

San Antonio-based company shakes up allergy industry

By Laura Garcia, Staff writer | July 5, 2019 | Updated: July 5, 2019 4:55 p.m.



A San Antonio-based allergy company, United Allergy Services, say it disrupted the industry when it started opening clinics inside primary care physician practices to offer at-home allergy immunotherapy treatments. Photo: SIU/Getty Images/Visuals Unlimited

A Zyrtec pill and a couple of nasal blasts daily, or maybe a steroid shot. If it gets bad enough, take two trips a week to the allergist's office for immunotherapy.

These treatments are the answer for millions of allergy sufferers in the United States.

But nearly 10 years ago, San Antonio-based United Allergy Services started pushing an alternative: at-home immunotherapy treatment prescribed by primary care physicians instead of allergists. The company claims that its method of treating allergy sufferers is less expensive, more convenient and safer.

The cost for its at-home injections is about \$2,500 a year, and patients usually require three years of the low-dose treatment to train their bodies into tolerance or immunity to their allergens. The treatment is reimbursed by Medicaid, Medicare and most commercial insurers.

"We really revolutionized allergy care, which made the allergists angry," CEO David Boone said. "I think it caught a lot of people off-guard."

Many allergists condemn the practice of allowing family doctors to prescribe patients self-administered allergy shots. And both sides have been fighting in courts for years.

UAS operates remote allergy centers inside doctors' offices and has been accused in court of running a fraudulent billing scheme that put patients at risk. Insurance and managed care companies started to dispute whether the allergy care charges coming from the clinics were legitimate.

San Antonio allergist Dr. Michael Vaughn alleged in federal court in 2013 that UAS paid illegal kickbacks to contracting physicians from Medicare reimbursements. However, when the government declined to prosecute, Vaughn backed down and the case was dismissed.

Around the same time, a whistleblower case was brewing in a federal court in Georgia.

The federal government, Texas and 21 other states, and former UAS consultant Terri Nix sued the company, alleging that it violated the False Claims Act by defrauding government-funded insurance programs — Medicare, Medicaid and Tricare.

According to the 2014 complaint, "UAS defrauded the federal and state governments out of millions of dollars by causing its customer providers to engage in fraudulent billing practices and receiving kickbacks in exchange for referrals." However, lawyers for UAS argue that the case has no merit and that its business model complies with federal regulations. The case is ongoing.

UAS has filed its share of complaints, too, including lawsuits against nearly 50 clinics and doctors for not paying for services rendered.

On ExpressNews.com: San Antonio's United Allergy Services sues Quest Diagnostics

In 2015, UAS sued an association called the Allergy and Asthma Network and its CEO, Tonya Winders, alleging that they interfered in its business practices.

In March 2018, a federal jury rejected UAS' claims. UAS is appealing the decision.

Boone, who joined UAS in October, said the company's clinical and business model has been validated through the court process. "We're not overtesting or taking advantage of the system," he said.

Winders said last week that she and the network "refused to be silenced" and that her opinion hasn't changed.

"Altering a person's immune system should be done by someone who has adequate training, and we recommend seeing a board-certified allergist to discuss immunotherapy options," she said.

She said her organization remains committed to exposing "fraud, deception and waste" in allergy testing and immunotherapy.

Feelings among allergists are so negative that Dr. Edward Brooks says he's considered "sort of a pariah" in the allergy community for consulting for UAS.

Brooks, a board-certified immunologist and pediatric specialist at UT Health San Antonio, said that while he wouldn't do the at-home regimen as a patient, he thinks that UAS' approach has its merits, especially in a field crowded with ineffective homeopathic treatments.

"There's no doubt that there's a need for it, especially in the small towns" where

allergists are often scarce, he said. Despite more than 50 million Americans suffering from allergies, he said, allergists make up a small specialty in medicine.

"Obviously, we can't serve the entire population," he said. Companies such as UAS, he added, could screen patients and refer the more complicated cases to specialists.

Globally, allergy treatments garnered almost \$25 billion in 2017, and analysts expect the industry to reach more than \$40 billion in the next six years.

With more than 500 medical clinics in 20 states, including 14 locally, UAS has focused on rebuilding its brand and expanding, Boone said. His plan is to increase the number of clinics in San Antonio, Houston and Austin.

UAS operates 71 clinics in the Dallas-Fort Worth area, according to company spokesman Bruno Passos.

The company employs 612 people and trains clinical allergy specialists at its headquarters near North Star Mall and has developed a mobile app to help boost patient compliance and that tracks their progress.

"I believe if you're not growing, you're dying," Boone said. "At the end of the day, if we do this right, we can save people money."

Laura Garcia covers the healthcare industry in the San Antonio and Bexar County area. Read her stories and more local coverage on our <u>free site</u>, mySA.com, and on our <u>subscriber site</u>, ExpressNews.com. <u>| laura.garcia@express-news.net</u> | Twitter: @Reporter_Laura