

STATE OF WASHINGTON DEPARTMENT OF HEALTH Olympia, Washington 98504

RE: Patrick T. Phan, MD Docket No.: 04-08-A-1059MD Document: Statement of Charges

Regarding your request for information about the above-named practitioner, certain information may have been withheld pursuant to Washington state laws. While those laws require that most records be disclosed on request, they also state that certain information should not be disclosed.

The following information has been withheld: NONE

If you have any questions or need additional information regarding the information that was withheld, please contact:

Customer Service Center P.O. Box 47865 Olympia, WA 98504-7865 Phone: (360) 236-4700 Fax: (360) 586-2171

You may appeal the decision to withhold any information by writing to the Deputy Secretary, Department of Health, P.O. Box 47890, Olympia, WA 98504-7890.

STATE OF WASHINGTON DEPARTMENT OF HEALTH MEDICAL QUALITY ASSURANCE COMMISSION

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In the Matter of the License to Practice As a Physician and Surgeon of:

PATRICK T. PHAN, MD License No. MD00026346 Respondent. Docket No. 04-08-A-1059MD

STATEMENT OF CHARGES

FILED SEP 1 3 2004 Adjudicative Clerk Otfice

The Program Manager of the Medical Quality Assurance Commission (Commission), on designation by the Commission, makes the allegations below, which are supported by evidence contained in program case file number 2004-03-0040MD.

Section 1: ALLEGED FACTS

1.1 Patrick T. Phan, MD, Respondent, was issued a license to practice as a physician and surgeon by the state of Washington on May 10, 1989.

1.2 On July 7, 2003, Respondent was convicted in United States District Court, Western District of Washington, Case Number CR00-00426-001, following a plea of guilty, of knowingly and willfully assisting another individual in making materially false statements in applications for payment under Medicare and Medicaid, to wit, writing prescriptions for durable medical equipment (DME) to patients who Respondent knew did not need the DME and which were used by the other individual as support for billing Medicare and Medicaid for DME that was never provided to the patients, in violation of 42 U.S.C. §§1320a–7b(a)(1).

1.3 The statutory penalty for Respondent's offense was up to one year imprisonment and a \$100,000 fine. This offense is the equivalent of a gross misdemeanor in the State of Washington.

1.4 Respondent was sentenced to three years probation, subject to terms and conditions, fined, and ordered to pay restitution.



Section 2: ALLEGED VIOLATIONS

2.1 The violations alleged in this section constitute grounds for disciplinary action, pursuant to RCW 18.130.180 and the imposition of sanctions under 18.130.160.

2.2 The facts alleged in paragraphs 1.2 and 1.3 constitute unprofessional conduct, in violation of RCW 18.130.180(1), (13), and (17), which provide in part:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of the person's profession, whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilty of the license holder or applicant of the crime described in the indictment or information, and of the person's violation of the statute on which it is based. For the purposes of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(13) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(17) Conviction of any gross misdemeanor or felony relating to the practice of the person's profession. For the purposes of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW.

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Section 3: NOTICE TO RESPONDENT

The charges in this document affect the public health, safety and welfare. The Program Manager of the Commission directs that a notice be issued and served on Respondent as provided by law, giving Respondent the opportunity to defend against these charges. If Respondent fails to defend against these charges, Respondent shall be subject to discipline, pursuant to RCW 18.130.180 and the imposition of sanctions under 18.130.160.

DATED this 13th day of September, 2004.

STATE OF WASHINGTON DEPARTMENT OF HEALTH MEDICAL QUALITY ASSURANCE COMMISSION

Lisa Noonan Program Manager

Susan L. Pierini , WSBA # 17714

Assistant Attorney General Prosecutor

FOR INTERNAL USE ONLY. INTERNAL TRACKING NUMBERS:

Program No. 2004-03-0040MD

STATEMENT OF CHARGES -- PAGE 3 OF 3 Patrick T. Phan, MD Program No. 2004-03-0040MD Docket No. 04-08-A-1059MD



STATE OF WASHINGTON DEPARTMENT OF HEALTH Olympia, Washington 98504

RE: Patrick T. Phan, MD Docket No.: 04-08-A-1059MD Document: Final Order

Regarding your request for information about the above-named practitioner, certain information may have been withheld pursuant to Washington state laws. While those laws require that most records be disclosed on request, they also state that certain information should not be disclosed.

The following information has been withheld: NONE

If you have any questions or need additional information regarding the information that was withheld, please contact:

Customer Service Center P.O. Box 47865 Olympia, WA 98504-7865 Phone: (360) 236-4700 Fax: (360) 586-2171

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STATE OF WASHINGTON DEPARTMENT OF HEALTH MEDICAL QUALITY ASSURANCE COMMISSION

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In the Matter of the License to Practice as a Physician and Surgeon of:

PATRICK T. PHAN, MD License No. MD00026346

Respondent.

Docket No. 04-08-A-1059MD

STIPULATED FINDINGS OF FACT, CONCLUSIONS OF LAW AND AGREED ORDER

The Medical Quality Assurance Commission (Commission), by and through James P. McLaughlin, Department of Health Staff Attorney, and Patrick T. Phan, MD, Respondent, represented by Mark Douglas Kimball, Attorney at Law, stipulate and agree to the following:

Section 1: PROCEDURAL STIPULATIONS

1.1 Patick T. Phan, MD, Respondent, was issued a license to practice as a physician and surgeon by the state of Washington on May 10, 1989.

1.2 On September 13, 2004, the Commission issued a Statement of Charges against Respondent.

1.3 The Statement of Charges alleges that Respondent violated RCW 18.130.180(1),(13), and (17).

1.4 Respondent understands that the State is prepared to proceed to a hearing on the allegations in the Statement of Charges.

1.5 Respondent understands that he has the right to defend himself against the allegations in the Statement of Charges by presenting evidence at a hearing.

1.6 Respondent understands that, should the State prove at a hearing the allegations in the Statement of Charges, the Commission has the power and authority to impose sanctions pursuant to RCW 18.130.160.

1.7 Respondent and the Commission agree to expedite the resolution of this matter by means of this Stipulated Findings of Fact, Conclusions of Law, and Agreed Order (Agreed Order).

1.8 Respondent waives the opportunity for a hearing on the Statement of Charges contingent upon signature and acceptance of this Agreed Order by the Commission.

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1.9 This Agreed Order is not binding unless and until it is signed and accepted by the Commission.

1.10 Should this Agreed Order be signed and accepted it will be subject to the reporting requirements of RCW 18.130.110, 45 CFR Part 61, and any other applicable interstate/national reporting requirements.

1.11 Should this Agreed Order be rejected, Respondent waives any objection to the participation at hearing of all or some of the Commission members or the Health Law Judge who heard the Agreed Order presentation.

Section 2: STIPULATED FACTS

The State and Respondent stipulate to the following facts:

2.1 Patrick T. Phan, MD, Respondent, was issued a license to practice as a physician and surgeon by the state of Washington on May 10, 1989.

2.2 On July 7, 2003, Respondent was convicted in United States District Court, Western District of Washington, Case Number CR00-00426-001, following a plea of guilty, of knowingly and willfully assisting another individual in making materially false statements in applications for payment under Medicare and Medicaid, to wit, writing prescriptions for durable medical equipment (DME) to patients who Respondent knew did not need the DME and which were used by the other individual as support for billing Medicare and Medicaid for DME that was never provided to the patients, in violation of 42 U.S.C. §§1320a–7b(a)(1).

2.3 The statutory penalty for Respondent's offense was up to one year imprisonment and a \$100,000 fine. This offense is the equivalent of a gross misdemeanor in the State of Washington.

2.4 Respondent was sentenced to three years probation, subject to terms and conditions, fined, and ordered to pay restitution.

Section 3: CONCLUSIONS OF LAW

The Commission and Respondent agree to the entry of the following Conclusions of Law:

3.1 The Commission has jurisdiction over Respondent and over the subject matter of this proceeding.

3.2 The above facts constitute unprofessional conduct in violation of RCW18.130.180(1), (13), and (17), which provides, in part:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of the person's profession, whether the act

constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilty of the license holder or applicant of the crime described in the indictment or information, and of the person's violation of the statute on which it is based. For the purposes of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

. . .

(13) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

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(17) Conviction of any gross misdemeanor or felony relating to the practice of the person's profession. For the purposes of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW. The following conduct, acts, or conditions constitute unprofessional conduct for any license holder or applicant under the jurisdiction of this chapter:

. . .

3.3 The above violation is grounds for the imposition of sanctions under RCW

18.130.160.

Section 4: AGREED ORDER

Based on the preceding Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

4.1 Respondent is hereby REPRIMANDED.

4.2 Respondent's license is placed on PROBATION for a period of at least three (3) vears, subject to the terms and conditions expressed in paragraphs 4.3 through 4.12 below.

4.3 In addition to any other inspections conducted by the Department of Health, Respondent shall permit an investigator of the Department of Health to audit Respondent's records and review Respondent's practice activities on an unannounced basis for the term of this Agreed Order. At least one practice review will be completed each year during the term of this order. This practice review requirement may be continued or modified at the discretion of the Commission. 4.4 Respondent shall satisfactorily complete one of the following ethics courses, or a comparable course approved by the Commission or its designee, within twelve months of the effective date of this Agreed Order:

- a. The Professional/Problem Based Ethics Course (ProBE), taught by The Ethics Group, LLC, at New Brunswick, New Jersey. In order to "satisfactorily complete" the course, Respondent must obtain an assessment of "unconditional." Contact: (908) 522-8740, or www.EthicsGroup.org
- b. PRIM-E (Professional Renewal In Medicine through Ethics), taught by Russell L.
 McIntyre, Th.D, Dept. of Environmental and Community Medicine, UMDNJ Robert Wood Johnson Medical School. Respondent must obtain a rating of "pass."

Contact: (732) 235-4549, or mcintyr@umdnj.edu

c. Intensive Course in Medical Ethics and Professionalism,
 Office of Continuing Medical Education
 School of Medicine, Case Western Reserve University
 Cleveland, OH
 Contact: (216) 369-2408 or (800) 274-8263; http://cme.cwru.edu

4.5 Respondent shall remit a fine of \$2,000.00, which is to be paid within twelve (12) months of the service of this Agreed Order. The Respondent's check is to be submitted to the Department of Health, Accounting Department, P. O. Box 1099, Olympia, WA 98507-1099.

4.6 Respondent shall submit a quarterly declaration, under penalty of perjury, indicating his compliance with the conditions of this order. The quarterly declarations shall be submitted to the Commission on the first day of March, June, September, and December, unless otherwise ordered by the Commission. The reports shall be submitted to:

Compliance Officer Department of Health Medical Quality Assurance Commission P.O. Box 47866 Olympia, Washington 98504-7866.

4.7 Respondent shall appear before the Commission on an annual basis and present proof that he is complying with the Order. Respondent shall continue to appear annually unless otherwise instructed in writing by the Commission or its representative, or until the Commission releases Respondent from the terms and conditions of this Agreed Order.

4.8 Respondent may not file a written petition with the Commission to modify or terminate this Agreed Order for a period of three years from the date of service. When Respondent files a petition to modify or terminate after the above time periods have passed, a date and time will be arranged for Respondent's appearance before the Commission. The Commission will review Respondent's compliance with this Agreed Order and will have sole discretion to grant or deny Respondent's petition.

4.9 Respondent shall obey all federal, state and local laws and all administrative rules governing the practice of the profession in Washington.

Respondent shall assume all costs of complying with this Order. 4.10

4.11 Should Respondent fail to meet the terms of this Agreed Order, the Commission may issue a Statement of Charges, pursuant to RCW 18. 130. 180(9). In the alternative, the Commission may issue a Notice of Determination that reflects Respondent's failure to comply with the terms of this Agreed Order. The Commission would then make a Brief Adjudicative Procedure available to Respondent, pursuant to RCW 34.05.482 and WAC 246-11-420.

Section 5: RESPONDENT'S ACCEPTANCE

I, Patrick T. Phan, MD, Respondent, certify that I have read this Stipulated Findings of Fact, Conclusions of Law and Agreed Order in its entirety; that my counsel of record, if any, has fully explained the legal significance and consequence of it; that I fully understand and agree to all of it; and that it may be presented to the Commission without my appearance. If the Commission accepts the Stipulated Findings of Fact, Conclusions of Law and Agreed Order, I understand that I will receive a signed copy.

PATRICK T. PHAN, MD (Respondent)

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K DOUCLAS KIMBALL, WSBA # 13146 Attorney for Respondent

 $\frac{01/07/2005}{\text{Date}}$

STIPULATED FINDINGS OF FACT, CONCLUSIONS LAW AND AGREED ORDER Patrick T. Phan, MD Program No. 2004-03-0040MD Docket No. 04-08-A-1059MD

Section 5: ORDER

The Commission accepts and enters this Stipulated Findings of Fact, Conclusions of Law

and Agreed Order.

DATED this / day of from ho _, 2005.

STATE OF WASHINGTON DEPARTMENT OF HEALTH MEDICAL QUALITY ASSURANCE COMMISSION

Chair

Presented by:

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James McLaughlin, WSBA # 27349 Department of Health Staff Attorney

FOR INTERNAL USE ONLY:

Program No. 2004-03-0040MD



STATE OF WASHINGTON DEPARTMENT OF HEALTH Olympia, Washington 98504

RE: Patrick T. Phan, MD Master Case No. M2004-61790 Docket No.: 04-08-A-1059MD Document: Order of Release

Regarding your request for information about the above-named practitioner, certain information may have been withheld pursuant to Washington state laws. While those laws require that most records be disclosed on request, they also state that certain information should not be disclosed.

The following information has been withheld: NONE

If you have any questions or need additional information regarding the information that was withheld, please contact:

Customer Service Center P.O. Box 47865 Olympia, WA 98504-7865 Phone: (360) 236-4700 Fax: (360) 586-2171

You may appeal the decision to withhold any information by writing to the Deputy Secretary, Department of Health, P.O. Box 47890, Olympia, WA 98504-7890.

STATE OF WASHINGTON DEPARTMENT OF HEALTH MEDICAL QUALITY ASSURANCE COMMISSION

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In the Matter of

PATRICK T. PHAN, M.D., License No. MD00026346,

Respondent.

Docket No. 04-08-A-1059MD Master Case No. M2004-61790

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

APPEARANCES:

Respondent, Patrick T. Phan, M.D., by The Law Offices of Mark Douglas Kimball, P.S., per Mark D. Kimball, Attorney at Law

Department of Health Medical Program, by James McLaughlin, Staff Attorney

COMMISSION PANEL: Frederick H. Dore Jr., M.D., Panel Chair Richard Brantner, M.D. William Gotthold, M.D. Ellen J. Harder, PA-C Susan M. Harvey, M.D. Frank Hensley, Public Member Linda A. Ruiz, J.D., Public Member Anjan K. Sen, M.D.

PRESIDING OFFICER: John F. Kuntz, Review Judge

The Medical Quality Assurance Commission (Commission) convened a hearing

on March 6, 2009, in SeaTac, Washington. Reviewing Commission Member Judy Page

was not in attendance and did not participate in the Commission's deliberations. The

license of Patrick T. Phan, M.D., previously subject to probation and disciplinary

restrictions, is reinstated without restrictions.

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

Page 1 of 7

Based on the consideration of the evidence presented at the hearing and the files and records herein, the Commission hereby issues the following:

PROCEDURAL HISTORY

On February 2, 2009, the Respondent requested the termination of the Stipulated

Findings of Fact, Conclusions of Law and Agreed Order signed by the Commission on

January 13, 2005. On February 27, 2009, the Adjudicative Service Unit issued a Notice

of Modification/Reinstatement Hearing. This order set the hearing for March 6, 2009.

SUMMARY OF THE PROCEEDING

The Department did not present any witness testimony at the hearing. The

Respondent appeared and answered questions from the Commission.

The following exhibits were admitted:

- Exhibit 1: Compliance Requirement Summary, dated February 11, 2009.
- Exhibit 2: Statement of Charges dated September 13, 2004.
- Exhibit 3: Stipulated Findings of Fact, Conclusions of Law and Agreed Order, dated January 13, 2005.
- Exhibit 4: Compliance Letters, dated January 13, 2006; January 12, 2007; and February 29, 2008.
- Exhibit 5: Practice Review by Health Care Investigator Connie Pyles, PA-C, dated January 21, 2009.
- Exhibit 6: Quarterly Declarations from the Respondent, dated March 1, 2008; June 1, 2008; September 1, 2008; and December 1, 2008 (all date stamped received on February 3, 2009).
- Exhibit 7: Petition for Release dated February 2, 2009.

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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Exhibit 8: Notice to Appear and Declaration of Service, dated January 27, 2009.

I. FINDINGS OF FACT

 The Respondent is licensed as a physician and surgeon in the state of Washington.

1.2 The Commission signed a Stipulated Findings of Fact, Conclusions of Law and Final Order on January 13, 2005 (the 2005 Agreed Order). Under the 2005 Agreed Order, the Commission found that the Respondent committed unprofessional conduct resulting from a conviction in the United States District Court, Western District of Washington, of knowingly and willfully assisting another individual in making materially false statements in applications for payment under Medicare and Medicaid.

1.3 Under the terms and conditions of the 2005 Agreed Order, the Commission reprimanded the Respondent for his conduct and placed his license on probation for a period of at least three years. The Respondent was precluded from filing a petition to modify or terminate the 2005 Agreed Order for a three-year period. In addition, the Respondent was required to:

- A. Permit a Department of Health investigator to perform unannounced records and practice reviews (Paragraph 4.3).
- B Complete a pre-approved ethics course within 12 months of the effective date of the Agreed Order (Paragraph 4.4).
- C. Remit a \$2,000.00 fine within 12 months of the effective date of the Agreed Order (Paragraph 4.5).
- D. Submit quarterly declarations, under penalty of perjury, indicating his compliance with the terms and conditions of the Agreed Order (Paragraph 4.6).

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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E. Appear before the Commission on an annual basis, unless otherwise notified in writing, to present proof that he was complying with the Agreed Order (Paragraph 4.7).

1.4 The Respondent petitioned for the termination of his probation on February 2, 2009, which meets the minimum three-year requirement contained in the 2005 Agreed Order. The Respondent has been discharged from the probation under the federal conviction. He has paid the \$2,000.00 fine, submitted all of the necessary quarterly declarations, and made the required compliance appearances. In addition, the Department completed unannounced records and practice reviews at the Respondent's practice until he closed his private practice in August 2007. At the time of the reviews, the Department determined that the Respondent's practice was in full compliance.

1.5 The Respondent attended the approved Professional/Problem Based Ethics Course (ProBe) in December 2005. The ProBe ethics course requires the Respondent to complete a written essay that applies the lessons learned in the course to the issues arising out of the Respondent's unprofessional conduct. The Respondent received a "negative" rating which, on its face, would not normally qualify as the satisfactorily completion of the requirement set forth in Paragraph 4.4 of the 2005 Agreed Order.

1.6 The Commission reviewed the Respondent's written essay in 2005 and found that the Respondent essentially understood the ethical issues arising from his unprofessional practice in 2003. However, the Respondent's essay was not particularly well written. The Commission believes this is because Vietnamese, not English, is the

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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Respondent's first or primary language. When balancing the Respondent's understanding of the ethical issues that caused his unprofessional conduct and his skill in the English language, the Commission finds the Respondent complied with the requirement set out in Paragraph 4.4 of the order.

1.7 The Respondent has complied with the terms and conditions of the 2005 Agreed Order. The Department concurs with the Respondent's request for the full reinstatement of his medical license. Reviewing Commission Member Judy Page recommends the Commission grant the Respondent's request.

II. CONCLUSIONS OF LAW

2.1 The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

2.2 RCW 18.130.160 permits the Commission to fashion appropriate sanctions in disciplining the Respondent's conduct. This includes restrictions or limitations on the Respondent's practice.

2.3 Based on the Findings of Fact, the Commission concludes that the Respondent has complied fully with the terms and conditions of the 2005 Agreed Order. There is no further need to place restrictions or limitations on the Respondent's ability to practice in Washington, and his request should be granted.

III. ORDER

Based on the foregoing Procedural History, Summary of the Proceeding, Findings of Fact, and Conclusions of Law, the Respondent's Petition to Terminate

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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Probation Is GRANTED. The restrictions and limitations set forth in the 2005 Agreed Order are lifted, and the Respondent may practice as a physician and surgeon in the state of Washington without restriction. The Respondent must still meet any administrative requirements and pay any fees necessary for licensure.

Dated this 20 day of March, 2009

Medical Quality Assurance Commission

Frederick H Dore MW

FREDERICK H. DORE, JR., M.D. Panel Chair

FOR INTERNAL USE ONLY: (Internal tracking numbers) Program No. 2004-03-0040

NOTICE TO PARTIES

This order is subject to the reporting requirements of RCW 18.130.110, Section 1128E of the Social Security Act, and any other applicable interstate or national reporting requirements. If discipline is taken, it must be reported to the Healthcare Integrity Protection Data Bank.

Either party may file a petition for reconsideration. RCW 34.05.461(3) and RCW 34.05.470. The petition must be filed within 10 days of service of this order with:

Adjudicative Service Unit P.O. Box 47879 Olympia, WA 98504-7879

and a copy must be sent to:

Department of Health Medical Programs P.O. Box 47866 Olympia, WA 98504-7866

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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This petition must state the specific grounds for reconsideration and what relief is requested. WAC 246-10-704. The petition is denied if the Adjudicative Service Unit does not respond in writing within 20 days of the filing of the petition.

A petition for judicial review must be filed and served within 30 days after service of this order. RCW 34.05.542. The procedures are identified in chapter 34.05 RCW, Part V, Judicial Review and Civil Enforcement. A petition for reconsideration is not required before seeking judicial review. If a petition for reconsideration is filed, the above 30-day period does not start until the petition for reconsideration is resolved. RCW 34.05.470(3).

The order is in effect while a petition for reconsideration or petition for review is filed. "Filing" means actual receipt of the document by the Adjudicative Service Unit. RCW 34.05.010(6). This order is "served" the day it is deposited in the United States mail. RCW 34.05.010(19).

For more information, visit our website at http://www.doh.wa.gov/hearings/.

ORDER ON REQUEST FOR TERMINATION OF COMMISSION ORDER

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