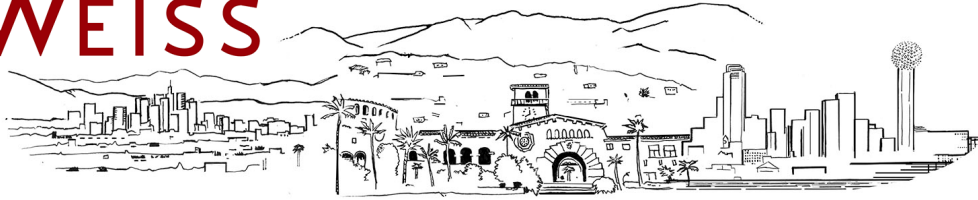


# WEISS



**March 31, 2021**

## **Felonious Forest Park Physicians Freight Off To Federal Prison**

Forest Park was a Texas chain of beautifully constructed hospitals. Operative word: *was*.

Beneath the veneer of great architecture and beautiful interior design was, so federal prosecutors alleged, a decrepit scheme involving questionable marketing agreements and multiple types of fake arrangements from “consulting contracts” to “leases” and even fake companies.

The alleged aim? Referrals of well-insured patients to the out-of-network hospitals.

Last week, a slew of defendants, including physicians, were sentenced to terms in federal prison.

### **Some Background**

In April 2019, the jury in the second round of Forest Park bribery and kickback trials in federal court in Dallas found seven of nine defendants guilty.

1. Spine surgeon Shawn Henry, D.O.
2. Spine surgeon Michael Rimlawi, D.O.
3. Pain management physician Mike Shah, M.D.
4. Spine surgeon Douglas Won, M.D.
5. Nurse and workers’ compensation insurance consultant, Iris Forrest
6. Forest Park’s co-administrator Mac Burt
7. The owner of companies through which Forest Park channeled payments to physicians, Jackson Jacob.

Others had been found guilty at earlier trials or had pleaded guilty.

At issue were multiple charges, from violation of the federal Anti-Kickback Statute to money laundering. The government contended that Forest Park took in \$200 million and paid out \$40 million in kickbacks and bribes before finally shutting down all business operations. Central to the fact pattern concerning the convicted physicians was the “co-marketing agreement” concept: The physicians were given “marketing money” to boost their practices and, ultimately, the hospitals’ business.

The defendants argued that the so-called “marketing money” was not tied to referrals, an argument that the prosecution dismissed. At least one of the participants in the scheme admitted that marketing money was doled out as a percentage of referred cases.

## The Sentencings

1. Shawn Henry, D.O. – 7 ½ years
2. Michael Rimlawi, D.O. – 7 ½ years
3. Mike Shah, M.D. – 48 months
4. Douglas Won, M.D. – 5 years
5. Iris Forrest – 3 years
6. Mac Burt – 12 ½ years
7. Jackson Jacob – 8 years

In addition to those seven defendants, the following individuals were also sentenced last week:

Hospital manager Alan Andrew Beauchamp, who pleaded guilty, was sentenced to 5 years, 3 months.

Wade Neal Barker, M.D., a Forest Park co-founder, who pleaded guilty, was sentenced to 5 years.

Chiropractor Frank Gonzalez who referred patients to Forest Park for bribes and who pleaded guilty, was sentenced to 21 months.

Israel Ortiz, who pleaded guilty and whose company filled out pre-authorizations for worker's comp patients received a 1 year sentence..

But wait, there are more:

The other Forest Park co-founder, Dr. Richard Toussaint Jr., who pleaded guilty, was previously sentenced to 5 years in prison to run concurrently with another sentence he was previously serving.

Andrew Jonathan Hillman, a health care company owner, was sentenced in December 2019 to five years in prison after pleading guilty.

Semyon Narosov, Hillman's business associate, was sentenced in July 2020 to 4 years 3 months in prison after pleading guilty.

Carli Adel Hempel was sentenced in October 2020 to three years' probation. She pleaded guilty.

And, Kelly Wade Loter and Andrea Kay Smith, both of whom pleaded guilty, were given probation in January 2020.

## The Moral

The easiest (and most gratuitous) takeaway is that kickbacks are illegal. But, you already knew that.

What is far more important to note is the need for caution, *extreme* caution, whenever entering into any sort of financial relationship with someone or some entity with whom you share a referral relationship, no matter which way the referrals flow.

For example, some of the allegations in the Forest Park case centered around the payment of "marketing money" from the facility to physicians. Some naïvely believe that marketing money from a hospital to physicians is not something that should involve significant anti-kickback scrutiny. Wrong.

Additionally, Forest Park shows that even convoluted payments through "money drop" entities, even ones that look like a game of Chutes and Ladders, can be un-woven. And, as a double take away for you, they can be un-woven by other participants in a scheme such as the former Forest Park Chief Operating Officer and a physician/investor/founder who both previously pleaded out early and cooperated with the authorities in convicting their fellow schemers.

One can assume that all or nearly all of the now convicted men and women had counsel advise them on the propriety of their arrangements. In fact, the Dallas Morning News reported that the sentenced physicians had the marketing money deal "approved" by their so-called "health care lawyers".

When someone tells *you* the deal is okay because *their* attorney vetted it, don't be so sure. Get your own counsel.

And, make sure that the person advising *you* not only has knowledge, but also a good dose of common sense, which, apparently, is not that common.



### How to Deploy the Secret Sauce of *Opportunistic Strategy* - Webinar On Demand

They say that COVID-19 has changed the world, creating the "new normal." Many of your colleagues and many hospital administrators are running scared.

Others, leaders like you, know that *crisis means opportunity*.

Let me provide you with the strategic tools and insights that you need in order to seize opportunities, whether they're in the context of your current business relationships, the expansion of your business activities, or the creation of new ventures.

You will learn:

- Defense as a defective default: It's necessary, but not sufficient.
- Exploiting weakness: Drop the guilt and identify opportunity.
- Flat line negotiation is fatal: Understand its myths and limitations.
- Negotiation reality: Learn to identify and deploy on multiple planes to affect the outcome.
- Maneuver: Harness the power of maneuver, both in overall strategy and in specific negotiation strategy.

Others see a crisis and freeze in fear. Learn how to see the opportunities and obtain the tools to increase your odds of obtaining them.

The price to attend is \$479. The cost of not attending is astronomical.

**Get Access Now!**

---



### Newsflash: Business Life In the Time of Coronavirus - The Way Out

The coronavirus crisis, especially as it has become politicized, raises a number of business issues and, quite frankly, business opportunities in regard to future disruptive events.

Check out our [mini-series](#), with actionable business lessons for medical group leaders.

Sooner or later this crisis will end. You can't allow yourself to be too busy, too occupied, too concerned with current events, to devote time and effort to strategizing for your future.



## Wisdom. Applied. 148 - Don't Do the Crime if You Can't Do the Time as Hospital CEO

Over the years, I have dealt with many hospital CEOs that I thought were criminals. In fact, I have dealt with some who were indicted, and, in at least one case, a CEO who later became a long-term “guest” in the Gray Bar Hotel.

But one of the best stories was from a 2018 piece in the South Florida Sun-Sentinel about Broward Health, the Florida state-run entity that is one of the nation's largest health systems, appointing its criminally indicted interim CEO, Beverly Capasso, as its new permanent CEO after a search for a new leader.

---

### All Things Personal

Why is it that hotel prices have not gone down but service has disappeared?

Ah, didn't I realize, it is for my safety! Bullshit. It is to lower operating costs.

Let's count the ways that the hotel, on my recent trip to Los Angeles, "protected my safety."

The lobby restaurant was closed in order to "protect my safety".

Housekeepers enter empty rooms that turn over nightly, but do not enter empty rooms if the same person is returning to it that evening. This is for "their safety and mine."

A Keurig coffee machine could be delivered to my room with four coffee pods but additional coffee pods could not be delivered "for my safety."

Late last week, I received an emailed survey from the hotel. Surprise, but nearly all of their questions were about how the hotel "protected my safety."

Perhaps some people are fooled into thinking that people stay in a hotel to be safe. Sure, I don't want to stay in a hotel with wires hanging from the ceiling, located in a crappy neighborhood.

But beyond that, other factors, such as the level of service and amenities drive the value proposition. The same factors exist during times of Covid whether you want to acknowledge them or not. Faux "safety" is not a substitute for service. Faux "safety" is not a driver of value.

But it is safe to say that I will stay safely away from that hotel the next time I stay in L.A.

---

### Help Us Help You With Helpful Content

What tailored content would you most like to see during this time?  
How can we focus on solutions to your most pressing strategic concerns?

Please **fill out our confidential survey** to ensure we best serve your needs!





## Podcast Compilation Greatest Hits - Strategy Edition 1.0

We've curated our most popular podcasts on strategy into our first compilation album.

Sit back, enjoy, and think about your future.

Listen [here](#).

---

### Recent Posts

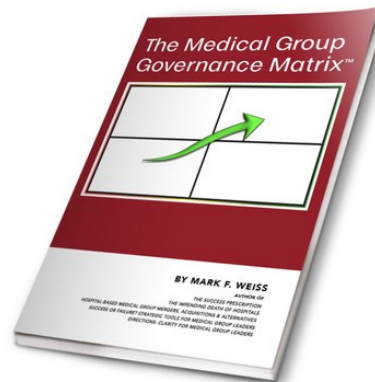
- [Does More Financial Pressure on Hospitals Signal the Return of Questionable Medical Directorships?](#)
- [Felon of the American College Of...](#)
- [Everyone is Doing It!" Is Not a Great Defense to a Compliance Violation"](#)
- [Medical Practice Admits Guilt. Pays \\$100 Million. Physician President Now Indicted.](#)
- [Cooking Time = Negotiating Time](#)

### Published Articles

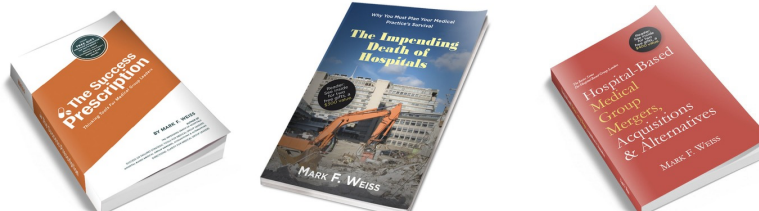
- [You Have Enough Problems. Why Buy Compliance Risk?](#), Summer 2020 Issue of [MiraMed Focus](#)
- [Who Really Owns Your Anesthesia Group?](#), Summer 2020, [Communique](#)
- [The Practical Essentials of the False Claims Act](#), March 2020, on [AnesthesiologyNews.com](#) and in the May 2020 issue of [Gastroenterology & Endoscopy News](#)

---

### 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 in 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](#).



**Whenever you're ready, here are 4 ways I can help you and your business:**

- 1. Download a copy of The Success Prescription.** My book, The Success Prescription provides you with a framework for thinking about your success. Download a copy of The Success Prescription [here](#).
- 2. Be a guest on “Wisdom. Applied. Podcast.”** Although most of my podcasts involve me addressing an important point for your success, I’m always looking for guests who’d like to be interviewed about their personal and professional achievements and the lessons learned. [Email me](#) if you’re interested in participating.
- 3. Book me to speak to your group or organization.** I’ve spoken at dozens of medical group, healthcare organization, university-sponsored, and private events on many topics such as The Impending Death of Hospitals, the strategic use of OIG Advisory Opinions, medical group governance, and succeeding at negotiations. For more information about a custom presentation for you, [drop us a line](#).
- 4. If You’re Not Yet a Client, Engage Me to Represent You.** If you’re interested in increasing your profit and managing your risk of loss, [email me](#) to connect directly.