

BEFORE THE ARIZONA MEDICAL BOARD

In the Matter of

**KAREN G. CANULLA, M.D.**

License No. 36948  
For the Practice of Allopathic Medicine  
In the State of Arizona.

Case No. MD-08-1072A

**CONSENT AGREEMENT FOR  
LETTER OF REPRIMAND AND  
PROBATION**

**CONSENT AGREEMENT**

By mutual agreement and understanding, between the Arizona Medical Board ("Board") and Karen G. Canulla, M.D. ("Respondent"), the parties agree to the following disposition of this matter.

1. Respondent has read and understands this Consent Agreement and the stipulated Findings of Fact, Conclusions of Law and Order ("Consent Agreement"). Respondent acknowledges she has the right to consult with legal counsel regarding this matter.

2. By entering into this Consent Agreement, Respondent voluntarily relinquishes any rights to a hearing or judicial review in state or federal court on the matters alleged, or to challenge this Consent Agreement in its entirety as issued by the Board, and waives any other cause of action related thereto or arising from said Consent Agreement.

3. This Consent Agreement is not effective until approved by the Board and signed by its Executive Director.

4. The Board may adopt this Consent Agreement or any part thereof. This Consent Agreement, or any part thereof, may be considered in any future disciplinary action against Respondent.

5. This Consent Agreement does not constitute a dismissal or resolution of other matters currently pending before the Board, if any, and does not constitute any

1 waiver, express or implied, of the Board's statutory authority or jurisdiction regarding any  
2 other pending or future investigation, action or proceeding. The acceptance of this  
3 Consent Agreement does not preclude any other agency, subdivision or officer of this  
4 State from instituting other civil or criminal proceedings with respect to the conduct that is  
5 the subject of this Consent Agreement.

6 6. All admissions made by Respondent are solely for final disposition of this  
7 matter and any subsequent related administrative proceedings or civil litigation involving  
8 the Board and Respondent. Therefore, said admissions by Respondent are not intended  
9 or made for any other use, such as in the context of another state or federal government  
10 regulatory agency proceeding, civil or criminal court proceeding, in the State of Arizona or  
11 any other state or federal court.

12 7. Upon signing this agreement, and returning this document (or a copy thereof)  
13 to the Board's Executive Director, Respondent may not revoke the acceptance of the  
14 Consent Agreement. Respondent may not make any modifications to the document. Any  
15 modifications to this original document are ineffective and void unless mutually approved  
16 by the parties.

17 8. If the Board does not adopt this Consent Agreement, Respondent will not  
18 assert as a defense that the Board's consideration of this Consent Agreement constitutes  
19 bias, prejudice, prejudgment or other similar defense.

20 9. This Consent Agreement, once approved and signed, is a public record that  
21 will be publicly disseminated as a formal action of the Board and will be reported to the  
22 National Practitioner Data Bank and to the Arizona Medical Board's website.

23 10. If any part of the Consent Agreement is later declared void or otherwise  
24 unenforceable, the remainder of the Consent Agreement in its entirety shall remain in force  
25 and effect.

1           11. Any violation of this Consent Agreement constitutes unprofessional conduct  
2 and may result in disciplinary action. A.R.S. § § 32-1401(27)(r) (“[v]iolating a formal order,  
3 probation, consent agreement or stipulation issued or entered into by the board or its  
4 executive director under this chapter”) and 32-1451.

5           12. ***Respondent has read and understands the conditions of probation***

7 *Karen G. Canulla*  
8 KAREN G. CANULLA, M.D.

DATED: 3/24/09

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2 **FINDINGS OF FACT**

3 1. The Board is the duly constituted authority for the regulation and control of  
4 the practice of allopathic medicine in the State of Arizona.

5 2. Respondent is the holder of license number 36948 for the practice of  
6 allopathic medicine in the State of Arizona.

7 3. The Board initiated case number MD-08-1072A after receiving a complaint  
8 alleging Respondent engaged in an inappropriate sexual relationship with patient GF.

9 4. In December 2006, GF established care with Respondent for psychiatric  
10 counseling and medication management. During an investigational interview with Board  
11 Staff, Respondent stated that on March 20, 2008 she discharged GF as a patient and sent  
12 him a letter to that effect. However, there was no discharge letter included in GF's chart.  
13 Subsequently, Respondent admitted to Staff that in April 2008, she began a sexual  
14 relationship with GF and that the relationship ended in August 2008.

15 5. A physician is required to maintain adequate legible medical records  
16 containing, at a minimum, sufficient information to identify the patient, support the  
17 diagnosis, justify the treatment, accurately document the results, indicate advice and  
18 cautionary warnings provided to the patient and provide sufficient information for another  
19 practitioner to assume continuity of the patient's care at any point in the course of  
20 treatment. A.R.S. §32-1401(2). Respondent's records were inadequate because they did  
21 not include a letter from Respondent discharging GF as a patient.

22 **CONCLUSIONS OF LAW**

23 1. The Board possesses jurisdiction over the subject matter hereof and over  
24 Respondent.

25 2. The conduct and circumstances described above constitute unprofessional  
conduct pursuant to A.R.S. § 32-1401(27)(e) ("[f]ailing or refusing to maintain adequate

1 records on a patient.") and A.R.S. § 32-1401 (27)(z) ("[e]ngaging in sexual conduct with a  
2 current patient or with a former patient within six months after the last medical consultation  
3 unless the patient was the licensee's spouse at the time of the contact or, immediately  
4 preceding the physician-patient relationship, was in a dating or engagement relationship  
5 with licensee, for purposes of this subdivision, "Sexual Conduct" includes: (i) Engaging in  
6 or soliciting sexual relationships, whether consensual or nonconsensual. (ii) Making sexual  
7 advances, requesting sexual favors or engaging in other verbal conduct or physical  
8 contact of a sexual nature. (iii) Intentionally viewing a completely or partially disrobed  
9 patient in the course of treatment if the viewing is not related to patient diagnosis or  
10 treatment under current practice standards.").

11 **ORDER**

12 IT IS HEREBY ORDERED THAT:

13 1. Respondent is issued a Letter of Reprimand.

14 2. Respondent is placed on probation for **one year** with the following terms and  
15 conditions:

16 a. **Continuing Medical Education**

17 Respondent shall within six months of the effective date of this Order obtain  
18 **15 - 20 hours** of Board Staff pre-approved Category I Continuing Medical Education  
19 (CME) in **boundary issues** and provide Board Staff with satisfactory proof of attendance.  
20 The CME hours shall be in addition to the hours required for the biennial renewal of  
21 medical license. The probation shall terminate upon successful completion of the CME.

22 b. **Obey All Laws**

23 Respondent shall obey all state, federal and local laws, all rules governing  
24 the practice of medicine in Arizona, and remain in full compliance with any court ordered  
25 criminal probation, payments and other orders.

1 c. Tolling

2 In the event Respondent should leave Arizona to reside or practice outside  
3 the State or for any reason should Respondent stop practicing medicine in Arizona,  
4 Respondent shall notify the Executive Director in writing within ten days of departure and  
5 return or the dates of non-practice within Arizona. Non-practice is defined as any period of  
6 time exceeding thirty days during which Respondent is not engaging in the practice of  
7 medicine. Periods of temporary or permanent residence or practice outside Arizona or of  
8 non-practice within Arizona, will not apply to the reduction of the probationary period.

9 3. This Order is the final disposition of case number MD-08-1072A.

10 EXECUTED AND EFFECTIVE this 4<sup>th</sup> day of June, 2009.  
11 ARIZONA MEDICAL BOARD  
12 By Lisa S. Wynn  
13 Lisa S. Wynn  
Executive Director

14 ORIGINAL of the foregoing filed  
this 4<sup>th</sup> day of June, 2009 with:

15 Arizona Medical Board  
16 9545 E. Doubletree Ranch Road  
Scottsdale, AZ 85258

17 EXECUTED COPY of the foregoing mailed  
18 this 4<sup>th</sup> day of June, 2009 to:

19 Mandi Karvis  
20 Sanders & Parks  
3030 N. 3rd Street, Suite 1300  
21 Phoenix, AZ 85012-3099

22 EXECUTED COPY of the foregoing mailed  
23 this 4<sup>th</sup> day of June, 2009 to:

24 Karen G. Canulla, M.D.  
Address of Record

25 Kayla Corley  
Investigational Review