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ADVISORY E-ALERT



September 30, 2018

Far Too “Friendly Physician” To Plead Guilty In \$60 Million Healthcare Fraud. Will Murder Charges Follow?

In what’s being reported in the popular press as a \$60 million healthcare fraud scheme, a Texas physician, Charles R. Leach, M.D., has agreed to plead guilty to one count of conspiracy to commit healthcare fraud. The feds charged 16 people in the overall scheme. Leach is the fourth defendant to plead guilty.

The scheme involved a now out of business hospice, Novus, in Frisco, Texas. The facility, which was controlled by Bradley Harris, an accountant, and his wife (they are both among the defendants), is alleged to have engaged in a sickening business model: overmedicating hospice patients to death to make room for more profit.

It’s easy for us to write off leeches like Leach as “sick” or simply criminal. But, there’s a deeper lesson here for those not nearly as twisted, even those simply negligent or even just over-trusting.

It appears as if Leach acted as a way-too-“friendly-physician,” apparently abstaining from exercising medical judgment in favor of his CPA master.

According to an article in the Dallas Morning News, Leach’s plea agreement includes an admission that he signed prescription forms in advance and in bulk in order to allow other conspirators to fill them in. Prosecutors allege that co-conspirators used those prescriptions to obtain controlled substances which were then used in high doses to kill patients.

I’m certainly not saying that all non-physicians running healthcare businesses are trying to wring as much profit out of their operations as the feds allege the Harrises were, but many physicians fall victim to far less morally challenged yet still illegal “rent a license” schemes.

These range from serving as the “medical director” of beautician owned and operated “medical spas,” to fronting as the physician purportedly running a medical practice managed by, but actually completely controlled by, guys and gals in suits who couldn’t distinguish between a stethoscope and Streptococcus, to paid-per-prescription prescribing of compounded pain creams to TriCare patients via phone calls forwarded and filtered by operators “standing by now to take your calls.”

Additionally, as pressure builds on insurers, expect them to begin their own investigations.

Almost all health insurance carriers and large managed care payors have their own, internal investigations office. Often staffed with former governmental investigators, they seek to find ways to legally not pay, and recoup past payments, based on underlying claims violations. They often then tip off the feds and local authorities.

How many millions, or even billions, are conceivably at play from what otherwise appear to be "legal" friendly physician practice entities associated with large national or regional lay-owned/controlled "medical groups?"

What's your medical license worth? Leach, who practiced for close to four decades, surrendered his. His sentencing was set for September 11th but the U.S. Attorney's website was silent as to him in its weekly round-up of sentencing reports. Although I assume that he'll soon be surrendering his freedom, too, it's also safe to assume that he's been given a delay in sentencing while he flips on his alleged co-conspirators.

Vet every deal. Then vet it again.



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Criminal and, at least, serious civil, liability lurks in many neat neighborhoods.

All Things Personal

Ronald Reagan famously said, "The nine most terrifying words in the English language are: I'm from the government and I'm here to help."

But that was decades ago.

Now, right up, or perhaps down, there we have "in order to serve you better" and its variants shoved at you by those snooping and listening and, we can assume, videoing you right now, perhaps even as you're talking with or about a patient. That little Benedict Siri or Cortana or whatever his/her/its/their name is may just be listening in "in order to improve the user experience."

In a rather silly article I read last week, two so-called "experts" wrote that it was dangerous for a physician to receive a pdf from a patient of information gleaned from the patient's Apple Watch ECG monitor. After all, the authors apparently presume that a physician can't or won't protect the information, once received, in accordance with HIPAA requirements. But if that's true, then no embodied information transmitted from a patient is safe to receive and that's well, let's just say, silly.

But, query, if it's so dangerous to accept information from a patient, then how dangerous HIPAA-wise is it for you, after being forewarned that your phone or computer is *actually* spying on you, to have the device sitting in the room while you say, "Hi, I'm Dr. Jones. You're Betsy Smith, right, and you've got a problem with your _____."

Google admits that your Gmail isn't private and that it even provides access to it to third-party app developers. Amazon's Echo is always listening, and listening means data is being saved, for you or someone else to say the magic wake up words to the already awoken device. Here's a suggestion: ask Alexa or Siri or Cortana what the penalties are for a HIPAA violation. He/she/it/they probably know the answer off the top of his/her/its/their, well, head.



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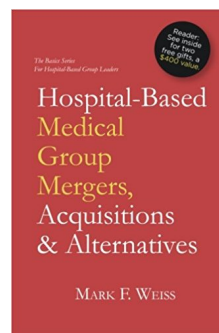
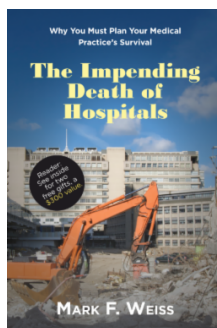
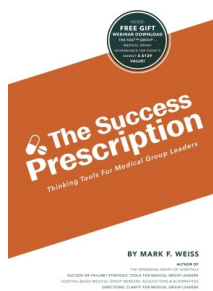
Published Articles

- Quoted in [Becoming a Cheetah and Other Survival Tactics](#), Summer 2018, [Communique](#)
- [Why and How You Must Prepare Your Anesthesia Group for the Future](#), Summer 2018, [Communique](#)
- [Explosive Growth in ASC Codes Fuels Opportunity](#), published on [RadiologyBusiness.com](#), April/May 2018.

Books and Publications



We all hear, and most of us say, that the pace of change in healthcare is quickening. That means that the pace of required decision-making is increasing, too. Unless, that is, you want to take the “default” route. That’s the one is which you let someone else make the decisions that impact you; you’re just along for the ride. Of course, playing a bit part in scripting your own future isn’t the smart route to stardom. But despite your own best intentions, perhaps it’s your medical group’s governance structure that’s holding you back. In fact, it’s very likely that the problem is systemic. The Medical Group Governance Matrix introduces a simple four-quadrant diagnostic tool to help you find out. It then shows you how to use that tool to build your better, more profitable future. Get your free copy [here](#).



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