

BEFORE THE BOARD OF HEALING ARTS
OF THE STATE OF KANSAS

FILED

JUN 24 1996

KANSAS STATE BOARD OF
HEALING ARTS

IN THE MATTER OF)
)
CATHY S. LAUE, M.D.)
Kansas License No. 04-18885)
_____)

Case #94-00061

STIPULATION AND AGREEMENT
AND ENFORCEMENT ORDER

COMES NOW, the Kansas State Board of Healing Arts ("Board") by and through Lori Miskel McNett, Associate Counsel, and Cathy S. Laue, M.D. ("Licensee") by and through her attorney, James E. Rumsey, Esq., Lawrence, Kansas, and stipulate and agree as follows:

1. The Board is the sole and exclusive administrative agency in the State of Kansas authorized to regulate the practice of the healing arts, specifically the practice of medicine and surgery. K.S.A. 65-2801 et seq; K.S.A. 65-2869. Licensee admits that this Stipulation and Agreement and Enforcement Order ("Stipulation") and the filing of such document are in accordance with the requirements of law, and that the Board has jurisdiction to consider the Stipulation and is lawfully constituted to consider this matter to include consideration of this Stipulation. Licensee further notes that the Kansas Healing Arts Act is constitutional on its face as applied in this case. Licensee further acknowledges that the Board, acting in this matter, is not acting beyond the jurisdiction

referred to it by any provision of law.

2. Licensee is or has been entitled to engage in the practice of medicine and surgery in the State of Kansas, having been issued license number 04-18885 on December 5, 1980. At all times relevant to the allegations set forth below, Licensee has held a current license to engage in the practice of medicine and surgery in the State of Kansas, having last renewed her license on June 19, 1995.

3. On September 18, 1995, the Board filed a Petition to Revoke, Suspend or Otherwise Limit the Licensure of Licensee alleging that with respect to the treatment of a mother and her minor child that Licensee committed violations of the Kansas Healing Arts Act, K.S.A. 65-2801 et seq; K.S.A. 65-2836. Specifically, it is alleged that Licensee knowingly submitted misleading, deceptive, untrue or fraudulent representations on a claim form, bill, or statement, in violation of K.S.A. 65-2836(aa). Further, it is alleged that Licensee committed unprofessional conduct in violation of K.S.A. 65-2836(b) in that she committed conduct likely to deceive, defraud, or harm the public (K.S.A. 65-2837(b)(12)), used false, fraudulent or deceptive statements in any document connected with the practice of the healing arts including the intentional falsifying of a patient or medical care facility record (K.S.A. 65-2837(b)(17)), obtained fees by fraud, deceit, or misrepresentation (K.S.A. 65-2837(b)(18)), directly or indirectly received fees, commissions, rebates or other compensation for professional services not actually and personally rendered (K.S.A. 65-2837(b)(19)), and failed to keep sufficient written medical and billing records regarding the treatment of a mother and her minor daughter, which accurately described their separate patient histories, separate pertinent findings, separate examination results, and

fees charged (K.S.A. 65-2837(b)(25)). The Board states that it would present substantial evidence in an administrative hearing in support of these allegations.

Licensee has filed an Answer where she categorically denies: that she submitted misleading, fraudulent, deceptive or untrue claims or billing statements; that she committed any conduct that was likely to deceive or defraud anyone; that she used false, deceptive or fraudulent statements in any document or falsified any medical care facility or patient record; that she obtained fees by fraud, deceit or misrepresentation; that she received in any manner, fees, commissions, rebates or other compensation for professional services not actually rendered; and, that she failed to maintain adequate medical and billing records. Licensee has also alleged various legal defenses to the Petition and she asserts that she would present substantial evidence to support all of her defenses.

Both parties agree that proceeding with a full evidentiary administrative hearing would be a costly and time consuming matter. As part of the consideration in this Stipulation, Licensee stipulates that with respect to the treatment of the mother and her minor daughter she failed to maintain sufficient written medical records regarding their treatment that accurately described their separate patient histories, separate pertinent findings and separate examination results; she denies the remaining allegations.

4. Such acts or conduct as set forth above, if proven, could constitute grounds for disciplinary action by the Board pursuant to the cited provisions of the Healing Arts Act. Under the provisions of K.S.A. 65-2838(a), the Board has jurisdiction to impose appropriate discipline if a licensee of the Board has engaged in any commissions or omissions to bring the licensee within the purview of K.S.A. 65-2836. Under the

provisions of K.S.A. 65-2838(b), the Board has authority to enter into this Stipulation without the necessity of proceeding to a formal hearing. Upon acceptance by the Board, Licensee knowingly, voluntarily and affirmatively waives her rights to: an evidentiary hearing in this matter; the right to be confronted by witnesses and documentary evidence in support of the Petition; cross examine the witnesses presented in support of the Petition; present a defense by oral testimony or documentary evidence; submit surrebuttal evidence; waive all substantive and procedural motions and defense to which she might be entitled if an administrative hearing on the Petition were held.

The terms and conditions of the Stipulation are entered into between the undersigned parties and are submitted for the purpose of allowing these terms and conditions to become an Order of the Board. This Stipulation shall not be binding on the Board until an authorized signature is affixed at the end of this document. Upon signature of Licensee to this document, it shall bind Licensee to its terms and conditions upon the written execution of the agreement by the Board's authorized representative. Licensee specifically acknowledges that counsel for the Board is not authorized to sign for nor bind the Board.

5. In consideration of the conditions, terms, covenants, and promises contained herein, the parties agree as follows:

a) In lieu of the commencement of formal proceedings and/or the making of findings by the Board, Licensee, by signature attached to this Stipulation and Agreement, hereby voluntarily agrees to the following disciplinary measures placed on her license to engage in the practice of medicine and surgery in the State of Kansas:

i) Licensee is hereby formally and publicly reprimanded.

ii) Licensee is fined a sum of one thousand dollars (\$1,000.00) payable within thirty (30) days of Board acceptance of this Stipulation.

iii) Licensee shall pay one-half of the costs incurred by the Board as a result of these proceedings in the amount of Three Hundred Thirty-Three Dollars and fifty cents (\$331.50) payable within thirty (30) days of the Board's acceptance of this Agreement.

iv) Licensee agrees that she has an affirmative duty to notify the Board of her return to the practice of medicine and surgery in the State of Kansas, including any limited or part-time practice. Licensee further agrees that, within thirty (30) days after her return to practice in the State of Kansas, she has a duty to provide the Board with written documentation of the procedures she will implement and maintain for the keeping of her office records, both medical and financial. Licensee agrees that she may be the subject of an audit of her record keeping procedures within the first six months of the reestablishment of her practice in the State of Kansas.

b) Licensee's failure to comply with the provisions of the Stipulation will result in the Board taking disciplinary action as the Board deems appropriate in compliance with the Kansas Administrative Procedure Act and/or the terms of this Stipulation.

c) The parties acknowledge that upon the acceptance and execution of this agreement by all parties, it is intended to be a final resolution and disposition of the matters raised in the Petition filed in this case. However, nothing in this subsection is

intended to prevent this disposition from being used as evidence, in conjunction with any future violations of Licensee, as evidence pursuant to K.S.A. 65-2836(f) and 65-2837(a)(3).

d) Nothing in this agreement shall be construed to deny the Board jurisdiction to investigate alleged future violations of the Healing Arts Act, or to investigate complaints received under the Risk Management Law, K.S.A. 65-4921 et seq., that are unknown and are not covered under the conditions of this Stipulation, or to initiate formal proceedings based upon known or unknown allegations of violations of the Healing Arts Act, unrelated to the matters alleged in the Petition. However, nothing in this subsection is intended to prevent this disposition from being used as evidence, in conjunction with any future violations of Licensee, as evidence pursuant to K.S.A. 65-2836(f) and 65-2837(a)(3).

e) This Stipulation constitutes the entire agreement between the parties and may only be modified and/or amended by a subsequent document executed in the same manner by the parties.

f) The Board and the Licensee acknowledge that they have each read this Stipulation and they fully understand its contents. The Board and the Licensee acknowledge that this Stipulation has been entered into freely and voluntarily.

g) Licensee releases the Board, its employees and agents, from all claims to mean those damages, actions, liabilities and causes of actions, both administrative and civil, including the Kansas Act for Judicial Review and Civil Enforcement of Agency Actions; K.S.A. 77-601 et seq. This release shall discharge the Board of any and all

Actions; K.S.A. 77-601 et seq. This release shall discharge the Board of any and all claims or demands of every kind and nature that Licensee has claimed to have had, either known or unknown, suspected or unsuspected, and Licensee shall not commence to prosecute, cause or permit to be prosecuted, any action or proceeding of any description for damages against the Board, its employees or agents, arising out of acts leading to the execution of this Stipulation and Agreement or the contents of this Stipulation and Agreement.

h) Licensee acknowledges that this document shall be deemed a public disciplinary record upon Licensee's signing this document and Board acceptance of the terms of this document, and shall be reportable to the National Practitioner Databank, Federation of State Medical Boards, and other reporting agencies who are entitled to receive this information as matter of State or Federal law or to whom the Board has a contractual obligation to report.

6. All correspondence or communication between Licensee and the Board shall be by certified mail addressed to: Kansas State Board of Healing Arts, ATTENTION: Office of Disciplinary Counsel, 235 S. Topeka Boulevard, Topeka, Kansas 66603-3068.

7. Licensee shall obey all federal, state, and local laws and rules governing the practice of medicine and surgery in the State of Kansas that may be in place at the time of execution of the Stipulation and Agreement or may become effective subsequent to the execution of this document.

8. Licensee has an affirmative duty to notify the Board of changes in her personal professional status which would inhibit compliance with the above conditions in

this Stipulation.

9. Upon execution of this Stipulation by the affixing of a Board authorized signature below, the provisions of this Stipulation shall become an Order of the Board and shall be deemed a proper and lawful Enforcement Order under K.S.A. 65-2838. This Stipulation shall constitute the Board's Order when filed with the Office of the Executive Director of the Board and no further Order is required.

IN WITNESS WHEREOF, the parties have executed this agreement on the 24th day of June, 1996.

KANSAS STATE BOARD OF HEALING ARTS

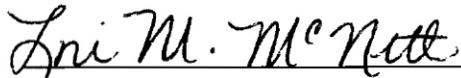
Lawrence T. Buening, Jr.
Lawrence T. Buening, Jr.
Executive Director

June 24, 1996.
Date

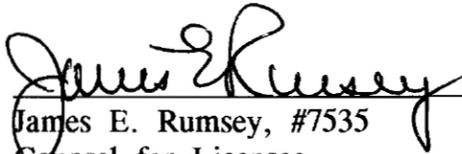
Cathy S. Laue M.D.
Cathy S. Laue, M.D.
Licensee

June 6, 1996
Date

Prepared and Approved as to form by:



Lori M. McNett, #17223
Associate Counsel
Kansas State Board of Healing Arts
235 S. Topeka Blvd.
Topeka, Kansas 66603-3068
(913) 296-7413



James E. Rumsey, #7535
Counsel for Licensee
1032 Vermont Street
P.O. Box 612
Lawrence, Kansas 66044-0612
(913) 841-9950

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing was deposited in the United States mail, first class postage prepaid, on this 25th day of June, 1996, addressed to the following:

Cathy S. Laue, M.D.
4300 Tartan Oak Court
Fairfax, Virginia 22032-1205

James E. Rumsey
Attorney for Licensee
1031 Vermont
PO Box 612
Lawrence, Kansas 66044

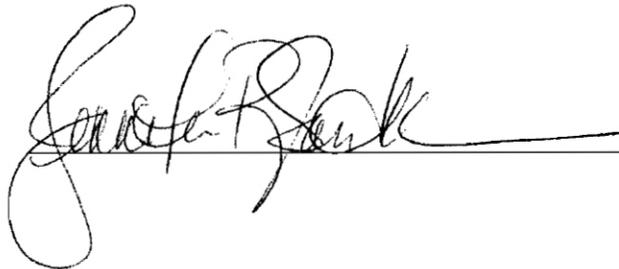
Gene Olander
Presiding Officer
1811 Westwood Drive
Topeka, Kansas 66606

and a copy was hand-delivered to:

Lori Miskel McNett
Associate Counsel
Kansas State Board of Healing Arts
235 S. Topeka Blvd.
Topeka, Kansas 66603

and the original was hand-delivered to:

Lawrence T. Buening, Jr.
Executive Director
Kansas State Board of Healing Arts
235 S. Topeka Blvd.
Topeka, Kansas 66603



A handwritten signature in cursive script, appearing to read "Lawrence T. Buening, Jr.", is written over a horizontal line.

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AUG 12 1996

**KANSAS STATE BOARD OF
HEALING ARTS**

**BEFORE THE BOARD OF HEALING ARTS
OF THE STATE OF KANSAS**

IN THE MATTER OF)
)
CATHY SHAFFIA LAUE, M.D.)
Kansas License No. 04-18885)
_____)

Case No. 94-00061

NUNC PRO TUNC ORDER

COMES NOW on this 12th day of August, 1996, Lawrence T. Buening, Jr., Executive Director, Kansas State Board of Healing Arts ("Board"), and states as follows:

After reviewing the file and being fully advised in the premises, the following finding and orders are made:

1. On June 24, 1996, Lawrence T. Buening, Jr., for and on behalf of the Board, executed and filed a Stipulation and Agreement and Enforcement Order in the above captioned matter.
2. An error was contained in paragraph 5(a)iii on page 5 of the aforementioned Stipulation and Agreement and Enforcement Order. Paragraph 5 should read as follows:
"Licensee shall pay one-half of the costs incurred by the Board as a result of these proceedings in the amount of Three Hundred Thirty-One Dollars and fifty cents (\$331.50) payable within thirty (30) days of the Board's acceptance of this Agreement."
3. The Stipulation and Agreement and Enforcement Order should be so corrected and modified to reflect the above noted change.

IT IS SO ORDERED.

DATED this 12th day of August, 1996.

KANSAS STATE BOARD OF HEALING ARTS



Lawrence T. Buening, Jr.
Executive Director
Kansas State Board of Healing Arts
235 S. Topeka Blvd.
Topeka, KS 66603-3068
(913) 296-7413

CERTIFICATE OF SERVICE

I, Lawrence T. Buening, Jr., do hereby certify that on this 12th day of August, 1996, a copy of the above and foregoing NUNC PRO TUNC ORDER was deposited in the United States mail, postage prepaid, first class to the following:

James E. Rumsey
Counsel for Licensee
1032 Vermont Street
P.O. Box 612
Lawrence, Kansas 66044-0612

and a copy was hand-delivered to:

Lori Miskel McNett
Associate Counsel
Kansas State Board of Healing Arts
235 S. Topeka Blvd.
Topeka, Kansas 66603-3068



LAWRENCE T. BUENING, JR.
Kansas State Board of Healing Arts
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(913) 296-7413

NUNC PRO TUNC ORDER
Cathy Shaffia Laue, M.D.