses to nurses' aides. “It's apples to oranges to grapes,” she says.

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5. We'll invade your neighborhood.

Many treatment centers choose to base themselves in residential areas — often to the dismay of locals. In recent years, clashes between community activists and rehab center operators have arisen everywhere from Brooklyn, N.Y., and Port St. Lucie, Fl., to Malibu, Calif. The complaints among locals are fairly familiar. To quote a report from the U.S. Department of Health and Human Services: “Residents may fear that property values will decline, and merchants may be concerned that crime will increase.”

Rehab operators counter that they take pains to work with locals and the facilities can be a positive because they bring extra eyes to the community. “It’s almost like a 24-7 neighborhood watch. We have staff who are awake all the time,” says Taylor of Phoenix House. And a 2012 study from the [University of Maryland](#) School of Medicine bolsters Taylor’s argument: It looked at crime rates in areas with and without methadone clinics — one of the most common types of treatment facilities — and didn’t find that the presence of a clinic had an effect.

Either way, addiction experts say there’s a reason why treatment centers are in residential communities — namely, the sober settings help in terms of acclimating addicts to the real world as part of their recovery process. Addicts “have to learn to deal with people who aren’t fellow addicts,” says psychiatrist David M. Reiss.

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6. We may be running a scam.

Rehab center or scam operator? In some instances, it may be hard to tell the difference. Consider the situation in California, where numerous publicly funded treatment centers were found to be engaging in questionable practices, as [uncovered in the recent](#) “Rehab Racket” series, conducted by the Center for Investigative Reporting and CNN. To quote from a summation of the series: “Clinics bused in teens from foster care homes who didn’t have addictions...They conjured up “ghost clients” by fabricating signatures and therapy notes. They billed for counseling held at times when counselors were not working.” The series also estimated that \$94 million in federal and state funding was paid out in the past two fiscal years to clinics that have engaged in such deception.

The California government took notice of the project, suspending operations at more than 235 clinic locations. Additionally, the state’s Department of Justice is considering “potential criminal prosecution,” according to CNN.

Of course, the possibility of fraud isn’t confined to California. Over the years, rehab clinics everywhere from New York to Massachusetts to Florida have come under fire for potentially fraudulent practices. Perhaps one of the most unusual cases involved a now-shuttered clinic in Boca Raton, Fla., that received public funding to provide group therapy and teach “adult living skills.” In some cases, that meant showing patients the latest movies, according to a lawsuit filed by the U.S. attorney’s office. (The government prevailed, winning a \$7.7 million settlement.)

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7. Some of our therapies aren’t exactly scientific.

Many rehab centers tout non-traditional treatment methods, from equine therapy to yoga to Reiki (a Japanese approach to stress reduction that involves laying on hands to improve people's "life force energy"). Perhaps the most popular of these is acupuncture, which is offered at several hundred clinics in the United States and Europe, according to the 2012 report from the National Center on Addiction and Substance Abuse at [Columbia University](#). The idea behind many of these alternative approaches is that to heal the body mentally, you have to begin by healing it physically. In other words, the "programs help treat the entire being," as Recovery.org, an addiction resource site, describes it.

But those who track the rehab industry say there's not a strong body of research to support the claims of many alternative therapies and that evidence is often anecdotal at best. Even worse, experts say, alternative therapies are sometimes offered as a way to help centers gain a marketing edge. "There's always a fad of the moment" in the rehab industry, says Jay Levin, editor-in-chief of TheFix.com, an addiction and recovery site.

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8. Be prepared to get in line for services.

The good news for those who couldn't afford addiction treatment — or found it wasn't covered under their insurance plan: the Affordable Care Act mandates that "all health insurance sold on Health Insurance Exchanges or provided by Medicaid to certain newly eligible adults... must include services for substance use disorders," as per the Office of National Drug Control Policy. (The ACA also has provisions that could make coverage of addiction treatment more readily available to those in other insurance plans, such as employer-based ones.)

The bad news: the expansion of coverage may put a crush on the treatment system — to the

point that addicts may have to wait for services.

At least that's what some in the rehab industry fear, especially given the huge numbers involved. (The U.S. Department of Health and Human Services estimates that the ACA "will provide access to coverage for an estimated 32 million Americans who are now uninsured.") And that's on top of the fact some states already find themselves overburdened when it comes to keeping up with the demand for publicly financed services for mental health or addiction treatment. One recent news report noted that there's at least a three-month wait to see a psychiatrist through Delaware's system, for example.

Then again, even if states and facilities can keep up with the demand, the level of treatment may be compromised in order to ensure that everyone is seen, some in the industry warn. "The care these people are going to get isn't really care at all," says Richard Taite of Cliffside Malibu.

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9. Private equity's gain could be a patient's loss.

Given what some rehab centers charge (and given the potential for more patients to enter the system in the coming years), it's perhaps inevitable that investors would take notice of the industry. Most notably, the private-equity firm of Bain Capital (aka Mitt Romney's old company) purchased CRC Health Group, which runs treatment centers throughout the country, for \$723 million in 2006; since then, Bain has been growing its investment by adding more clinics to CRC's roster (the current number stands at 140-plus).

Some in the industry fear such developments could compromise treatment, since investors are always looking to trim costs. Issues involving possible lapses in [patient care](#) have already

been raised. For example, the suicide of a patient at the CRC Health Group-run Sierra Tucson clinic has prompted an investigation by the Arizona Department of Health Services regarding oversight at the facility.

That said, others who track the rehab world believe there's a positive to outside investment in that it could translate into well-financed centers pumping money into newer – and perhaps better – forms of treatment. (After all, if a center can gain an edge over the competition, it may ultimately attract more patients.) Rehab facilities “will be more open to seeing how they can be more effective,” says Levin, editor-in-chief of TheFix.com.

As for the situation involving the suicide at Sierra Tucson and questions about patient oversight, Sierra Tucson Executive Director Stephen P. Fahey says, “We are taking the situation extremely seriously and are reviewing what happened to see if we can make improvements that might enhance the quality of patient care.” Additionally, Sierra Tucson clinical advisor Deni Carise a facility that's part of a large national network – like CRC Health – has certain advantages. “We have multiple areas of expertise” and “programs with various specialties,” she says.

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10. You may be better off at home.

The month-or-longer stint in rehab may be the classic treatment model, but it's far from the only option. And depending on a patient's needs and situation, it may not even be the best, according to many in the field. In fact, some studies have shown that success rates – in terms of maintaining sobriety – are just as high for outpatient programs (which are often much more affordable) as inpatient ones. On top of that, Fletcher, author of “Inside Rehab,” raises

the notion that some addicts may also do just as well with one-on-one counseling or self-help programs. Or to quote a subheading in one of the chapters of her book: “Does (begin ital.) anyone (end ital.) need residential rehab?”

The short answer is yes, especially in cases where medical issues may also arise, say rehab experts. For example, detoxification can be dangerous to manage in an outpatient environment, says psychiatrist Reiss. And inpatient rehab affords addicts a valuable, if not lifesaving chance to retreat from their everyday drug or alcohol-filled world, says Fletcher. “It’s hard for me to imagine some of the (patients) I met ‘making it’” in a “program that allowed them to go home at night,” she writes.

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