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## Problems worsen for two drug treatment centers



JESSICA RINALDI/GLOBE STAFF

**Sherry Davis, program director for Andrew House Detoxification Center, paused as she reflected on the loss of her program on Long Island after the city shut down the only bridge to the island.**

By **Beth Healy** | GLOBE STAFF FEBRUARY 18, 2015

Time stopped in October for two drug treatment centers on Boston's Long Island, when the city shut down the bridge that was the only route to their facilities.

Both had to abandon their offices on the island. Their clients — poor and trying to kick drug habits — had to seek alternative services. Hundreds of thousands of dollars in funding for treatment have been lost.

Now, the problems have multiplied. The centers filed insurance claims under their “business interruption” policies, expecting to recover enough money to set up new service sites. Their claims were rejected.

Roughly 1,800 people have gone without care since mid-October as a result.

“We’ve lost our entire investment on Long Island without any ability to recoup it,” said Jonathan Scott, chief executive of Victory Programs, which ran Joelyn’s Family Home, a 47-bed center for women who are drug-addicted and usually homeless. “Because the bridge hadn’t fallen into the sea or our building didn’t burn down in a fire, that closed the door” on any claim.

Philadelphia Insurance Cos., a large insurer of social service agencies, rejected Victory Programs’s claim under its business interruption policy, saying wear and tear on the bridge was not covered. Philadelphia gave the same reason when it rejected a similar claim by Bay Cove Human Services, which ran a detox center on the island serving about 100 people a week, or 5,000 a year.

It is a scenario reminiscent of the one some business owners faced after the Marathon bombings of 2013, when the city shut down a section of Boylston Street as part of the crime investigation. Many insurance claims for business interruption were rejected because the policies excluded acts of terrorism.

“We’re certainly frustrated,” said Bill Sprague, chief executive of Bay Cove, which has run the Andrew House detox center on Long Island for 25 years. The group paid \$38,763 last year for business interruption insurance on its various properties. Now Sprague wonders why.

“The city closing the only way you can get to your business would seem to be the reason you buy that stuff,” he said.

A spokesman for Philadelphia Insurance declined to comment on the claim denials.

Kelly Rapoza was near the end of her residency at Joelyn’s when the bridge closed. The exodus was sudden and jarring, she said, yet she feels relatively lucky.

After she spent a night in a hotel and two other temporary stops, Victory Programs helped land transitional housing for Rapoza and her 2½-year-old son in Jamaica Plain.

“I’m actually proud of myself and all the girls,” Rapoza said. “That was a rough thing to go through. If I hadn’t listened and paid attention and used what I learned at Joelyn’s, I don’t think I would have made it through that.”

But without insurance coverage for the Long Island shelters, many women and men could go without such help.

“It’s very unfortunate,” said Rosanna Sattler, a partner at the Boston law firm Posternak Blankstein & Lund, who reviewed the Victory Programs policy for the Globe. “If the bridge had been hit by a boat, they probably would be covered.”

Sattler said it’s no surprise the nonprofits assumed claims would be covered for an event out of their control, decided upon by city officials. The catch: Philadelphia concluded that the city’s sudden move to shut down the Long Island Bridge was the result of failing to maintain the bridge, not an accident or other covered cause.

Still, Sattler said, the centers should keep pushing for payments and could pursue a legal argument that they had “reasonable expectations” of coverage.

Nick Collins, a state representative for Boston and Long Island who had unsuccessfully pressed the Legislature to examine the bridge’s condition, said the shut-down stings, particularly with the deepening opiate abuse problem in the Commonwealth.

“You have nonprofit organizations providing services, and paying for insurance coverage for the unthinkable. To deny them coverage is unconscionable,” Collins said.

In a statement, Mayor Martin J. Walsh defended the city’s decision to close the bridge for safety reasons but criticized Philadelphia for rejecting the claims.

“I am urging the organizations to file an appeal and for the insurance company to reconsider,” Walsh said.

Walsh, Governor Charlie Baker and other political leaders have declared opiate abuse a crisis in the state. Fatalities from drug overdoses surged in Massachusetts at the end of last year. State Police reported 114 suspected opioid-related deaths in December, nearly double the 60 recorded in November, according to a Globe report last month. There were at least 68 deaths in January.

But Victory Programs, based in Roxbury, is effectively locked out of a facility it spent \$2.5 million to build out eight years ago. It has no alternative detox center for clients and has turned away women, Scott said. Joelyn’s represented two-thirds of the treatment beds in Boston for women, he said.

“It’s really, really staggering,” Scott said. “At a time when we should be growing, in the middle of a heroin epidemic, I’m just trying to get stable.”

The group is losing \$58,000 in monthly program revenue that would have gone to short-term housing for the women it serves. It still owes \$800,000 on a loan from Eastern Bank for the Long Island building.

The bank has eased the terms of the loan until June, Scott said. Meanwhile, the insurance company not only rejected the group's claim but also cancelled its property-and-casualty policy because the building is unoccupied.

Victory Programs had to buy new property insurance — on the building it cannot use — from giant Lloyd's of London. The coverage came at four times the prior cost, or \$12,327 a year.

Meanwhile, the staff at Victory and Bay Cove said they don't know for sure if they've sustained damage in the recent onslaught of snowstorms.

"We do about 100 admissions a week," Bay Cove's Sprague said. "That's people who wanted to start the process of discontinuing drug use and weren't able to. So it's heart-wrenching."

*Beth Healy can be reached at [beth.healy@globe.com](mailto:beth.healy@globe.com). Follow her on Twitter [@HealyBeth](https://twitter.com/HealyBeth).*