

FILED OF RECORD

COMMONWEALTH OF KENTUCKY
BOARD OF MEDICAL LICENSURE
CASE NO. 1444

NOV 15 2012

K.B.M.L.

IN RE: THE LICENSE TO PRACTICE OSTEOPATHY IN THE COMMONWEALTH OF KENTUCKY HELD BY JOHN H. SCHEPMAN, D.O., LICENSE NO. 02311, 3812 BLACKBURN AVENUE, ASHLAND, KENTUCKY 41101

AGREED ORDER OF SURRENDER

Come now the Kentucky Board of Medical Licensure (“the Board”), acting by and through its Inquiry Panel B, and John H. Schepman, D.O., (“the licensee”), and, based upon their mutual desire to fully and finally resolve this pending grievance without an evidentiary hearing and in consideration of the licensee’s intent to retire from the practice of osteopathy, hereby ENTER INTO the following **AGREED ORDER OF SURRENDER**:

STIPULATIONS OF FACT

The parties stipulate the following facts, which serve as the factual bases for this Agreed Order of Surrender:

1. At all relevant times, John H. Schepman, D.O., was licensed by the Board to practice osteopathy within the Commonwealth of Kentucky.
2. The licensee’s osteopathic specialty is psychiatry.
3. In or around September 2012, the Board received a telephone call from an Ashland-area pharmacist who expressed concern about the licensee’s prescribing practices. According to the pharmacist, the licensee practices out of his home and phones in prescriptions.
4. On or about October 10, 2012, Amanda Ward, R.Ph., Office of Inspector General, Drug Enforcement and Professional Practices Branch of the Cabinet for Health and

Family Services ("Drug Enforcement"), reviewed and analyzed the licensee's KASPER records (for the period September 1, 2011 through October 8, 2012) and noted several concerns, including:

- Prescribing of same or similar controlled substances to persons with similar last names;
- Prescribing controlled substances to patients of young ages;
- Polypharmacy;
- Similar medication and dosage patterns;
- Improper refills; and
- Issuance of controlled substances based on days' supply

Ms. Ward identified thirteen (13) of the licensee's patients with prescribing patterns reflective of these concerns and recommended for investigation by the Board.

5. Jon Marshall, Medical Investigator, interviewed the licensee in the licensee's home and observed the following: the licensee appeared disheveled and kept repeating himself; the licensee was short of breath and had trouble walking; there was no sign on the residence indicating that there was a doctor's office; the licensee's vehicle appeared not to have been moved for quite some time; the licensee's home was filled with personal belongings to such an extent that there was only a small path through which to walk; when presented with a subpoena for patient records, the licensee led the investigator to a small room with a small file cabinet where files were strewn about; the licensee and the investigator were only able to locate eight (8) of the thirteen (13) subpoenaed records; the patient records contained handwritten notes on paper and sparse information about the patient; many of the files noted that the patient was sending the check in the mail; most files had notes on the outside of the file; two files were completely void of any information; and one file contained the licensee's utility bill.

6. During his interview with the Board's Medical Investigator, the licensee stated substantially as follows: each week he sees 2-3 patients in his home and charges \$100 per visit; he sometimes conducts "phone interviews" with new patients and if it is an "extended call" he charges \$100 for the call; he phones-in prescriptions to the pharmacy and usually authorizes 2-3 refills on each prescription; he was not aware that drug screens and pill counts are acceptable and prevailing practices for monitoring patients being prescribed controlled substances; he has a KASPER account but has only run one KASPER report since HB1 came into effect; he suspected that some patients were calling in prescriptions and pretending to be him and so he developed a "code word" with several pharmacists to prevent that from occurring; he would not be able to travel to the Board to address the grievance or defend a disciplinary action due to his health; and he has become "fed up" with patients seeking pills and plans to retire.

STIPULATED CONCLUSIONS OF LAW

The parties stipulate the following Conclusions of Law, which serve as the legal bases for this Agreed Order of Surrender:

1. The licensee's osteopathic license is subject to regulation and discipline by the Board.
2. The licensee has engaged in conduct which violates the provisions of KRS 311.595(9), as illustrated by KRS 311.597(4). In addition, the licensee may be in violation of KRS 311.595(8) due to his health. Accordingly, there are legal grounds for the parties to enter into this Agreed Order of Surrender.

3. Pursuant to KRS 311.591(6) and 201 KAR 9:082, the parties may fully and finally resolve this pending grievance without an evidentiary hearing by entering into an informal resolution such as this Agreed Order of Surrender.
4. For the purposes of KRS 311.607, this Agreed Order of Surrender is the legal equivalent of an order of revocation

AGREED ORDER OF SURRENDER

Based upon the foregoing Stipulations of Fact and Stipulated Conclusions of Law, and, based upon their mutual desire to fully and finally resolve this pending grievance without an evidentiary hearing and in consideration of the licensee's intent to retire from the practice of osteopathy, the parties hereby ENTER INTO the following **AGREED ORDER OF SURRENDER:**

1. The licensee, John H. Schepman, D.O., shall SURRENDER his Kentucky osteopathic license, with that surrender to become effective immediately upon the filing of this Agreed Order of Surrender, and continuing for an indefinite period.
2. Following the effective date of the surrender of his license, the licensee may not engage in any act which would constitute the "practice of medicine or osteopathy" as that term is defined by KRS 311.550(10) – the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities – in the Commonwealth of Kentucky, until approved to do so by the Panel.
3. The licensee SHALL NOT file a petition to reinstate or application to re-register his osteopathic license without the express written approval of this Panel. The Panel will

not consider such a request prior to the expiration of two (2) years from entry of this Agreed Order of Surrender.

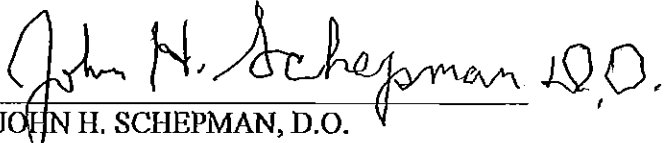
4. The provisions of KRS 311.607, as they exist at the time of filing of the petition for reinstatement or application to re-register, SHALL apply to any application or petition filed by the licensee. The burden shall be upon the licensee to satisfy the Panel that he is presently of good moral character and is qualified both physically and mentally to resume the practice of osteopathy, without undue risk or danger to his patients or the public. To this end, prior to the filing of a petition for reinstatement or application to re-register, the licensee SHALL at least undergo a neuropsychological examination, a physical examination, and complete a clinical skills assessment program.
5. The licensee expressly agrees that if he should violate any term or condition of this Agreed Order of Surrender, the licensee's practice will constitute an immediate danger to the public health, safety, or welfare, as provided in KRS 311.592 and 13B.125. The parties further agree that if the Board should receive information that he has violated any term or condition of this Agreed Order of Surrender, the Panel Chair is authorized by law to enter an Emergency Order of Suspension or Restriction immediately upon a finding of probable cause that a violation has occurred, after an *ex parte* presentation of the relevant facts by the Board's General Counsel or Assistant General Counsel. If the Panel Chair should issue such an Emergency Order, the parties agree and stipulate that a violation of any term or condition of this Order would render the licensee's practice an immediate danger to the health, welfare and safety of patients and the general public, pursuant to KRS 311.592 and 13B.125;

accordingly, the only relevant question for any emergency hearing conducted pursuant to KRS 13B.125 would be whether the licensee violated a term or condition of this Agreed Order of Surrender.

6. The licensee understands and agrees that any violation of the terms of this Agreed Order of Surrender would provide a legal basis for additional disciplinary action, including revocation, pursuant to KRS 311.595(13), and may provide a legal basis for criminal prosecution for practicing osteopathy without a license.

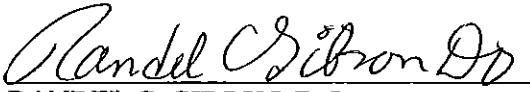
SO AGREED on this 2nd day of NOV, 2012.

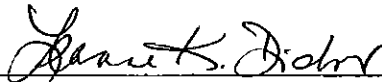
FOR THE LICENSEE:


JOHN H. SCHEPMAN, D.O.

COUNSEL FOR THE LICENSEE
(IF APPLICABLE)

FOR THE BOARD:


RANDEL C. GIBSON, D.O.
CHAIR, INQUIRY PANEL B


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