

WEISS



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Just Because You Can Rent Out Your Home on Airbnb Doesn't Mean That You Can Rent Out Your Medical License and Avoid Jail

Here's a story that might seem *sui generis*. Unfortunately, the underlying issue is commonplace and, therefore, highly instructive in terms of what you must avoid.

Earlier this month, on May 16, 2022, to be exact, a New York anesthesiologist and pain management specialist, Jon Paul Dadaian, M.D., pleaded guilty to federal charges of unlawfully selling prescription cancer medication, which had been previously purchased using his medical license based on false representations that such medication was to be used to treat his patients.

According to the U.S. Department of Justice, which cited documents filed in Dadaian's prosecution and statements made in court:

Dadaian befriended two individuals who owned and operated two businesses that were wholesale distributors of prescription drugs. At the request of these individuals, and in return for approximately \$130,500 in payments, Dadaian used his medical license – and allowed others to use it – to purchase expensive prescription drugs, primarily, cold-chain biologic infusion medications that typically are used to treat cancers, macular degeneration, and autoimmune diseases.

As a result, the two individuals were able to obtain prescription drugs from the pharmaceutical manufacturers' authorized distributors that they would not otherwise have been permitted to purchase. They were then able to sell them at a profit through their two businesses.

Additionally, by using Dadaian and his medical license to purchase their prescription drugs, these two individuals also obtained discounted community physician pricing for the prescription drugs with respect to some of the drug purchases.

In purchasing the drugs, Dadaian and the two individuals made numerous false and misleading representations to the pharmaceutical manufacturers and authorized distributors, including that Dadaian purchased the drugs to use to treat his patients, and that the drugs would not be resold or redistributed.

In actuality, none of the drugs were administered to Dadaian's patients, but were ultimately sold to customers of the two businesses for a profit. The scheme ran from June 2012 through April 2018, during which tens of millions in prescription drugs were purchased in Dadaian's name and using his medical license

Although Dr. Dadaian's exact fate won't be known until his sentencing, the illegal sale of prescription drugs purchased by a healthcare entity is punishable by a maximum of three years in prison and a \$10,000 fine. It's known, per the DOJ's press release, that Dadaian agreed to make restitution for the full amount of any loss resulting from his offense.

You're (Probably) Not Named Dadaian, But . . .

Although I have to admit that essentially renting out one's medical license is an interesting twist, many physicians unwillingly fall prey to schemes that end up dragging them into the same sort of mess. And, yes, sometimes it's wittingly.

Take, for example, instances in which a physician's identity is stolen by criminals operating a surgery center who then use the doctor's credentials to submit claims for "surgeries" that never took place on patients that never existed.

Or take, for example, instances in which a physician's purported management company (i.e., criminal enterprise) uses the doctor's credentials to submit claims to government programs for treatments about which the doctor was unaware on patients who didn't qualify under the particular government program.

Or take, for example, instances in which a management company up-codes or unbundles in order to illegally drive higher collections on which its percentage-based fee is calculated.

In any of those situations, the physician ends up, at best, with a large legal bill and a lot of explaining to do, and, at worst, potentially, and maybe actually, in jail because the prosecutors and the jury view him or her as the real mastermind of the scheme.

Know with whom you are about to deal. Don't simply trust the recommendations of your friends and colleagues. (Just think about how many of Bernie Madoff's victims were referred into the scheme by unwitting friends, i.e., other soon-to-become victims.)

Get competent legal advice in connection with any agreement via which you will be delegating any billing or management authority to a third party – what's in the agreement might not prevent a scam, but what's in the agreement might look to a prosecutor as if you participated in it, or even masterminded it, turning Dr. Naïve into Dr. Evil.



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lessons for medical group leaders.

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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. 162 - Allegations Punch ENT in the Nose. He Sinuses Off on Multi-Million Dollar Settlement

Another day, December 8, 2021, to be exact, another \$4.2 million.

All Things Personal

"\$50!," shouted the woman in the tangerine blouse.

"Do I hear \$55?," asked the auctioneer.

"\$55!," yelled the young man in black.

They were bidding over, and overbidding for, a piece of junk. A blue and white vase. A piece of faux chinoiserie that would sell for \$7.95 at Tuesday Morning or maybe for \$17.95 at Macy's.

Although in general, value is in the eye of the beholder (or why would anyone buy Elvis on velvet?), we can easily fall prey to disruptions in our usual ways of thinking. Or, if you work at Sotheby's or if are a real estate agent in a white-hot market (p.s., better make sure you have errors and omissions coverage because it's going to get ugly for you soon), there are ways to trick people's brains.

The reasons why contain a lesson for your next negotiation, whether that's the sale of your group or the renegotiation of your employment agreement or any other deal:

1. We all want something that we cannot easily have. Others are bidding and we may not get the vase. There's a huge dose of social proof: If the other bidders want the vase, it must be valuable.
2. There's a huge dose of social proof: If the other bidders want the vase, it must be valuable.

If you're in the selling position (which might be an actual sale of an asset or might be the sale of your efforts and knowledge), take the time and effort to strategize about how you can create an auction, or an auction-like environment, for what you have to sell. In essence you'll be using human nature to boost your result.

If you're in the buying position (the flip side of any such deal), slow down the pace of the negotiation. Understand that although you may not be able to turn off the drives that are hardwired into us just as direction finding is hardwired into a carrier pigeon, once you are aware of how they distort your perception, you can temper your actions accordingly.

"\$55! Do I hear \$60," Implored the auctioneer.

"60," yelled the woman in tangerine.

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Published Articles

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- [You Have Enough Problems. Why Buy Compliance Risk?](#), Summer 2020 Issue of [MiraMed Focus](#)
- [Who Really Owns Your Anesthesia Group?](#), Summer 2020, [Communique](#)

Books & 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:

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- 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.
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