The Department of Justice announced on April 16 that CRC Health Group has agreed to pay $9.25 million to the federal government and the state of Tennessee to settle allegations that it submitted false claims by providing substandard treatment to Medicaid patients at its facility in Burns, Tennessee. "Medicaid patients who enter residential treatment programs for alcohol and drug addiction deserve to have treatment provided by qualified personnel according to the appropriate standard of care," said Assistant Attorney General for the Justice Department’s Civil Division Stuart F. Delery. “We will not tolerate health care providers who prioritize profit margins over the needs of their patients.” The Burns facility, called New Life Lodge, was purchased by CRC in 2006. According to the government, between 2006 and 2012, New Life Lodge billed the Tennessee Medicaid program (TennCare) for treatment that was not provided or was provided by therapists who were not licensed by Tennessee.

“Substance abuse of varying levels is rampant here and across the country,” said U.S. Attorney for the Middle District of Tennessee David Rivera. “Fortunately, when needed, Medicaid or TennCare covers substance abuse treatment and certain mental health assistance. When those services are required, the government will ensure that the treatment is provided with the highest possible quality of care to those patients. Anything less is unacceptable.”

The allegations that led to the settlement came from Angie Cederoth, previously employed by New Life Lodge, under the whistleblower protections of the False Claims Act. Cederoth will receive $1.5 million from the settlement, according to the government, between 2006 and 2012, New Life Lodge was purchased by CRC in 2006. According to the government, between 2006 and 2012, New Life Lodge billed the Tennessee Medicaid program (TennCare) for treatment that was not provided or was provided by therapists who were not licensed by Tennessee.

“Nothing in this suit is related to the care of patients who have received care” since 2012, according to a statement provided to ADAW by the CRC counsel’s office. “As part of the settlement,...

CRC responds

“Nothing in this suit is related to the care of patients who have received care” since 2012, according to a statement provided to ADAW by the CRC counsel’s office. “As part of the settlement, all parties agreed that allegations in the lawsuit have been neither proven nor disproven. We dispute the validity of the allegations in the lawsuit, but to avoid the distraction that a protracted legal process would provide, we have agreed to settle this suit.”

CRC “cooperated fully with the government's investigation” and is “pleased” that the investigation is over. “Our priority, today and always, is to provide superior, compassionate treatment to our patients suffering from the chronic disease of addiction.... People seeking treatment for addiction, their families and the professionals who refer patients to us can feel confident that the treatment at New Life Lodge includes the clinical practices that science tells us lead to the best outcomes.”

CRC resolves Medicaid fraud allegations with $9.2 million sum

New Life Lodge no longer accepts Medicaid.

“Providers of health care services must not place profits above patients,” said Derrick L. Jackson, special agent in charge of the U.S. Department of Health and Human Services’ Office of Inspector General in Atlanta. “This was a vulnerable population of individuals who were seeking treatment for their substance abuse problems. We will pursue these cases in order to ensure proper treatment is afforded to those seeking treatment.”

CRC responds

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Briefly Noted

Study recommends ‘mindfulness therapy’ to prevent relapse

A new study found that “mindfulness-based relapse prevention” is as effective as cognitive behavioral therapy for continuing care following treatment for substance use disorders, but that the effects of mindfulness therapy are more enduring than those of CBT. The study, published online March 19 in JAMA Psychiatry, found that mindfulness therapy incorporates many of the tools in CBT, including helping patients identify and avoid triggers. But it goes beyond that, including teaching patients how to be aware of their own emotional or physical states that could lead to relapse, according to lead author Sarah Bowen, Ph.D., an assistant professor of psychiatry and behavioral sciences at the University of Washington. Mindfulness training can also help patients determine what may be driving their craving, such as a need for comfort. For the study, 286 people who have completed treatment...