IN AND BEFORE THE OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION

STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION,

Plaintiff

JOSE CRUZ FERMO, JR., M.D. Medical License No. 11069,

CASE NO 90-03-1027

Defendant.

FINAL ORDER

1

This cause came on for hearing before the Oklahoma Board of Medical Licensure and Supervision en banc on June 8, 1990, at the office of the Oklahoma Board of Medical Licensure and Supervision, 5104 N. Francis, Suite C, Oklahoma City, Oklahoma, pursuant to notice given as required by law and the rules of the Board.

Daniel J. Gamino, Attorney, appeared for the Plaintiff; and Jose Cruz Fermo, Jr., Defendant, appeared in person and by counsel, Michael C. Turpen and Richard A. Mildren, Chapel, Riggs, Abney, Neal & Turpen.

The Board of Medical Licensure and Supervision en banc heard the announcements of counsel and being fully advised in the premises, the Board of Medical Licensure and Supervision therefore finds as follows:

FINDINGS OF FACT

- That Jose Cruz Fermo, Jr., M.D., holds Oklahoma Medical License No. 11069.
- That the Oklahoma Board of Medical Licensure and Supervision en banc has jurisdiction over the subject matter herein and that notice has been given in all respects as required by law and the rules of the Board.
- That from approximately May 6, 1987, to May 15, 1989, Defendant, Jose Cruz Fermo, Jr., did present claims for payment of public funds to the Oklahoma Department of Human Services (Medicaid) and did collect medical fees on patients based on a billing code indicating that each patient received 45-50 minutes of individual psycho-therapy per day, when in fact that entire quantity of individual psycho-therapy was not rendered by the Defendant. The Defendant did render said patients some amount of individual psycho-therapy, and routinely provided conjoint therapy and family therapy, as well as consultations with other physicians and team meetings with psychologists, nurses, social workers, psychiatric aides and recreational therapists.
- That on or around February 23, 1990, Defendant, with advice of legal counsel, did plead guilty and received a deferred sentence on ten counts of filing a false claim, contrary to the provisions of 21 O.S. 1981, Sec. 358, in Oklahoma County District Court Case No. CF-90-1052. The deferred sentence received by the Defendant, pursuant to 22 O.S. 1981, Sec. 999(c), is not a final judgment and sentence, but only a conditional order entered by the court. Said conditional order will be dismissed by the court and all records of this action will be expunged upon the

Defendant's successful completion of the terms and conditions specified by the court.

- 5. That as a condition of the five-year deferred sentence, Defendant must pay a fine in the amount of \$100,000.00 and make restitution in the amount of \$350,000.00. That the Defendant has lost his provider agreement with Medicaid and Medicare and cannot continue to render medical services under those programs.
- 6. That there is no evidence herein of any patient abuse or substandard patient care.

CONCLUSIONS OF LAW

- 1. That Jose Cruz Fermo, Jr., M.D., holding Oklahoma Medical License No. 11069, is in violation of the Oklahoma Medical Practice Act, 59 O.S. 1981, Sec. 509, Paragraph 10, to-wit:
 - "10. The commission of any act which is a violation of the criminal laws of Oklahoma when such act is connected with the physician's practice of medicine. A complaint, indictment or confession of a criminal violation shall not be necessary for the enforcement of this provision. Proof of the commission of the act while in the practice of medicine or under the guise of the practice of medicine shall be unprofessional conduct."

ORDER

IT IS THEREFORE ORDERED by the Oklahoma Board of Medical Licensure and Supervision as follows:

- 1. That Defendant, Jose Cruz Fermo, Jr., M.D., Oklahoma Medical License No. 11069, should be and is hereby placed on probation to the Oklahoma State Board of Medical Licensure and Supervision for a period of approximately four (4) years and nine (9) months, beginning on June 8, 1990, and ending on February 23, 1995, under the following terms and conditions:
 - (a) During the period of probation Defendant shall comply with all terms and conditions of the deferred sentence entered on February 23, 1990, in Oklahoma County District Court Case No. CF-90-1052, and shall provide evidence of successful completion and compliance with all terms to the investigation and probation division of the Oklahoma Board of Medical Licensure and Supervision.
 - (b) That the Defendant shall create and keep in place an in-house, billing system that will prevent all inappropriate future charges to patients or third party payers.
 - (c) That the Defendant shall provide the Board with notice of any application for reinstatement of his provider status with Medicare in advance of such filing.
 - (d) During the period of probation Defendant shall notify any hospital where he holds staff privileges, or clinic, or group where he practices, of the terms and conditions of this Board Order and supply a copy thereof.
 - (e) During the period of probation Defendant will furnish to the office of the Oklahoma State Board of Medical Licensure and Supervision

all current legal addresses and any change of address in writing.

- That Defendant shall appear before the Board or a designated member thereof whenever requested to do so.
- (g) During the period of probation Defendant will submit to the Investigation Division of the Oklahoma State Board of Medical Licensure and Supervision any required reports and forms on a timely and prompt basis.
- (h) Pursuant to Section 26, H.B. 1478, 1987 Legislature, Defendant shall promptly pay upon receipt of invoice from the Investigation Division of the Board the costs of investigation, prosecution and probation of this case.
- (i) That violation of any of the terms and conditions of probation shall be grounds for additional charges to be presented to the Board after notice to the Defendant.
- That the jurisdiction of the Board in this individual proceeding will continue until the terms and conditions of probation are modified or lifted by the Oklahoma Board of Medical Licensure and Supervision on their own motion or on the motion of the Defendant.
- 3. The Defendant further agrees that failure to meet any of the above terms of probation will constitute cause for the Board to initiate additional proceedings to suspend or revoke Defendant's Oklahoma Medical License, after additional due notice and hearing.

DATED this 2137 day of JUNE , 1990.

> GERALD . ZUMWALT, M.D. State Board of Medical and Supervision

TENROVED AS TO FORM:

DANIEL J. GAMINO

OBA #3227 Daniel J. Gamino & Associates, P.C.

3315 NW 63

Oklahoma City, OK 73116

(405) 840-3741

ATTORNEY FOR PLAINTIFF

1 MICHAEL C. TURPEN

OBA #9139 Chapel/ Riggs, Abney, Neal & Turpen 5801 N. Broadway, Suite 101

Oklahoma City, OK 73118

(405) 843-9909

ATTORNEY FOR DEFENDANT

IN AND BEFORE THE OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION

STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel, OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION,)))
Plaintiff, v.))
JOSE CRUZ FERMO, M.D./ Medical License No. 11069,) CASE NO. 90-03-1027
Defendant.	}

ORDER ON PROBATION APPEARANCE

This cause came on for hearing before the Oklahoma Board of Medical Licensure and Supervision on Tebruary 21, 1992, at the office of the Oklahoma State Board of Medical Licensure and Supervision, 5104 N. Francis, Suite C, Oklahoma City, Oklahoma, pursuant to notice given as required by law and the rules of the Board.

Daniel J. Gamino, Attorney, appeared for the Plaintiff; and Michael C. Turpen, of law firm Chapel, Riggs, Abney, Neal & Turpen, Oklahoma City, Oklahoma, appeared for the Defendant.

The Board of Medical Licensure and Supervision en banc took sworn testimony, reviewed exhibits and being fully advised in the premises, the Oklahoma Board of Medical Licensure and Supervision finds as follows:

FINDINGS OF FACT

- 1. That Defendant, Jose Cruz Fermo, M.D., holds Oklahoma Medical License No. 11069.
- 2. That the Oklahoma Board of Medical Licensure and Supervision en banc has jurisdiction over the subject matter herein and that notice has been given in all respects as required by law and the rules of the Board.
- 3. That following notice and hearing on June 8, 1990, Defendant was placed on probation to the Oklahoma State Board of Medical Licensure and Supervision for a period of four (4) years and nine (9) months beginning on June 8, 1990, under certain enumerated terms and conditions.
- 4. That Defendant is in general compliance with those terms and conditions.
- 5. That the Board found no evidence to support any change of terms and conditions of probation.
- 6. That Defendant contracted with Western State Hospital to practice at that institution and after Defendant moved to Western State, the practice was shut down and he and his spouse are now in consultation with legal counsel concerning their contract rights against the Oklahoma Department of Mental Health.

CONCLUSIONS OF LAW

1. That the Board has lawful jurisdiction over the Defendant pursuant to the Oklahoma Medical Practice Act, 59 O.S. Supp. 1990, Sec. 481 et seq.

ORDER

IT IS THEREFORE ORDERED by the Oklahoma Board of Medical Licensure and Supervision as follows:

- 1. That the Defendant, Jose Cruz Fermo, M.D., holding Oklahoma Medical License No. 11069, should be continued on probation to the Oklahoma State Board of Medical Licensure and Supervision for a period of four (4) years and nine (9) months beginning on June 8, 1990, under the following terms and conditions:
 - (a) During the period of probation Defendant shall comply with all terms and conditions of the deferred sentence entered on February 23, 1990, in Oklahoma County District Court Case No. CF-90-1052, and shall provide evidence of successful completion and compliance with all terms to the investigation and probation division of the Oklahoma Board of Medical Licensure and Supervision.
 - (b) That the Defendant shall create and keep in place an in-house, billing system that will prevent all inappropriate future charges to patients or third party payers.
 - (c) That the Defendant shall provide the Board with notice of any application for reinstatement of her provider status with Medicare in advance of such filing.
 - (d) During the period of probation Defendant shall notify any hospital where he holds staff privileges, or clinic, or group where he practices, of the terms and conditions of this Board Order and supply a copy thereof.
 - (e) During the period of probation Defendant will furnish to the office of the Oklahoma State Board of Medical Licensure and Supervision all current legal addresses and any change of address in writing.
 - (f) That Defendant shall appear before the Board or a designated member thereof whenever requested to do so.
 - (g) During the period of probation Defendant will submit to the Investigation Division of the Oklahoma State Board of Medical Licensure and Supervision any required reports and forms on a timely and prompt basis.
 - (h) Pursuant to Title 59 O.S. Sec. 506, Defendant shall promptly pay upon receipt of invoice from the Board the costs of investigation, prosecution and probation of this case, unless the Defendant affirmatively obtains a deferment of all or part of said fees upon presentation of evidence that is acceptable to the Board Secretary.
 - (i) That violation of any of the terms and conditions of probation shall be grounds for additional charges to be presented to the Board after notice to the Defendant.
- 2. That the jurisdiction of the Board in this individual proceeding will continue until the terms and conditions of probation are modified or lifted by the Oklahoma Board of Medical

Licensure and Supervision on their own motion or on the motion of the Defendant.

3. That failure to meet any of the above terms of probation will constitute cause for the Board to initiate additional proceedings to suspend or revoke Defendant's Oklahoma Medical License, after additional due notice and hearing.

DATED this _ C day of Maril , 1992.

> Secretary State Board of Medical Licensure

and Supervision

APPROVED AS TO FORM:

DANIEL J. GAMINO

Daniel J. Gamino & Associates, P.C.

3315 NW 63

Oklahoma City, OK 73116

(405) 840-3741

ATTORNEY FOR PLAINTIFF

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing instrument was mailed, postage prepaid thereon, this 9 day of March , 1992, to:

Janet L Owens

MICHAEL C. TURPEN Chapel, Riggs, Abney, Neal & Turpen 5801 N. Broadway, Suite 101 Oklahoma City, OK 73118

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing instrument was mailed, postage prepaid thereon, this $\frac{1}{2}$ day of $\frac{1}{2}$, 1990, to:

MICHAEL C. TURPEN Chapel, Riggs, Abney, Neal & Turpen 5801 N. Broadway, Suite 101 Oklahoma City, OK 73118

- Janet & Derris

IN AND BEFORE THE OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION STATE OF OKLAHOMA

		FILED
STATE OF OKLAHOMA)	
EX REL. THE OKLAHOMA BOARD	í	APR 1 7 2003
OF MEDICAL LICENSURE	í	HI II - 1 2000
AND SUPERVISION,	í	OKLAHOMA STATE BOARD OF
	í	MEDICAL LICENSURE & SUPERVISION
Plaintiff,	Ś	
	j j	
v.)	Case No. 02-01-2459
JOE C. FERMO, M.D.,)	
)	
LICENSE NO. 11069		
)	
Defendant.		

CITATION

YOU ARE HEREBY NOTIFIED that on the <u>17</u>th day of April, 2003, a sworn Complaint was filed with the undersigned Secretary of the Oklahoma State Board of Medical Licensure and Supervision, State of Oklahoma, charging you with violations of the Oklahoma Allopathic Medical and Surgical Licensure and Supervision Act at 59 Okla. Stat. §509 (9) and OAC 435:10-7-4 (11) and (18). A copy of the Complaint is attached hereto and made a part thereof.

On July 17-19, 2003, the Board will be in regular session at 9:00 o'clock a.m., at its offices located at 5104 N. Francis, Suite C, Oklahoma City, Oklahoma, at which time your Complaint will be considered by the Board, and a hearing will be held pursuant to the Oklahoma Administrative Procedures Act, 75 Okla. Stat. §309, et seq., as amended.

If the Board decides, after considering all the testimony and evidence, that you are guilty as charged, your license to practice as a physician within the State of Oklahoma may be suspended or revoked or other disciplinary action may be taken by the Board as authorized by law, including the assessment of costs and attorney's fees for this action as provided by law.

Under the laws of the State of Oklahoma, you are required to file your written Answer under oath with the Secretary of the Board within twenty (20) days after the Citation is served upon you. Unless your Answer is so filed, you will be considered in default, and the Board may accept the allegations set forth in the complaint as true at the hearing of the complaint. If the charges are deemed sufficient by the Board, your license to practice as a physician in the State of Oklahoma may be suspended or revoked.

	THEREFORE, you are cited to a	appear at th	e hearing.	If you	are not	present in	person,	you
may b	be present through your attorney.							
			1 _					

DATED this 17th day of April, 2003 at 10th o'clock

GERALD C. ZUMWALT, M.D., Oklahoma State Board of Medical Licensure and Supervision

RETURN OF SERVICE BY AGENT

Received the attached and fore	going Citation and Scheduling Order in the
investigation of See Fer	Mo M.D, at Oklahoma City,
Oklahoma, on theday o	of, 2003, and on the
7th day of May, 2003, at	ing a copy to: Nor i Fermo M.P. (name of person served)
within named defendant by deliver	ing a copy to: Mar 1 Fermo M.D.
	(name of person served)
at (address):	
	4207 7.64
Served by: Jun Beide	4207 %. 64 Tulsa, OK
Subscribed and sworn to before	e me on this $\frac{7}{2}$ day of $\frac{2}{2}$,
2002	Jant Swinfle Notary Public
My Commission expires:	
8-22-06	
	CASE NAME: Forme, Jae
(CASE #: 02-01-2459

IN AND BEFORE THE OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION STATE OF OKLAHOMA

FILED

STATE OF OKLAHOMA EX REL. THE OKLAHOMA BOARD)	APR 1 7 2003
OF MEDICAL LICENSURE AND SUPERVISION,)	OKLAHOMA STATE BOARD OF MEDICAL LICENSURE & SUPERVISION
Plaintiff)	
v.)	Case No. 02-01-2459
JOE C. FERMO, JR., M.D., OKLAHOMA MEDICAL LICENSE NO.) 11069,)	
Defendant.)	

COMPLAINT

COMES NOW the plaintiff, the State of Oklahoma ex rel. the Oklahoma State Board of Medical Licensure and Supervision (the "Board"), by and through its attorney, Elizabeth A. Scott, Assistant Attorney General, and for its Complaint against the Defendant, Joe C. Fermo, Jr., M.D., Oklahoma medical license no. 11069, alleges and states as follows:

- 1. The Board is a duly authorized agency of the State of Oklahoma empowered to license and oversee the activities of physicians and surgeons in the State of Oklahoma pursuant to 59 Okla. Stat. §480 et seq.
 - 2. Defendant, Joe C. Fermo, Jr., M.D., holds Oklahoma medical license no. 11069.
- 3. On or about August 8, 2002, while working at Eastern State Hospital, Defendant was struck by a patient. Two (2) aides intervened and physically restrained the patient. While the patient was being restrained by the aides, Defendant hit the patient twice in the left jaw with a closed fist. The incident was witnessed by four (4) staff members. As a result of this incident, Defendant was terminated from Eastern State Hospital.
 - 4. Defendant is guilty of unprofessional conduct in that he:
 - A. Engaged in dishonorable or immoral conduct which is likely to deceive, defraud, or harm the public in violation of 59 O.S. §509(9) and OAC 435:10-7-4(11).

B. Engaged in practice or other behavior that demonstrates an incapacity or incompetence to practice medicine and surgery in violation of OAC 435:10-7-4(18).

Conclusion

WHEREFORE, plaintiff requests that the Board conduct a hearing, and upon proof of the allegations contained herein, impose such disciplinary action as authorized by law, up to and including the revocation or suspension of the Defendant's license to practice as a physician and surgeon in the State of Oklahoma, the assessment of costs and fees incurred in this action, and any other appropriate action with respect to Defendant's license to practice as a physician and surgeon in the State of Oklahoma.

Dated this 174 day of April, 2003 at 9.00 a.m.

Respectfully submitted,

Hizabeth A. Scott, OBA #12470

Assistant Attorney General

State of Oklahoma

5104 N. Francis, Suite C

Oklahoma City, OK 73118

Attorney for the State of Oklahoma ex rel. Oklahoma State Board of Medical Licensure and Supervision

IN AND BEFORE THE OKLAHOMA STATE BOARD OF MEDICAL LICENSURE AND SUPERVISION STATE OF OKLAHOMA

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STATE OF OKLAHOMA EX REL. THE OKLAHOMA BOARD)	SEP 1 1 2003
OF MEDICAL LICENSURE AND SUPERVISION,))	OKLAHOMA STATE BOARD OF MEDICAL LICENSURE & SUPERVISION
Plaintiff,)	
v.)	Case No. 02-01-2459
JOE C. FERMO, M.D., LICENSE NO. 11069,	į į	
Defendant.)	

VOLUNTARY SUBMITTAL TO JURISDICTION AND ORDER

Plaintiff, the State of Oklahoma, ex rel. the Oklahoma State Board of Medical Licensure and Supervision (the "Board"), by and through its attorney, Elizabeth A. Scott, Assistant Attorney General for the State of Oklahoma, and the staff of the Board, as represented by the Secretary of the Board, Gerald C. Zumwalt, M.D., and the Executive Director of the Board, Lyle Kelsey, and the Defendant, Joe C. Fermo, M.D., Oklahoma license no. 11069, who appears in person and through counsel, Rex Thompson, proffer this Agreement for acceptance by the Board en banc pursuant to Section 435:5-1-5.1 of the Oklahoma Administrative Code ("OAC").

AGREEMENT AND ACKNOWLEDGMENT BY DEFENDANT

By voluntarily submitting to jurisdiction and entering into this Order, Defendant pleads guilty to the allegations in the Complaint and Citation filed herein on April 17, 2003, and acknowledges that hearing before the Board would result in some sanction under the Oklahoma Allopathic Medical and Surgical Licensure and Supervision Act (the "Act").

Defendant, Joe C. Fermo, M.D., states that he is of sound mind and is not under the influence of, or impaired by, any medication or drug and that he fully recognizes his right to appear before the Board for evidentiary hearing on the allegations made against him. Defendant hereby voluntarily waives his right to a full hearing, submits to the jurisdiction of the Board and agrees to abide by the terms and conditions of this Order. Defendant acknowledges that he has read and understands the terms and conditions stated herein, and that this Agreement has been reviewed and discussed with him by his legal counsel.

PARTIES' AGREEMENT AND STIPULATIONS

Plaintiff, Defendant and the Board staff stipulate and agree as follows:

Findings of Fact

- 1. The Board is a duly authorized agency of the State of Oklahoma empowered to license and oversee the activities of physicians and surgeons in the State of Oklahoma pursuant to 59 Okla. Stat. §480 et seq. The Board has jurisdiction over this matter, and notice has been given in all respects in accordance with law and the rules of the Board.
 - 2. Defendant, Joe C. Fermo, M.D., holds Oklahoma license no. 11069.
- 3. On or about August 8, 2002, while working at Eastern State Hospital, Defendant was struck by a patient. Two (2) aides intervened and physically restrained the patient. While the patient was being restrained by the aides, Defendant hit the patient twice in the left jaw with a closed fist. The incident was witnessed by four (4) staff members. As a result of this incident, Defendant was terminated from Eastern State Hospital.
 - 4. Defendant is guilty of unprofessional conduct in that he:
 - A. Engaged in dishonorable or immoral conduct which is likely to deceive, defraud, or harm the public in violation of 59 O.S. §509(9) and OAC 435:10-7-4(11).
 - B. Engaged in practice or other behavior that demonstrates an incapacity or incompetence to practice medicine and surgery in violation of OAC 435:10-7-4(18).

Conclusions of Law

- 1. The Board has jurisdiction and authority over the Defendant and subject matter herein pursuant to the Oklahoma Allopathic Medical and Surgical Licensure and Supervision Act (the "Act") and it applicable regulations. The Board is authorized to enforce the Act as necessary to protect the public health, safety and welfare.
- 2. Defendant, Joe C. Fermo, M.D., Oklahoma medical license 11069, is guilty of unprofessional conduct set forth below based on the foregoing facts:
 - A. Engaged in dishonorable or immoral conduct which is likely to deceive, defraud, or harm the public in violation of 59 O.S. §509(9) and OAC 435:10-7-4(11).

B. Engaged in practice or other behavior that demonstrates an incapacity or incompetence to practice medicine and surgery in violation of OAC 435:10-7-4(18).

Order

IT IS THEREFORE ORDERED by the Oklahoma State Board of Medical Licensure and Supervision as follows:

- 1. The Board *en banc* hereby adopts the agreement of the parties in this Voluntary Submittal to Jurisdiction.
- 2. The Defendant, Joe C. Fermo, M.D., Oklahoma license no. 11069, should be and is hereby **PUBLICLY REPRIMANDED** for the conduct set forth above.
- 3. Defendant shall attend a seminar approved in advance by the Board Secretary for a minimum of ten (10) hours on anger management within one (1) year. Defendant shall provide to the Board Secretary proof of completion of said seminar.
- 4. Defendant shall give a copy of this Voluntary Submittal to Jurisdiction and Order to all hospitals, nursing homes, treatment facilities, and other health care entities where Defendant has privileges, has applied for privileges or applies for privileges.
- 5. Defendant agrees to pay the costs, including attorney's fees, for the investigation and prosecution of this action.

Dated this // day of August, 2003

Eric Frische, M.D., President Oklahoma State Board of

Medical Licensure and Supervision

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AGREED AND APPROVED

Joe C. Fermo, M.D.

License No. 11069

Secretary & Medical Advisor Oklahoma State Board of Licensure and Supervision

, Neal, Turpen, Orbison & Lewis 502 West 6th Street

Tulsa, OK 74119-1010

Elizabeth A. Scott (OBA #12470)

Assistant Attorney General State of Oklahoma 5104 N. Francis, Suite C Oklahoma City, OK 73102

Attorney for the Oklahoma State Board of Medical Licensure and Supervision

AGREED AND APPROVED

License No. 11069

Gerald C. Zumwalt, Secretary & Medical Advisor Oklahoma State Board of Licensure and Supervision

Rex Thompson

Riggs, Abney, Neal, Turpen, Orbison & Lewis 502 West 6th Street Tulsa, OK 74119-1010

> Elizabeth A. Scott (OBA #12470) Assistant Attorney General State of Oklahoma 5104 N. Francis, Suite C Oklahoma City, OK 73102

Attorney for the Oklahoma State Board of Medical Licensure and Supervision

CERTIFICATE OF MAILING

I certify that on the 15th day of September, 2003, I mailed, via first class mail, postage prepaid, a true and correct copy of this Order to Rex Thompson, Attorney, 502 West 6th Street, Tulsa, Ok 74119.