



## Glare of psychiatric-care review falls on Cedar Springs hospital/ Care of military dependents, retirees examined

*Genevieve Anton; Gazette Telegraph*

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Case files and other records of a Colorado Springs psychiatric hospital are being reviewed as part of a new, sweeping Department of Defense investigation of the quality and skyrocketing cost of mental health services for military dependents and retirees.

Cedar Springs, A Psychiatric Hospital is among the first 11 facilities nationwide to be checked, said Brian Rubin, chief of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), which is headquartered in Denver.

"It doesn't mean these facilities are bad providers, just that we need to know more about what's going on," Rubin said.

CHAMPUS and the military will not release details of any findings until Cedar Springs, or any other hospital being investigated, has been notified of the investigation and given a chance to respond. CHAMPUS oversees the health insurance plan for retirees, their families and dependents of active-duty personnel.

When asked about the probe, Bob Howell, director at Cedar Springs, said, "It's news to me. We certainly have not been informed of it."

In all, 74 hospitals have been selected for further review based on random surveys of individual cases.

The issue is of particular interest in the Colorado Springs area, home to more than 95,000 CHAMPUS patients, or 63 percent of all those covered in Colorado. Records show that 32 percent of CHAMPUS claims filed in the state are for mental health care - the third-highest rate in the country, behind Texas and Washington, D.C.

Last year alone, the federal government sent 584 military family members and retirees from this area to psychiatric hospitals and residential child-care facilities at a cost of more than \$7.3 million.

Most of that money goes to Cedar Springs. During the past 1 1/2 years, the 100-bed hospital has billed CHAMPUS for \$4.4 million, far more than any other psychiatric center in Colorado.

That may be why the military is taking a closer look at the hospital, said Don Farris, a spokesman for Health Care International, a private chain that owns Cedar Springs. He said Cedar Springs has a good relationship with the military and he is not aware of any "irregularities or improprieties" at the hospital.

"I cannot imagine what problems they are looking for," Farris said. "I can tell you I feel very confident about the hospital, and in regard to any investigation I have no concern at all."

Congressional testimony shocks the Pentagon

The military's investigations stem from an independent study in 1990. A private contractor studied more than 500 psychiatric cases from at least 100 hospitals - most involving teens and young children from military families. Military officials would not say whether any of those cases involved Cedar Springs.

The results, presented to Congress on April 28, showed that one-third of the patients never should have been admitted or were kept longer than necessary. In 62 percent of the cases, medical care didn't meet the military's standards.

Even the military was astonished by those figures, Rubin said. That's when CHAMPUS decided to do a more thorough review of specific facilities although the agency would not disclose the criteria used to select them.

The investigations, which are being conducted by Health Management Strategies of Alexandria, Va., involve a review of case files and hospital records. There have been no on-site inspections yet. What the company now has is raw data without any analysis or response from the hospitals, which is why no reports are being released, a spokesman said.

The Defense Department was scheduled to meet last week to review the findings, Rubin said, and should be notifying hospitals involved within a month.

Until then, all that has been publicly released about the military's findings came out at a hearing last month before the House Committee on Children, Youth and Families. Although the Defense Department's report did not mention specific hospitals or chains, members of the panel and witnesses gave details of alleged fraud or abuse.

The testimony described as widespread the practice of changing diagnoses to fit insurance coverage or declaring patients "cured" on the day their insurance ran out. Investigators told of cases involving unqualified staff providing therapy, excessive use of restraints or medication, and adolescents being admitted for social, not psychological problems.

"A lot of these kids didn't need to be locked up - their medical records listed conditions like conduct disorder, attitude adjustment and various ranges of depression," said a subcommittee staffer who organized the hearings. "We found these children were no better when they got out, and in some cases were scarred for life."

Rep. Pat Schroeder, D-Colo., who chairs the subcommittee, said CHAMPUS, which provides medical insurance to 6 million military dependents and retirees nationwide, is an easy mark for overzealous psychiatric programs.

It allows longer stays and costs patients less than most private insurance plans. And CHAMPUS oversight has been lax: The last audit of the program was more than 13 years ago. "Nobody was watching the store, much less protecting the children," Schroeder said.

From fiscal years 1986 to 1989, a time of aggressive growth for psychiatric services, the cost of mental health care to CHAMPUS grew by 126 percent to \$613 million. It was those rising costs that prompted Congress to ask the military to exert some control over psychiatric care.

"This big business of treating young minds has not policed itself and has no incentive to put a stop to the kinds of fraudulent and unethical practices that are going on," Schroeder said. "Psychiatrists are being pressured by the hospitals to alter their diagnoses to increase profit, and military dependents are being targeted for their generous mental-health benefits."

Military takes close look at residential centers

The military has also been taking a close look at residential treatment centers, many of which are run by psychiatric hospitals.

The treatment centers are for children or adolescents who are not considered a danger to themselves or others. Although psychiatric help is available, patients are not locked up and have fewer restrictions than at acute-care hospitals. Costs are lower, but patients tend to stay longer.

CHAMPUS hired a private contractor in 1991 to review the admissions policies and level of care at 137 such centers that serve military patients. Based on records, interviews and on-site visits, 26 facilities were removed from the list of approved mental-health providers.

The only treatment centers approved by CHAMPUS in Colorado are in Colorado Springs. All three - Mountain View Place, Cheyenne Mesa and Brockhurst Ranch Extended Care Program - were asked to make changes if they wanted to keep doing business with CHAMPUS.

The military would not release details of its reviews. But CHAMPUS Director Rubin said, "as a rule, we have come across problems with untrained staffs, failure to meet CHAMPUS qualifications, and treatment plans involving the use of unnecessary seclusion or restraint with children. Those are pretty common themes."

However, local centers say their reviews were generally positive, and they are taking steps to make any changes recommended. Cheyenne Mesa, a 22-bed facility owned by Century Health Care Corp. and a subsidiary of Pikes Peak Mental Health, is the most heavily dependent on the military of the three centers. An estimated 90 percent of its patients are covered by CHAMPUS; last year alone, it received \$1.7 million from the military.

Spokesman Michael Forgy said that after an inspection in July 1990, CHAMPUS told Cheyenne Mesa it didn't meet what he calls "newly developed standards."

CHAMPUS wanted more highly qualified medical staff and other adjustments that Forgy described only as "extremely expensive changes." He called the request "quite discouraging" but said Cheyenne Mesa had no choice but to comply because of its dependence on military business.

Brockhurst Ranch Extended Care Program, which is run by Penrose Hospital, began taking CHAMPUS patients in December 1990. Officials said the investigators who came in January were complimentary but asked for staffing changes. As a result, Brockhurst has upgraded its nursing staff, increased its psychiatrist hours and hired a recreational therapist.

Mountain View Place, which is owned by Cedar Springs, billed CHAMPUS \$432,700 in 1990. Officials there said the military was primarily concerned with "procedural" issues, not quality of care, and a corrective plan has been submitted to CHAMPUS. They would give no details of the changes.

Reviews of care programs stop costs' upward spiral

As a result of ongoing reviews and cancellation of contracts with some mental health programs, CHAMPUS psychiatric costs have leveled off during the past two years. There are now stricter limits on stays and more oversight of admissions.

"The Defense Department has woken up to the fact it has a significant problem here," said David Baine, director of the General Accounting Office, a congressional investigative agency that reviewed the military's findings. "Now they need to do something about it, and I think they are."

The military isn't the only one taking a closer look at the mental health care industry. Schroeder said the Justice Department has recently set up a special unit - including the FBI - to investigate and prosecute health frauds against the federal government, including CHAMPUS.

Schroeder said Congress is not opposed to paying benefits to those who genuinely need psychiatric care. But, she added, it will not tolerate "a systematic plan to bilk patients of their hard-earned dollars, strip them of their dignity and leave them worse off than they were before they went for help."

#### THE ALLEGATIONS

In testimony before the House Committee on Children, Youth and Families on April 28, former hospital employees, state officials and medical experts gave details of abuses at unnamed psychiatric hospitals and residential child-care facilities nationwide. Among their allegations:

**SOME FACILITIES** paid rewards to outsiders - including social workers, ministers, school counselors and probation officers - who referred patients with insurance. In some cases, the hospitals secretly paid group health premiums to attract business.

**MEDICAL DIAGNOSES** often are changed to fit insurance coverage: Patients who still have insurance left are kept against their will, those who exhaust their benefits are declared cured.

**IN SAN DIEGO**, a 16-year-old whose father was involved in Operation Desert Storm was taken out of school and rushed to a psychiatric hospital. The reason: He was withdrawn and wrote a depressing poem about the war.

**ONE TEXAS HOSPITAL** is said to have used a "rage reduction therapy" that involved pinning teens to the ground and beating them in the ribs.

**A CALIFORNIA** residential treatment center is under investigation after a suicidal 13-year-old girl hanged herself while a counselor was talking in the hall. Only one staff member had proper medical certification, and many child-care workers had

only high-school degrees.

AT SOME ADOLESCENT treatment centers, patients have been handcuffed, sedated with medication, put in body bags, isolated for days or strip-searched without justification.

QUOTES

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@CUTLINE: Tim Kimmell/Gazette Telegraph - Cedar Springs in Colorado Springs is among the first 11 psychiatric facilities nationwide to be checked by the Department of Defense.