Date: February 4, 2019

Title: **Recent Evolution of U.S. Healthcare Policy and its Role in Human Rights Violations in the United Kingdom**

Attn: **The Parliament of the United Kingdom**
Joint Committee on Human Rights
Chair: Harriet Harman MP
Members: Fiona Bruce MP, Karen Buck MP, Alex Burghart MP, Joanna Cherry MP, Baroness Hamwee MP, Baroness Lawrence of Clarendon, Jeremy Lefroy MP, Baroness O'Cathain, Baroness Prosser, Lord Tremble, Lord Woolf

CC: Matt Hancock MP,
U.K. Secretary of Health and Social Care

Re: **Conditions in U.K. Autism Treatment Facilities**

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Experience: *Co-founded and exited Crestview Capital Partners LLC, a buy/build asset management strategy focused on scaling and amplifying the effectiveness of quality community mental health counseling, to a premier global private equity firm. Simultaneously served as Crestview Managing Partner and CEO of its Illinois-based operations, leading over 50 direct-care and administrative staff (2014-2017); Served as Partner and Director of Operations of C4 Peak Consulting Partners Inc., a behavioral health management consulting firm (2013-2017); Served as Director of Admissions and Business Development of Prescott House, Inc., a provider of extended-behavioral health care to males over 18, open since 1988 (2011-2013).*

Author's Disclosure(s): I received no financial compensation for the composition of this report, and have no financial benefit, no business relationships with, nor any conflicts to disclose surrounding any of the parties or companies listed in this report. In terms of facts offered, I attest to the integrity and validity of this information. Other information, including some opinions, are predicated on my beliefs, based on my expertise in the sector and in-depth research on the subject. Some information contained in the section(s) entitled *"The Time Correlation," "The Marxist-Smith System and Brexit,"* and other areas of this report are well-informed opinions, albeit of a speculative nature. Some of these opinions are echoed in the recommendations. This report comes in response to a request of the committee regarding information sought surrounding conditions in autism treatment centers and ATUs in the United Kingdom. My colleague, Katie Mikles, and I were present at the committee hearings held regarding this issue in London on December 12, 2018.

Executive Summary

The information herein stems from an investigation of alleged abuse and neglect of patients at U.S.-based debt-ridden healthcare companies in the U.S. and the U.K. This report addresses the need expressed by the Parliamentary Joint Committee on Human Rights regarding information pertinent to the conditions in autism treatment centers (ATUs) in the United Kingdom.

This report expresses the opinion these human rights violations in the United Kingdom have transversed from rare, isolated incidents into a tremendous amount of extended stays in environments where management also seeks to reduce costs to a minimum. The bulk of these extreme cases have persisted for two to three years now. This dates back to roughly the point in which Brexit was born *and,* most notably, is simultaneous to when many U.S.-based providers entered the U.K. market.

Two pieces of legislation, no regulation, an American 'profit party,' and the sudden realization it was over, domestically-speaking, led them across the pond. This is much like a virus would invade an explorer's ship in a new land 300 years ago. Only then did the locals adapt the practice that had become, in recent years, commonplace in America: warehousing people for money.

This report supports the shift toward increased community-based care availability for autistic children. In addition, this report further supports increased and/or intensified scrutiny placed upon petitions for payment to treat patients remaining in care beyond 30 days, as opposed to 12 weeks. *Furthermore,* this report strongly recommends the committee promote the full prohibition of payments for mental healthcare services by the NHS (or any U.K. government entity) to U.S.-based healthcare entities.

Lethal Strategy and Violent Bipartisanship

The violation of rights and seclusion of autistic children in U.K. facilities treating autism (ATUs, et al.) is occurring. The occurrence is a result of poor U.S. regulation and free-trade avenues between the U.S. and the U.K. Isolated incidents aside, the bulk of this practice has increased in unison with the amount of money paid by the NHS to U.S.-based healthcare providers. The amount of U.S.-based operations in the U.K. spiked in 2015-2016, mostly through mergers and acquisitions. Two notable examples would be Cygnet (acquired by Universal Health Services (Nasdaq: UHS) in 2014 and The Priory Group (acquired by Acadia Healthcare Company, Inc. (Nasdaq: ACHC) in early 2016.

Differing national approaches to healthcare, substantial recent shifts in U.S. domestic healthcare policy, U.S.-U.K. foreign policy, and a diplomatic/free-trade alliance with the U.K. have all allowed a very opaque, but understandable problem to materialize. From 2014-2016, many U.S.-based healthcare companies (or their financiers) recognized the impending inability for providers or groups thereof to adequately service the debt with revenues from domestic U.S. operations alone. The U.K. is considered quite liberal and patient-centered, and as the recently ousted former head of Acadia Healthcare, Joey Jacobs, once said:

> ***In the U.K., a patient's length of stay is as long as they need to recover. It could be weeks, month or even over a year. Their health care system does not want to see a patient coming back, they want the patient doing well. With the reimbursement system we have in the U.S., oftentimes patients aren't approved to stay with us long enough to even finish treatment.***

As a corollary, America's legislatively-fragmented, partially-decentralized, vague, and ambiguous free-market healthcare system is one that sees hasty reform far too often for regulators or ombudsmen to keep

up. This, the same system that houses 91% of the globe's investment in that particular economic sector, and it's still an undeniably *broken* system.

U.S.-based providers have seen their debt costs increase due to global monetary policy as well as emerging market inflation in nations such as Turkey, for example. The U.S. has seen sharp revenue reductions in healthcare. The rising interest rates due to the inflation compounded with reduced reimbursements domestically have resulted in quality reductions and the need to seek out new revenue streams.

The natural reduction in staffing and quality has resulted in patient deaths, most notably in the area of substance abuse treatment of children, young adults, and the elderly. The most visible, however, from a media standpoint, is the seclusion and long-term lockup of autistic children in the U.K. The latter is considered less stigmatic.

Also, visibility can be afforded to the polarizing fundamentals of branding that exist in unison *and* correlation with the differences in the two governmental healthcare structures. Individually-branded care conglomerates are the norm in the U.K (e.g., Priory and Cygnet), as opposed to the U.S. Specifically, individually branded U.S. hospitals are mistaken for standalone entities. It is challenging to recognize the problem without true incentives and vast knowledge of policy or business ethics, for that matter.

In both countries, the exploitation of loopholes, as alleged, have elevated to extreme levels of audacity. Some U.K.-based companies only *followed suit and mimicked* the previously unseen opportunities for abuse of NHS payments. The primary example is this very issue that, according to the families in the hearing, costs British citizens a globally-unparalleled 15,000 GBP per week, per patient. Much of this is converted to U.S. dollars, ultimately paid central banks in the form of interest, or to the executives in the form of compensation and bonuses.

A bold sign of terminating payments for these services would serve as the end of the suffering for many lives in *both* countries. Presently, they remain jailed in constant fear, unable to escape the grip of a conundrum they (in no way) can understand. Regardless of fallout, this is the clearest and least destructive path to a different and compassionate approach. This testament comes from a core of my own experience of knowing the fear that exists when entering a facility hoping to be better, to feel better, and find hope in which to cling. For me, if confronted with anything but compassion in this setting, I would have a skewed viewpoint on the world as well as skewed concepts of hope. Then, on top of that, more emotional trauma in a setting in which studies show we must be resolving trauma, not inflicting it.

U.S. Roots

Around 45 days ago, I traveled to London with my colleague, Katie Mikles, to perform some fact finding, for articles[1] I have been writing for SeekingAlpha.com (a reputable U.S.-based edited finance journal) and Forbes™. To be specific, it was this committee's hearings to discuss conditions in facilities that treat autism and learning disorders that attracted me to London to learn more information. I was made aware of these instances while reading the articles recently penned by Ian Birrell for *The Mail on Sunday*.

My goal was to find out if these services were the life support keeping Acadia's debt serviceable. Our research has led us to believe that Acadia could be overstating their earnings and the banking sector may be artificially inflating the stock price to preserve the interest-based revenue streams from this and other

[1]Little, Penn. SeekingAlpha.com, Seeking Alpha, 13 Dec. 2018, 5:48 PM ET, https://seekingalpha.com/article/4228230-kids-cash-cows-abuses-u-k-mental-health-centers-including-acadias

private equity investments that *could* rely on Acadia's position as the only notable (size) *standalone* publicly traded provider (in terms of simply offering behavioral health services as opposed to acute mental healthcare).

Specifically, Birrell discussed the inhumane treatment and exploitation for profit of this population. They have often been locked away, netting, again, nearly $20k per week for U.S. companies, notably two public ones. The one I've published nine investigative articles about, recently, is **Acadia Healthcare Co., Inc. (Nasdaq: ACHC)**, notably, also the world's largest provider of substance abuse services. The market cap has been eviscerated by 33% since I published the findings of a 14-month investigation[2]. The day following our return home, we believe that our reporting from London on this issue, along with the previous articles, led to the ousting of their CEO, Joey Jacobs.

The *undeniable* truth is that the United States Congress' House Resolution 1124-117, the Mental Health Parity and Addiction Equity Act (rider legislation[3] to the Troubled Asset Relief Program, sometimes known as 'MHPAEA' or 'parity'), passed in 2008, served as the core commencement of this problem. *Then*, the expansion of coverage to millions of previously uninsured Americans through the passage of the Patient Protection and Affordable Care Act (commonly known in the U.S. as "Obamacare" for President Barack Obama, its signatory) exacerbated it.

The result was a $3 trillion (£2.27 trillion) health insurance industry being mandated to pay for a lifetime disease with no cost-effective, affordable solution. Moreover, the industry was so small that it was easier for private insurers (where the big money was once made) to *allow* it to be a *fully-funded* mandate with little to no regulation in a previously all-cash industry. The fraud began to thrive in this economic sub-sector in which "treatment" is very broadly defined. The tipping point came during the summer of 2015 in California when then-Attorney General-now-U.S. Senator, Kamala Harris, indicted **American Addiction Centers (NYSE: AAC)** for murder.[4]

That indictment served as the tipping point for the mental healthcare sector profit binge and has resulted in sharply declining revenues to the point that insurers *ignore* the Parity Act. Understandably, reimbursements have sharply declined since that year.

On October 12, 2017, President Donald J. Trump signed Executive Order 13813 (The Executive Order Promoting Healthcare Choice and Competition), which canceled the subsidies previously paid to predominantly-unentitled American citizens. In late 2017, congressional tax reform extracted the "individual mandate," technically a tax that had existed as part of Obamacare (determined to be a tax by Chief Justice John Roberts's ruling in *National Federation of Independent Business v. Sebelius (2012)*. The repeal of the individual mandate gave citizens the freedom to choose *if* they want insurance or not, reducing the overall number of insured Americans.

This newly-minted tax reform also resulted in a lawsuit in which the plaintiffs exploited the fact that the "tax" no longer exists, among other factors that led to a federal judge to deem Obamacare an unconstitutional law last December. It is my informed belief and understanding (based on no formal legal training), that due to its politically conservative-leaning nature, the New Orleans, Louisiana-based 5th Circuit Court of Appeals is unlikely to reverse the Texas U.S. District Court's decision. This ruling places

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[2]Little, Penn. *SeekingAlpha.com*, SeekingAlpha, 16 Nov. 2018, 8:57 AM ET, https://seekingalpha.com/article/4222788-acadia-healthcare-scary-findings-14-month-investigation

[3] U.S. Senate Definition: Informal term for a nongermane amendment to a bill or an amendment to an appropriation bill that changes the permanent law governing a program funded by the bill.

[4] Vardi, Nathan. "The Company And Corporate President Indicted For Murder." *Forbes*, Forbes Magazine, 1 Aug. 2015,www.forbes.com/sites/nathanvardi/2015/07/31/the-company-and-corporate-president-indicted-for-murder/.

the Affordable Care Act in jeopardy. It simply exacerbates factors surrounding an overall thesis of insufficient revenue to meet credit obligations obtained under the expectation of various entitlements and unrealistic long-term revenue expectations.

In the aforementioned article, I also discuss the stories of several families who lost loved ones in behavioral healthcare facilities in the United States in 2018. Brandon Nelson, aged 26, died in an Orange County, California treatment center. His family is from Santa Monica, and I visited with them at their home on December 26th, 2018. This, in response to finding an article in the *Orange County Register*, discusses how the Nelsons have connected the financial dots, noting *this* fraud *is* a "violent crime." Sadly, they are just one of many of these tragic stories suppressed by greed and enabled by stigma in both countries. California's Bay Area (a metropolitan statistical area consisting of 10 counties and roughly 8 million people) *alone* has seen 32 deaths since 2012 in behavioral health facilities.[5]

Ultimately, it is my belief that U.S. companies latched onto the NHS and other U.K. public revenue checks to secure sufficient revenue streams. This is because *many* publicly traded and investment grade healthcare companies cannot easily service debts, and soon they will not be able to at all. Only mirroring the highest quality models of care, observed globally (community-based care), compounded with family input and the termination of U.S. company funding, can allow positive change to occur.

The Major Examples

The following two U.S.-based behavioral healthcare providers have been scrutinized for alleged abusive practices in both countries. Ian Birrell categorized both into a group of providers dubbed "The Profiteers of Misery." This term was used in his November article highlighting outlandish compensatory rewards amidst the allegations on the subject in *The Mail on Sunday*.

<u>Universal Health Services (Nasdaq: UHS)</u>

According to the U.S. Securities and Exchange Commission (SEC), UHS owns/operates 134 inpatient behavioral healthcare facilities in the U.K. as well as two outpatient facilities.

- UHS is presently under investigation by the U.S. Department of Justice for various abuses of patients that include sexual assault, negligence, and wrongful death.[6]
- The company, based in Pennsylvania, is a component of the S&P 500 Index (SPY).
- The company acquired U.K. provider, Cygnet, on 9/26/2014 for a purchase price of $335 million (£254 million), and according to a UHS press release:[7]

> ***Cygnet has a national footprint and is one of the largest independent providers of behavioral health facilities in the UK. They are the leading specialist mental health provider in the UK which includes services for children, eating disorders and autism, among others. They have outstanding customer relationships and a well-established reputation for excellence.***

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[5]Vicky Nguyen, Robert Campos, Anthony Rutanooshedech, Jeremy Carroll. NBC Bay Area. Mar 2, 2018. https://www.nbcbayarea.com/news/local/NBC-Bay-Area-Investigation-Reveals-Rehab-Centers-Complaint-and-Death-Records-Difficult-to-Track-475614053.html

[6]Bannow, Tara. *Modern Healthcare*. Jul 25, 2018. https://www.modernhealthcare.com/article/20180725/NEWS/180729940

[7]Press Release, UHS Acquires Cygnet, Universal Health Services, King of Prussia, PA https://ir.uhsinc.com/news-releases/news-release-details/universal-health-services-inc-announces-acquisition-cygnet

- The following are disclosure excerpts that speak for themselves. They are from the most recent "10-Q," the quarterly financial statements and informational disclosures to investors and the public (filed on November 8, 2018) with the U.S. SEC:

> ***In September 2014, the Criminal Division of the Department of Justice ("DOJ") announced that all qui tam cases will be shared with their Division to determine if a parallel criminal investigation should be opened.***
>
> ***The DOJ has also announced an intention to pursue civil and criminal actions against individuals within a company as well as the corporate entity or entities. In addition, health care facilities are subject to monitoring by state and federal surveyors to ensure compliance with program Conditions of Participation. In the event a facility is found to be out of compliance with a Condition of Participation and unable to remedy the alleged deficiency(s), the facility faces termination from the Medicare and Medicaid programs or compliance with a System Improvement Agreement to remedy deficiencies and ensure compliance.***[8]
>
> ***UHS Behavioral Health in February, 2013, the Office of Inspector General for the United States Department of Health and Human Services ("OIG") served a subpoena requesting various documents from January, 2008 to the date of the subpoena directed at Universal Health Services, Inc. ("UHS") concerning it and UHS of Delaware, Inc., and certain UHS owned behavioral health facilities…***
>
> ***...Subsequent to the February 2013 subpoenas, some of the facilities above have received additional, specific subpoenas or other document and information requests. In addition to the OIG, the DOJ and various U.S. Attorneys' and state Attorneys' General Offices are also involved in this matter. Since February 2013, additional facilities have also received subpoenas.***[9]

The investigation of UHS remains ongoing as of present day.

<u>Acadia Healthcare Company, Inc. (Nasdaq: ACHC)</u>

Acadia acquired the Priory Group from Advent International in February of 2016 for a combination of common stock and cash totaling over $2 billion (over £1.5 billion). Priory went on to acquire Partnerships In Care in the U.K. after being purchased by Acadia.

- Your government sought to limit competition. A 'Notice of Consultation' from the Competition and Markets Authority was delivered to Acadia (ME/6587/16) in fall 2016.
    - Acadia sold 22 facilities immediately following this.
    - The aforementioned divestiture was not reported in the U.S. until a 2018 (Q4 '17) release filed with the SEC. It was purported as a $0.05 (£0.04) earning per share "boost" in the quarterly release of earnings. However, in the ensuing GAAP[10] aligned 10-k filing for 2017, Acadia purported to lose a substantial amount of money: roughly $40 million (£30 million).[11]

[8]Universal Health Services Inc. Audited Financial Statements
[9]Universal Health Services Inc. Audited Financial Statements
[10]U.S. Generally Accepted Accounting Principles
[11]ACHC fiscal year 2017 10-K Statement

- According to the most recent quarterly SEC filing from November 5, 2018, Acadia:
    - Operates 371 facilities in the United Kingdom (8,800 beds)
    - Has over $3 billion (£2.3 billion) in debt and less than $60 million (£45 million) in cash on hand. Those numbers have remained stable since the 2016 Priory acquisition since they have not acquired much of anything at all, anywhere.
    - The Company receives payments from approximately 500 publicly-funded sources in the U.K. (including the National Health Service ("NHS"), Clinical Commissioning Groups ("CCGs") and local authorities in England, Scotland, and Wales), and individual patients and clients.
    - Acadia classifies its U.K. facilities "into the following categories: healthcare facilities, education and children's services, adult care facilities, and elderly care facilities."[12]

- The company has seen insider holdings reduce from 30% in August of 2015 to below 2% today.
- Joey Jacobs was terminated from his position as Chairman and CEO and replaced as Chairman by a long-time lead director of Acadia, managing partner of the company's founder, Reeve B. Waud. This occurred on December 16, 2018, two days after I published my article, 'Kids as Cash Cows: Abuses at Mental Healthcare Facilities Including Acadia's' on Seekingalpha.com (a reputable U.S. online finance journal). Debra Osteen, recently-retired former behavioral health division head at UHS, is the new CEO. Osteen was hired the same day Jacobs was fired.
- Since publishing my first article on Acadia on November 16, 2018, the market capitalization has cratered by roughly 30% $700 million (£530 million).
- As of Q3 2018, Acadia states that $752 million (£570 million), or the largest chunk of Acadia's revenue for the fiscal year 2018, is from the United Kingdom, an overwhelming majority of which is public funding.
- The company was sold by the directors, officers, and other insiders over the last three and a half years, and is primarily owned now by major pension and 401k administrators (cap table provided in the appendix). The largest owner is T. Rowe Price at 15%[13]. All the while, it teeters on the edge of bankruptcy, relying on the British taxpayer dime to keep it afloat. This is not for the profits, but more so to keep the investors happy, as good margins are a foregone conclusion in the midst of extreme costs.
- Reeve Waud, the founder and present chairman, has made over $638 million in his name from stock sales alone, according to the SEC. The last two periods, he has sold stock in the "quiet period" prior to poor earnings releases. He just bought a mansion in Maine, considered to be the largest mansion in the state.
- Acadia is presently subjected to dozens of civil claims at various sites that mention patient abuse, understaffing, sexual abuse, and negligence, to name a few items.

The Timing Correlation

It is my understanding that the intent of ATUs is to stabilize and assess patients, and limit the sectioning orders to 12 weeks. This is fairly standard. However, when first reading the October 27th article by Ian Birrell, a well-published and decorated journalist who writes for various papers including *The Times, The Wall Street Journal, The Daily Mail, The Observer, The Daily Telegraph, The Guardian, The Sun, The*

[12] ACHC Financial Statements (10Q Q3 2018, et al)
[13] See Appendix A. Courtesy: Bloomberg Terminal.

Spectator and Mosaic[14], I was, sadly, not very shocked to learn that these patients were being held for long periods of time. This reaction comes from my own empathetic perspective, honed from the experience spending a relatively large amount of time as a patient in a behavioral health treatment center, just over a decade ago. I have worked within the sector in many capacities in the U.S. since 2008. My intent for entry was to give back and to offer some of my stories in hopes of providing more effective and quality-driven care.

Ian Birrell's articles notate that *some* of these cases, such as that of Eddie Green, began six years ago. However, only recently, in light of major economic shifts, has the big money from the U.S. infiltrated the market, boosting these instances. Since that time, these instances have increased, so much so that these problems are being recognized. This is also the result of Birrell himself, who has the courage and talent to serve as a voice. That courage and talent, compounded with his role as a father of a child with a learning disorder, has materialized as a formidable megaphone – that which, a growing number of families have become loud enough to find. Together, they have developed into a movement serving as a beacon to attract the attention of many others, including myself.

At the hearings on December 12th in London, we spoke with Ms. Isabelle Garnett. Garnett's teenage son, Matthew, was mentioned in Birrell's first piece in the *Mail on Sunday*. She has observed proven success for her son in community-based care. Matthew's stay was supposed to be limited to 12 weeks, but his mother still waits and it has been two years. In a simultaneous timeframe, "Bethany," according to her father, "Jeremy" (names changed in Birrell's work *as well as* at the hearings to protect identities), has been away for 18 months. While walking out of the House of Commons, I asked Jeremy if Beth could send a message back to American families (such as the Nelson family that lost a loved one to similar issues in the U.S.) what would be Beth's words to them? With vigor, he said one word: "fight!"

Without time or need to analyze too much data, it was quite apparent in researching these articles, interviewing families, and seeing the increase in advocacy; the correlation between instances of occurrence has truly boomed in recent years. This hypothesis is simple to someone who has watched it occur in the U.S. Determining the root of this practice is akin to determining how Ebola entered the U.S. from Africa. However, in this case, I would be the infectious disease researcher with Ebola experience, who happened to ride near the carrier on his inbound flight. I see it clear as day due to my dual understanding of this field, medical revenue models, and strategic finance. These are not commonly spliced expertise.

"The Marx-Smith System" Meets "Brexit"

There are two rationales behind the entrance of U.S.-providers into the market that have coincided with the swoon of indefinite seclusions, resulting from temporary sectioning orders.

Last October, at the Peninsula Hotel in Chicago, I met a couple from London, a businessman, along with his traveling companion. I couldn't permit myself to avoid asking questions in light of our investigation into Acadia and The Priory. They were quick to note that the U.K. loves the freely placed investments, mergers, and acquisitions that the U.S. has adorned the British economy with for nearly four decades. Of course, without a trade deal in light of Brexit, only the rational economic thinker can see the benefits. Most of the motivation behind the referendum is that of blue-collar citizens wading in the carnage that remains in the destruction trail of the irrational businessman.

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[14] Birrell, Ian. *The Mail on Sunday. October 27, 2018.* https://www.dailymail.co.uk/news/article-6324559/Families-tell-children-autism-learning-disabilities-locked-away-years-end.html

Of course, therein lies the first macroeconomic rationale supporting the market entry in 2014-2016, the rationale of 'get-in, before they get out (of the European Union).' The second lies within the quick addiction to easy money that resulted in the U.S. mental health sector during the post-reform years of 2011-2015. The second rationale came from the swift cooling-off period providers in the U.S., but more so their financiers have had to plan to fight in order to keep the profit train chugging along.

For companies liable to investors to increase margins and return nest eggs in greater sum, the concept of for-profit healthcare may seem ridiculous in itself. However, it is not the profit that is the issue. The conundrum lies within the fact that no limits on the corporate practice of medicine compounded with loopholes (created by lawyers in order to reduce costs to patients) have skewed what was originally intended to be a highly regulated and competition-limited industry.

The U.S. system is very much funded like a single-payer system today; however, philosophically speaking, it has resulted in about the same thing you would expect if you asked Karl Marx and Adam Smith to draft legislation together. In 2011, a Libertarian champion of laissez-faire economics, former Texas Congressman and U.S. Army Physician, Ron Paul, was asked a hypothetical question about if society should just let an uninsured citizen die. Part of his response to that question was:[15]

> ***That's the reason the cost is so high, it's because we dump it on the government, it becomes a bureaucracy, it kowtows to the insurance companies then the drug companies, and on top of that, you have the inflation. Inflation devalues the dollar. There's no competition in medicine, it's protected by licensure…***
>
> - **Fmr. U.S. Congressman Ron Paul, MD**

Sticking to the Acadia example... Waud bought a mansion in Maine[16] and Jacobs bought a portion of a National Hockey League[17] franchise during the timeframe in which the 28% reduction in insider holdings occurred. This points to a palpably evident theory that neither of them is aware of the fruits of the labor beneath them. Their intense focus on keeping lenders happy, and the lack of consequences and a zero-interest-rate policy (ZIRP) has meant no consequences for an *extended* period of time. The drought of consequences has apparently led many entrepreneurs and businessmen to believe that one has to be a vivid thinker with great strategic thought ability to tackle a a 'competition-limited' industry.

In short, they have no earthly idea and still may not be able to piece together their role in this atrocious practice. The people who actually have been subjected to this inhumane treatment or their families who have born the sorrow, grief, and fear as a result of this practice are all either dead or in pain – all the while, the bearer of *this* sword wears a white collar. The butchery, in this case, is the bonuses, profits, or that believed-to-be harmless fancy bottle of scotch with oysters during lunch at Washington's Old Ebbitt Grill.

In our case, the oysters and scotch are courtesy of someone, oddly enough. convincing you to vote 'Yea' to an "opioid package" that everyone agrees on.

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[15] CNN. "Should Society Let Uninsured Die?" *YouTube*, YouTube, 13 Sept. 2011, www.youtube.com/watch?v=8T9fk7NpgIU.

[16] Trotter, Bill. *Bangor Daily News.* Sep 26, 2018. https://bangordailynews.com/2018/09/26/news/hancock/this-mansion-on-mdi-might-be-the-most-expensive-private-estate-in-maine/

[17] Rau, Nate. *The Tennessean.* Apr 13, 2018. https://www.tennessean.com/story/money/2018/04/13/nashville-predators-ownership-group-joey-jacobs/512844002/

The latter argument of the last paragraph occurs without discussing or evaluating the legislation for economic risk and, sadly, does more harm than good in curbing an epidemic – an epidemic that is killing a dozen more on a daily basis than the number of people killed at Sandy Hook, Virginia Tech, and Las Vegas *combined*.[18]

The only hope for a brighter future is noticing the very fact that someone even *has to* schmooze for bipartisan legislation. That truly means there are naysayers out there that must be silenced, albeit small in number. Presently, those oysters, the rebutting constituent's "mental illness," or their loved one's grief, can serve as the steed of doubt upon which we saddle ourselves amidst the bliss of ignorance.

Sadly, but understandably, rising interest rates in the U.S. and Brexit are combated with tremendous firepower. However, since the Industrial Revolution, nationalism seems to take flight in recessions. It is just a result of the fight-or-flight concept in which most people, in mass, must stay home when funds are tight. The diminishing middle class shows a polarizing fight between some seemingly living in the recession versus those trying to diminish rational thoughts and promote a distorted reality of debt and endless free trade.

The same can be said for the families or precious lives in care whose voices are suppressed by greed and enabled by stigma. These individuals are in futile opposition to the individuals collecting cash, believing they are truly "helping people". This only solidifies the theory that the "cause" has transversed from status as a "business" to that of a "racket" in every sense of the word.

Unfortunately, unless our healthcare systems are correlated or similar, they do not mix well, nor does anybody want to mold our system into theirs when its bread-and-butter strategies debase the practice of medicine in so many ways.

Conclusion

Is there continued upside in the U.K. and, if so, what is it? The simple answer is yes and no. For U.S.-based companies, their only present upside is time and liquidity, and it is simply a short-term upside consisting of "easy money" for the local players (ones not yet acquired by U.S. providers). Truly, no "magic bullet" exists for these U.S.-based providers and, if allowed, the abuse will undoubtedly continue. The costs are too high (due to easy money) and new entrants are emerging in the form of providers or vendors. Again, the NHS is purportedly paying $1 million (£750 million) per annum to lock away one autistic child – it is the easiest money on which a starved industry must prey. Frankly, it is having a feeding frenzy while they are starving everywhere else.

On top of all that, we must also factor in Brexit.

While in England, we co-interviewed Mark Gilman,[19] a former substance abuse expert, formerly with U.K. Public Health and the National Treatment Agency for Substance Misuse, and now Managing Director of Discovering Health U.K. In the interview, Gilman stated, "The reason Acadia is adding beds here is for the autism provisions. You can't make money here in substance abuse centers. We've already discovered, those don't work."

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[18] Birrell, Ian. *The Mail on Sunday*. Nov 10, 2018. https://www.dailymail.co.uk/news/article-6375895/Parents-slam-health-fat-cats-getting-730-000-annually-autistic-child-lock-up.html

[19] Mark Gilman Bio: Courtesy: Linkedin.com.: https://www.linkedin.com/in/mark-gilman-0597012b/?originalSubdomain=uk

This just affirms the level to which things have escalated in both countries. Citizens of the U.S. and the U.K. have yet, for the large part, to recognize this connection. It does exist, it is a culprit, and it is inevitable to avoid recognition. These violations are dreadfully inhumane.

I love my country, but I acknowledge that blame is not warranted, and blame is, in any case, pointless. No one person or group is truly ever deserving of full blame. However, these occurrences happen. We must fully understand the problem before asserting who, in entirety, may be responsible for the occurrence. This promotes the ability to track the root of the issue and to act accordingly. Despite the exploitation of free trade on both sides, businesses are different and relatively new in form. We now have fundamentally different products in this trade discussion. These are lives as opposed to a simple product. Lives that when met with compassion as well as unfettered quality care, *are better off* when they leave, not worse. These products *can* cry or give you a hug – something cogs and widgets *cannot do.*

This is not a reality best approached with disdain or ill will. It is best met with a 'glass half-full' attitude. It is best met with the opportunity to, again, see how two countries, great friends since the mid-19th century, can be our best selves: a collaborative solution-oriented partnership. We have done so through thick *and* thin. Our mutual ability to recognize and confront much larger issues is why Sir Winston Churchill called my country's friendship with yours a "special relationship."

Change comes when we put the past in the past and recognize that a swift address of present challenges will forge a path to a better tomorrow. Pain implores research and understanding, the resulting knowledge invokes greater change...and greater change is how we have always seen evolution progress in a beneficial and positive light.

In that *positive* light, I re-emphasize the support for community-based care, along with extra scrutiny placed on extended stays over 30 days as opposed to 12-weeks. Undoubtedly, I believe the prohibition of further payments to U.S.-based providers for mental health services will serve both nations well. While my recommendations may be painful to comprehend enacting, they are presented and affirmed with gratitude for the opportunity to be of service.

For questions, comments, suggestions, or any other matters in which the author's attention may be required, contact information is provided below.

More Acadia investigation information, including the original white paper, letters to regulators, SEC filings, copies of pending litigation complaints; may be found by navigating your web browser to ***bit.ly/AcadiaInvestigation***

Further supplementary information is available upon request.

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For more of Penn's publications on this matter, as well as others, navigate your web browser to:
www.pennlittle.com/publications

APPENDIX

Exhibit A

Acadia Healthcare Cap Table from Q1 2019. Source: Bloomberg Terminal.

ACHC US Equity | 25) Export | Settings | Security Ownership

ACADIA HEALTHCARE CO INC

1) Current | 2) Historical | 3) Matrix | 4) Ownership Summary | 5) Insider Transactions | 6) Options | 7) Debt

Search Name: All Holders, Sorted by Size | 21) Save Search | 22) Delete Search | 23) Refine Search

Text Search | Holder Group: All Holders | Investment Manager View

24) Color Legend | Shrs Out 88.3M | % Out 130.96 | Float/Shrs Out 97.76 | SI % Out 11.15

	Holder Name	Portfolio Name	Source	Opt	Position	% Out	Latest Chg
			All	All			
1.	T Rowe Price Group Inc		ULT-AGG		13,669,522	15.49	129,356
2.	BlackRock Inc		ULT-AGG		10,414,515	11.80	77,802
3.	Wellington Management Group LLP	Wellington Manage...	13F		8,846,060	10.02	542,372
4.	Aristotle Capital Management LLC	Aristotle Capital Ma...	13F		7,452,940	8.44	247,961
5.	Vanguard Group Inc/The		ULT-AGG		7,399,082	8.38	183,698
6.	JPMorgan Chase & Co		ULT-AGG		6,033,366	6.84	204,401
7.	Dimensional Fund Advisors LP	Dimensional Fund A...	13F		5,415,090	6.14	261,113
8.	Goldman Sachs Group Inc/The		ULT-AGG		2,979,898	3.38	624,798
9.	Invesco Ltd		ULT-AGG		2,764,497	3.13	-217,242
10.	State Street Corp		ULT-AGG		2,436,195	2.76	177,799
11.	P2 Capital Partners LLC	P2 Capital Partners...	13F		2,100,000	2.38	-227,961
12.	Janus Henderson Group PLC	Janus Henderson G...	13F		1,514,543	1.72	-1,087
13.	Deerfield Management Co LP	Deerfield Managem...	13F		1,424,571	1.61	683,555
14.	Lion Point Capital LP	Lion Point Capital L...	13F		1,325,200	1.50	0
15.	St James's Place PLC		ULT-AGG		1,170,000	1.33	0
16.	Stephens Investment Management G...	Stephens Investme...	13F		1,153,798	1.31	52,827
17.	FMR LLC		ULT-AGG		1,132,318	1.28	-4,582
18.	BANK OF NEW YORK MELLON CORP/THE		ULT-AGG		1,047,906	1.19	-317,012
19.	New Jersey Division of Investment		ULT-AGG		1,036,000	1.17	191,000

Exhibit B

Chart showing Acadia's Interest-Coverage Ratio Analysis. Source: Simply Wall Street.