

BEFORE THE  
MISSOURI STATE BOARD OF REGISTRATION  
FOR THE HEALING ARTS

|                                    |   |                     |
|------------------------------------|---|---------------------|
| MISSOURI STATE BOARD OF            | ) |                     |
| REGISTRATION FOR THE HEALING ARTS, | ) |                     |
|                                    | ) |                     |
| Petitioner,                        | ) |                     |
|                                    | ) |                     |
| v.                                 | ) | Case No. HA01017317 |
|                                    | ) |                     |
| WILLIAM CLYDE SHELLEY, M.D.        | ) |                     |
|                                    | ) |                     |
| Respondent.                        | ) |                     |
|                                    | ) |                     |

**ORDER**

1. The State Board of Registration for the Healing Arts (“the Board”) is an agency of the State of Missouri created and established pursuant to § 334.120, for the purpose of executing and enforcing the provisions of Chapter 334, RSMo.
2. William Clyde Shelley, M.D., (Respondent) is licensed by the Board as a physician and surgeon.
3. A Settlement Agreement (“Agreement”) entered into between the Board and Respondent, effective February 5, 2001, placed Respondent’s medical license on Probation for a period of seven (7) years.


4. Respondent, by and through his counsel, Jay M. Howard, formally requested termination of the Agreement of February 5, 2001 and requested that the Board terminate the Probation of his license.

5. During its meeting on July 16, 2005, the Board reviewed Respondent's request and agreed to approve the termination of the Agreement and the Probation of Respondent's license.

**DECISION AND DISCIPLINARY ORDER**

Pursuant to the request of Respondent, IT IS HEREBY ORDERED that upon the effective date of this Order, the Settlement Agreement and Probation of Respondent's license shall be terminated.

Entered this 8 day of August, 2005.



Tina Steinman  
Executive Director

State Board of Registration  
for the Healing Arts



**BEFORE THE STATE BOARD OF REGISTRATION  
FOR THE HEALING ARTS**

|                             |   |                     |
|-----------------------------|---|---------------------|
| STATE BOARD OF REGISTRATION | ) |                     |
| FOR THE HEALING ARTS,       | ) |                     |
|                             | ) |                     |
| Board,                      | ) |                     |
|                             | ) |                     |
| v.                          | ) | Case No. HA01017317 |
|                             | ) |                     |
| WILLIAM C. SHELLEY, M.D.    | ) |                     |
| 204 W. Golfview             | ) |                     |
| Blue Springs, MO 64014      | ) |                     |
|                             | ) |                     |
| Licensee.                   | ) |                     |

**SETTLEMENT AGREEMENT**

William C. Shelley, M.D., ("Licensee") and the State Board of Registration for the Healing Arts (the "Board") enter into this Agreement for the purpose of resolving the question of whether Dr. Shelley's license as a physician or surgeon will be subject to discipline. Solely for the purposes of settlement of the pending matter, Licensee and the Board jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to §621.045, RSMo Supp. 1999.

1. Licensee acknowledges that he understands the various rights and privileges afforded by law, including the right to a hearing of the charges against Licensee; the right to appear and be represented by legal counsel; the right to have all charges against Licensee proven upon the record by competent and substantial evidence; the right to cross-examine any witness appearing at the hearing against Licensee; the right to present evidence on Licensee's own behalf; the right to a

decision based upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against Licensee; and subsequently, the right to a disciplinary hearing before the Board at which time evidence may be presented in mitigation of discipline. Having been advised of these rights provided Licensee by operation of law, Licensee knowingly and voluntarily waives each and every one of these rights and freely enters into this Agreement and agrees to abide by the terms of this document as they pertain to Licensee.

2. Licensee acknowledges that he may, at the time this Agreement is effective or within fifteen days thereafter, submit this Agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for discipline of Licensee's license.

3. Licensee acknowledges that he has been informed of his right to consult legal counsel in this matter.

4. Licensee hereby waives and releases the Board, its members and any of its employees, agents, or attorneys, including any former Board members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including any claims pursuant to §536.087, RSMo 1994, or any claim arising under 42 U.S.C. 1983, which may be based upon, arise out of, or relate to any of the matters raised in this case or this Agreement, or from the negotiation or execution of this Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this Agreement in that it

survives in perpetuity even in the event that any court of law deems this Agreement, or any portion thereof, void or unenforceable.

5. The parties stipulate and agree that the disciplinary order agreed to by the Board and Licensee in Part II herein is based only on the Agreement set out in Part I herein. Licensee understands that the Board may take further disciplinary action against Licensee based on facts or conduct not specifically mentioned in this document that are either now known to the Board or may be discovered, excluding any facts or conduct which were the subject of the investigation which resulted in the agreed upon discipline set forth herein.

6. Licensee understands and agrees that the Missouri State Board of Registration for the Healing Arts will maintain this Agreement as an open record of the Board as required by Chapters 334, 610, 620, and 621, RSMo, as amended.

#### I.

Based upon the foregoing, Board and Licensee herein jointly stipulate to the following for purposes of settlement of the pending matter only:

#### JOINT FINDINGS OF FACT

1. The State Board of Registration for the Healing Arts (the "Board") is an agency of the State of Missouri created and established pursuant to § 334.120, for the purpose of executing and enforcing the provisions of Chapter 334, RSMo.

2. William C. Shelley, M.D. ("Licensee") is licensed by the Board as a physician and surgeon, License Number MDR5D09, which license was first issued

September 20, 1983. Licensee's certificate of registration is current and active, and was so at all times related herein.

3. Licensee worked as an anesthesiologist with privileges at St. Mary's hospital in Blue Springs, Missouri and Research Hospital in Kansas City, Missouri.

4. During the spring of 1998, on more than one (1) occasion, Licensee diverted Propofol from the central drug supply room at St. Mary's Hospital.

5. Propofol is a prescription drug which has a sedative and hypnotic effect and is used by anesthesiologists in the induction and maintenance of anesthesia or sedation.

6. The diverted Propofol was personally used by Licensee while at home on a number of occasions.

7. During the Fall of 1998, Licensee again personally used Propofol in his home.

8. On or about August 22, 1999, Licensee was arrested by ~~Blue Springs,~~ *Highway Patrol 13 2/15/01* Missouri police on suspicion of Driving While Intoxicated under the influence of propofol.

9. On or about January 25, 2000, Licensee pled guilty in Jackson County Circuit Court to one count of Driving While Intoxicated. He was placed on probation for a period of two years.

10. Licensee's dispensing of Propofol to himself on repeated occasions was not done for any medical or therapeutic purpose.

11. Licensee's conviction for Driving While Intoxicated is an offense involving moral turpitude.

JOINT CONCLUSIONS OF LAW

1. Cause exists to discipline Licensee's license pursuant to § 334.100.2 (2) and (4)(h), RSMo Supp. 1997, which provides in pertinent part:

2. The Board may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any holder of any certificate of registration or authority, permit or license required by this chapter or any person who has failed to renew or has surrendered his certificate of registration or authority, permit or license for any one or any combination of the following causes:

.....

(2) The person has been finally adjudicated and found guilty, or entered a plea of guilty or nolo contendere, in a criminal prosecution under the laws of this state or of the United States, for any offense...involving moral turpitude, whether or not sentence was imposed;

\* \* \*

(4) Misconduct, fraud, misrepresentation, dishonesty, unethical conduct or unprofessional conduct in the performance of the functions or duties of any profession licensed or regulated by this chapter, including, but not limited to, the following:

(h) ...dispensing...any drug,.... or other treatment without sufficient examination, or

for other than medically accepted  
therapeutic...purposes...;

\* \* \*

2. Licensee's conduct, as established by the foregoing facts, falls within the  
intendment of §334.100.2 (2) and (4)(h) RSMo, Supp. 1997.

3. Cause exists for the Board to take disciplinary action against Licensee's  
license under §334.100.2 (2) and (4)(h) RSMo Supp. 1997.

## II.

### JOINT AGREED DISCIPLINARY ORDER

Based on the foregoing, the parties mutually agree and stipulate that the  
following shall constitute the disciplinary order entered by the State Board of  
Registration for the Healing Arts in this matter under the authority of §621.110, RSMo  
1994. This Agreement will be effective immediately on the date entered and finalized  
by the Board.

A. Effective the date the Board enters into the Agreement:

1. The medical license, No. MDR5D09, issued to Licensee is hereby  
**PUBLICLY REPRIMANDED**. Further, The medical license, No. MDR5D09, issued to  
Licensee shall be placed on **PROBATION** for a period of **SEVEN (7) years** ("disciplinary  
period"). During the disciplinary period, Licensee shall be entitled to engage in the practice of  
medicine under Chapter 334, RSMo, provided he adheres to all the terms of this agreement.

2. During the disciplinary period, Licensee shall completely abstain from the  
use or consumption of Propofol. Licensee shall not, in any manner whatsoever,



exercise any control or authority over Propofol including exercising any such control or authority pursuant to the prescriptive authority or registration of any other person or entity. Licensee shall not prescribe, administer, dispense, order, possess, or otherwise, on Licensee's orders, authority or instructions, or pursuant to the prescriptive authority or registration of any other person or entity, cause or attempt to cause the prescribing, administration, dispensing, ordering or possession of Propofol.

3. Within thirty (30) days of the effective date of this Agreement, Licensee shall, at Licensee's cost, undergo an evaluation for chemical dependency by the Missouri State Medical Association's Physician Health Program (MPHP) or the Missouri Association of Osteopathic Physicians and Surgeons Program (MAOPS). Licensee shall direct MPHP or MAOPS to forward an evaluation report to the Board detailing the professional's findings, diagnoses, prognosis, and treatment recommendations within fifteen (15) days of completing the evaluation. Licensee shall follow all recommendations for treatment or aftercare made by the chemical dependency professional.

4. Within fifteen (15) days of the effective date of this Agreement, and continuing through the duration of the disciplinary period, Licensee shall participate in the MPHP or MAOPS program. Licensee shall follow all recommendations for treatment or aftercare made by MPHP or MAOPS, and shall comply with each and every requirement to remain in the program. Within fifteen (15) days of entering the

MPHP or MAOPS program, Licensee shall cause MPHP or MAOPS to send written notification to the Board confirming that Licensee has joined the program.

5. During the disciplinary period, Licensee shall abstain completely from the personal use or possession of controlled substances and dangerous drugs as defined by state and federal law or any drugs requiring a prescription unless that use of the drug has been prescribed by a person licensed to prescribe such drug and with whom the Licensee has a bona fide physician/patient relationship. The Licensee shall forward to the Board written documentation of any such prescription within ten (10) days of the date of issuance of the prescription.

6. During the disciplinary period, Licensee shall abstain completely from the use or consumption of alcohol. The presence of any alcohol whatsoever in a biological fluid sample shall constitute a violation of Licensee's discipline.

7. During the disciplinary period, Licensee shall, at Licensee's cost, submit to biological fluid testing as required by the State Board of Registration for the Healing Arts. Licensee shall, upon demand and without delay, allow the Board's designated representative to obtain witnessed biological fluid samples and shall cooperate fully and completely with the Board's designated representative in providing such samples. The presence of any drug or a prescription drug not supported by a valid prescription or by a prescription documentation of which has not been forwarded to the Board as provided in this Agreement shall constitute a violation of Licensee's discipline.

8. During the disciplinary period, Licensee shall cause a letter of evaluation from the chemical dependency professional or from the rehabilitation or aftercare program to be submitted to the Board no later than January 1, April 1, July 1, and October 1 of each year. The letter shall include an evaluation of the Licensee's current status in the treatment, including Licensee's compliance with all the recommendations for treatment, and the current prognosis.

9. Within ten (10) days of the effective date of this Agreement, Licensee shall execute and deliver to the Board a written medical release(s) or other appropriate release(s) which shall cover the entire period of this Agreement authorizing the State Board of Registration for the Healing Arts to obtain records of the Licensee's treatment for chemical dependency. Licensee shall not take any action to cancel the release(s) and shall take whatever actions are necessary to ensure that the release(s) remain in full force and effect throughout the disciplinary period.

10. If the treatment of Licensee is successfully completed during the disciplinary period, Licensee shall cause the treating chemical dependency professional or director of the chemical dependency treatment program to submit a letter of evaluation to the Board stating that Licensee has successfully completed treatment and the arrangements for appropriate follow-up or aftercare. Licensee shall follow all recommendations for follow-up or aftercare and shall document compliance with all such recommendations.

11. During the disciplinary period, Licensee shall comply with all provisions of Chapters 334 and 195, RSMo; all the regulations of the Board; all applicable federal and state drug laws, rules, and regulations; and all federal and state laws. State here includes all states and territories of the United States.

12. During the disciplinary period, Licensee shall keep the Board informed of Licensee's current work and home telephone numbers and addresses. Licensee shall notify the Board in writing within ten (10) days of any change in this information.

13. During the disciplinary period, Licensee shall timely renew his license and timely pay all fees required for licensing and comply with all other Board requirements necessary to maintain Licensee's license in a current and active state.

14. During the disciplinary period, Licensee shall accept and comply with unannounced visits from the Board's representatives to monitor his compliance with the terms and conditions of this disciplinary Agreement.

15. During the disciplinary period, Licensee shall appear in person for interviews with the Board or its designee upon request.

16. Periods of residency or the practice of medicine outside Missouri will not apply to the reduction of the disciplinary period. Licensee shall notify, in writing, the medical licensing authorities of the jurisdiction in which he is residing or practicing, by no later than the fifteenth (15) day after the beginning of the disciplinary period, of Licensee's disciplinary status in Missouri. Licensee shall forward a copy of this written notice to the Board contemporaneously with sending it to the relevant licensing

authority. In the event Licensee should leave Missouri to reside or practice medicine outside the state during the disciplinary period, Licensee shall notify the Board in writing of the dates of departure and return no later than ten (10) days before Licensee's departure. Furthermore, Licensee shall, no later than ten (10) days after the commencement of any residence or practice outside this state, notify in writing the medical licensing authorities in the jurisdiction in which Licensee is residing or practicing of Licensee's disciplinary status in Missouri.

17. Licensee shall notify, within fifteen (15) days of the effective date of this Agreement, all hospitals, nursing homes, out-patient centers, surgical centers, clinics, and all other facilities where Licensee practices or has privileges of Licensee's disciplinary status. Notification shall be in writing and Licensee shall, contemporaneously with the giving of such notice, submit a copy of the notice to the Board for verification by the Board or its designated representative.

18. For purposes of this Agreement, unless otherwise specified in this Agreement, all reports, documentation, evaluations, notices, or other materials required to be submitted to the Board in this Agreement shall be forwarded to the State Board of Registration for the Healing Arts, Attention: Investigations, P.O. Box 4, Jefferson City, Missouri 65102.

19. In the event the State Board of Registration for the Healing Arts determines that Licensee has violated any term or condition of this Agreement, the

Board may in its discretion, vacate this Agreement and impose such further discipline as the Board shall deem appropriate.

20. This Agreement does not bind the Board or restrict the remedies available to it concerning any other violation of Chapter 334, RSMo, by Licensee not specifically mentioned in this document.

B. Upon the expiration of the disciplinary period, Licensee's license shall be fully restored if all requirements of law have been satisfied; provided however, that in the event the State Board of Registration for the Healing Arts determines that Licensee has violated any term or condition of this Agreement, the Board may in its discretion, vacate this Agreement and impose such further discipline as the Board shall deem appropriate.

C. No additional order shall be entered by this Board pursuant to the preceding paragraph of this Agreement without notice and an opportunity for hearing before this Board as a contested case in accordance with the provisions of Chapter 536, RSMo. If any alleged violation of this Agreement occurred during the disciplinary period, the parties agree that the Board may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Licensee agrees and stipulates that the Board has continuing jurisdiction to hold a hearing to determine if a violation of this Agreement has occurred.

D. If the Board determines that the Licensee has violated a term or condition of the disciplinary period which violation would also be actionable in a proceeding before the Administrative Hearing Commission or in the circuit court, the Board may elect to pursue any lawful remedies afforded it and is not bound by this Agreement in its election of remedies concerning that violation.

E. Licensee hereby waives and releases the Board, its members and any of its employees, agents, or attorneys, including any former Board members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees costs and expenses, and compensation, including, but not limited to any claims for attorneys fees and expenses, including any claims pursuant to §536.087, RSMo, or any claim arising under 42 USC 1983, which may be based upon, arise out of, or relate to any of the matters raised in this agreement, or from the negotiation or execution of this agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this agreement in that it survives in perpetuity even in the event that any court of law deems this agreement or any portion thereof void or unenforceable.

F. In consideration of the foregoing, the parties consent to the termination of any further proceedings based upon the facts set forth herein.

LICENSEE

BOARD

*William Clyde Shellyard* *T. Steinman* 2/5/01  
1/29/01

William C. Shelley, M.D.                      Date

Tina Steinman                                      Date  
Executive Director

POLSINELLI, SHALTON & WELTE, P.C.

JEREMIAH W. (JAY) NIXON  
Attorney General

Jay M. Howard 01/29/01  
Jay M. Howard                                      Date

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Attorneys for Licensee

Attorneys for Board

EFFECTIVE THIS 5 DAY OF February, 2001.