

About

PATIENT BROKERING



TEXAS COALITION FOR
HEALTHY MINDS

WHAT IS PATIENT BROKERING?

Patient brokering is the illegal exchange of something of value for a patient referral. This practice is also known as receiving kickbacks, body brokering, or patient trafficking. Individuals with sufficient insurance coverage may be offered an inducement (e.g., cash, gifts or “fee forgiveness”) to participate in fraudulent activity. “Fee forgiveness” waives the individual’s deductible, copays, and coinsurance.

An example of this practice could look like a treatment facility offering compensation to a recovery home for referrals if a resident

relapses or wants additional services. Another is incentivizing an active client to relapse to increase medical acuity needed to obtain further insurance authorization by offering the client inducements in the form of cash, gifts, or fee forgiveness (foregoing deductibles, copays, or coinsurance). The payment may be funded by overcharging insurance companies for urine drug screening or other services. Unfortunately, a few bad actors can create distrust and disrupt the service system that provides critical resources individuals require to stabilize and recover from their substance use disorder.

WHY DOES THIS MATTER TO TEXANS?

When someone is seeking care, they may be at their most vulnerable; individuals often overcome significant barriers and challenges to obtain services. Patient brokers exploit these individuals. Further, while these practices cause harm and damage to individuals and their families, patient brokering causes financial strain to the state’s healthcare system.

**THIS ISSUE IS
PREVALENT
IN TEXAS.**

*In the last
five years...*

Aetna, Blue Cross Blue Shield, and United Healthcare sued Texas-based Sun Clinical Laboratories and Mission Toxicology for more than

\$153 MILLION

in “fee forgiveness” schemes, illegal kickbacks and fraudulent billing. As Texas grapples with the ongoing substance use and overdose epidemic, connecting individuals to appropriate services is imperative. Texas must ensure that resources are allocated to providers and services that are not inundated with fraud, waste, harm, or exploitation.

OUR SOLUTIONS & RECOMMENDATIONS

Addressing patient brokering is not only essential in protecting individuals, but also preventing bad actors from exploiting the system in Texas. The state can follow the precedent set by other states such as Florida and Arizona, and address gaps not currently covered through federal or current state law. Texas can achieve this by:



Updating and strengthening current Texas' ethical marketing practices and patient solicitation laws



Implementing and incentivizing voluntary recovery housing accreditation linked to nationally recognized standards

(as outlined by the Texas HHS Housing Choice Plan and the Substance Abuse Mental Health Services Administration Best Practice Guidelines)



Creating a task force and recovery community liaisons
(similar to Florida's)

REFERENCES

National Council on Behavioral Health
Building Recovery: State Policy Guide for Supporting Recovery Housing | 2018

RecoveryPeople.
Patient Brokers Exploiting Texans | 2020

Texas Health and Human Services
Housing Choice Plan | 2022

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