



North Carolina Medical Board

Timothy E. Lietz, MD: President | Barbara E. Walker, DO: President-Elect | Bryant A. Murphy, MD: Secretary/Treasurer

October 26, 2018

Via Attorney of Record

Maged Hanna Saad, M.D.
129 Luxorwind Drive
Garner, NC 27529-4370

Dear Dr. Saad:

The North Carolina Medical Board (“Board”) has concluded its investigation into allegations that you aided and abetted the unlicensed corporate practice of medicine and engaged in fee-splitting. It is the Board’s decision not to commence formal proceedings against your license at this time. However, the Board did vote to issue you this public letter of concern. The Board does not consider a public letter of concern to be a disciplinary action or a limitation or restriction on your license.

The Board is concerned that in 2010 you sold your medical practice to a non-licensee. After the sale, you continued to practice medicine at the clinic on behalf of the lay owner and split your professional fee with him. As a general rule, with few exceptions, none of which are applicable here, a business entity that provides physician services that constitute the practice of medicine must be owned by physicians licensed by this Board. A copy of the Board’s position statement entitled “Corporate Practice of Medicine” is enclosed. In 2015, you retired from medicine and a new physician was brought into the practice. In 2017, the practice abruptly closed without notice to patients. The abrupt closure led to disruption of continuity of care for several patients as well as patients being unable to obtain their records. Although you were not involved with the practice in 2017 when it closed, your initial sale of the practice in 2010 to a non-licensee set in motion the course of events that ultimately led to the inappropriate abrupt closure of the practice by a lay person unbound to medical ethics.

The Board urges you to take steps to ensure the conduct giving rise to the Board’s concerns does not happen again. Otherwise, the Board may vote to commence formal disciplinary proceedings against your license. If that happens, this letter may be entered into evidence in determining the appropriate discipline.

This letter is a public record within the meaning of Chapter 132 of the North Carolina General Statutes and is subject to public inspection and dissemination as required by that law. It will be reported to the Federation of State Medical Boards; however, it will not be reported to the National Practitioner Data Bank.

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Sincerely,

A handwritten signature in black ink, appearing to read "T. E. Lietz MD".

Timothy E. Lietz, M.D.
President


TEL/MJ/lt

Enclosure

Consent and Waiver

I, Maged Hanna Saad, M.D., would like to resolve this matter without the need for more formal proceedings and consent to the Board's issuance of this public letter of concern in resolution of the above matter. I hereby waive any requirement under any law or rule that this public letter of concern be served on me.

Consented to this the 22nd day of October, 2018.



Maged Hanna Saad, M.D.

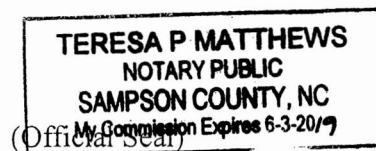
State of NC

County of Wake

I, Teresa P Matthews, do hereby certify that Maged Hanna Saad, M.D. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 22nd day of October, 2018.

Teresa P Matthews
Notary Public



My Commission Expires: 06 03 2019

North Carolina Medical Board

NORTH CAROLINA MEDICAL BOARD POSITION STATEMENT

Corporate practice of medicine

It is the position of the Board that, except as discussed below, businesses practicing medicine in North Carolina must be owned in their entirety by persons holding active North Carolina licenses. The owners of a business engaged in the practice of medicine must be licensees of this Board or one of the combinations permitted in N.C. Gen. Stat. § 55B-14. Licensees of the Board providing medical services on behalf of businesses engaged in the corporate practice of medicine may be subject to disciplinary action by the Board. Whether a licensee of the Board is an employee or independent contractor is not determinative of whether a physician is aiding and abetting the corporate practice of medicine. In addition, the Board may seek injunctive relief against lay owners of businesses engaged in the corporate practice of medicine.

The Board does recognize certain exceptions to the corporate practice of medicine, including hospitals and health maintenance organizations. Such exceptions are premised on the notion that these entities are statutory creations intended for the public welfare and regulated by the government, thus ameliorating the inherent conflict between profit-making and good medical care. Under a similar rationale, public health clinics and charitable nonprofits are also considered exceptions to the prohibition on the corporate practice of medicine.

Hospital-owned practices

As mentioned above, the Board recognizes an exception to the prohibition on the corporate practice of medicine for non-profit hospitals and in turn medical practices that are owned by such hospitals. The policy underlying this exception is that non-profit hospitals are charged with the same mission as the Board in protecting the well-being of the citizens of North Carolina. In keeping with this policy, it is the Board's expectation that hospital-owned practices will recognize the ethical obligations that their physician employees have to their patients and allow them to discharge such obligations. For example, it is the position of the Board that physicians who depart such practices for reasons other than safety concerns be permitted to provide appropriate notice to their patients, ensure continuity of care, and allow patient selection.

(Adopted March 2016)