Hospital Contracts
Must Be Approved
By Medical Board

Various provisions of the Business and
Professions Code prescribe the practice of
medicine by unlicensed persons or legal
entities (e.g. hospitals). Court decisions
and attorney general opinions indicate that
certain contracts between physicians or
professional medical corporations and
unlicensed entities may constitute the un-
lawful practice of medicine if the revenue
retained by the unlicensed entity repre-
sents a portion of the professional fee.

The Board of Medical Examiners, in
its continuing effort to enforce the Medical
Practices Act (Division 2 of the Business
and Professions Code), passed the fol-
lowing resolution on contracts on June 4,
1973:

Resolution

In reviewing an application for a
certificate of registration of a professional
medical corporation, or in reviewing an
annual statement submitted by a pro-
fessional medical corporation which
reveals the existence of a gross contract
between a hospital or other unlicensed
entity and a hospital-based physician (e.g.,
radiologist, pathologist, emergency service
physician), it shall be the policy of this
Board that the application or statement
must be accompanied by a notarized
statement or a statement under penalty
of perjury with supporting evidence
showing that the amount retained by the
licensed physician reflects the professional
component, and the amount retained by
the hospital or other unlicensed entity, is
commensurate with the expenses, direct
or indirect, incurred by the hospital or
unlicensed entity in connection with the
furnishing of services.

Paul Dugan, M.D., President of the
Board, said that the adoption of the
resolution would help resolve many of
the problems and expedite the proce-
sing of applications. "It is important," Dr.
Dugan stated, "that each physician, as
an individual or as a corporation, with a
hospital contract, submit it to the Board
of Medical Examiners for approval."

MEMEL APPOINTED
PUBLIC MEMBER

Governor Ronald Reagan has an-
nounced the appointment of Sherwin L.
Memel, of Los Angeles, to the State
Board of Medical Examiners.

Memel replaces S. Stephen Nakashima
of San Jose, whose term on the board
has expired. Memel is of counsel to the
law firm of Manatt, Phelps and Rothen-
berg of Century City, and a businessman.
He earned his B.A. degree and law degree
at the University of California at Los
Angeles.

A recognized expert in health law, he
will represent the public on the board.
He has served as executive director and
legal counsel for numerous health and
hospital organizations.

showing that the amount retained by the
licensed physician reflects the professional
component, and the amount retained by
the hospital or other unlicensed entity, is
commensurate with the expenses, direct
or indirect, incurred by the hospital or
unlicensed entity in connection with the
furnishing of facilities and services.

Paul Dugan, M.D., President of the
Board, said that the adoption of the
resolution would help resolve many of
the problems and expedite the proce-
sing of applications. "It is important," Dr.
Dugan stated, "that each physician, as
an individual or as a corporation, with a
hospital contract, submit it to the Board
of Medical Examiners for approval."

Review Committees
In Supportive Role

Under the Medical Practice Act, five
district Review Committees hold hear-
ings under the jurisdiction of the Board,
reaching proposed decisions on disci-
plinary matters in areas which they
represent.

Each of the Review Committees is
assigned cases by the Board for review,
hearing and development of a proposed
decision. The Committee's decision is
transmitted to the Board for adoption,
rejection or re-assignment back for further
action.

Members of the Review Committees,
all appointed to four-year terms by the
Governor, are as follows: District No. 1,
Frederic F. Shidler, M.D., Menlo Park;
Bertrand A. Vipond, M.D., Crescent
City; Edward B. Boldey, M.D., Hills-
borough; Dwight H. Murray, Jr., M.D.,
Napa; Harold H. Landner, M.D., San
Francisco; District No. 2, James W.
Moore, M.D., Ventura; Paul D. Yates,
M.D., Manhattan Beach; Alfred J.
Murietta, M.D., Los Angeles; Donald F.
Brayton, M.D., Beverly Hills; Gregory C.
Murray, M.D., Los Angeles.

District No. 3, William Nilesen, Jr.,
M.D., Weaverville; Jay O. Gibson, M.D.,
Chico; Herlan O. Loyd, M.D., Tira-
damento; George G. Snively, M.D., Sacra-
mento; Clarence W. Winning, M.D., Red
Bluff; District No. 4, Clarence T. Hal-
burg, M.D., Redlands; Ralph M. King,
M.D., El Cajon; Frederick M. Turnbull;
Jr., M.D., Hollywood; Arthur F. Thomp-
son, M.D., Newport Beach; John G. Fast,
M.D., Riverside; District No. 5, James F.
Donovan, M.D., Bakersfield; Robert J.
Rife, M.D., Fresno; Lester T. Hibbard,
M.D., Los Angeles; James F. Feldmayer,
M.D., Pebble Beach; Edward A. Jackson,
M.D., Merced.

MEMBERS OF THE BOARD—Board of
Medical Examiner members are shown
at left at a recent meeting. Front row,
left to right, they are: Julius Levine,
M.D., Hayward; Harold E. Wilkins, M.D.,
Downey; Vice President; Paul J. Dugan,
M.D., Roseville, President; Tiros del
Junco, M.D., Los Angeles; Gary S. Nye,
M.D., Orinda, Secretary-Treasurer. Back
row, left to right, they are: Sherwin L.
Memel, Los Angeles; Harry A. Oberhel-
man, Jr., M.D., Stanford; Kay Toma,
M.D., Bell; Theodore Nussdorf, M.D.,
Whittier; and John E. Vaughan, M.D.,
Bakersfield. James C. MacLaggan, M.D.,
San Diego, was not present for photo.
BOARD BUSINESS

AUGUST-SEPTEMBER HEARINGS

Georgia B. Jordan, M.D. August 7, 1973 Los Angeles
Donald Y. Steward, M.D. August 20, 1973 Los Angeles
Ebbe Hartelius, M.D. August 21-23 and September 11-12 Los Angeles
Alfred Kruse, Phys. Therp. September 13, 1973 Los Angeles
Richard Birk, M.D. September 18-19, 1973 Los Angeles
James D. Nelson, M.D. September 18-20, 1973 Sacramento
William Busby, M.D. September 18-21, 1973 Los Angeles

DISCIPLINARY ACTIONS


Zed Aydelott, M.D., Biloxi, Mississippi April 26, 1973 Revoked
Wiley H. Billingsley, M.D., Big Sur, California April 27, 1973 Revoked
Thomas V. Brennan, M.D., Santa Barbara, California April 27, 1973 Revoked
Herma J. Cluff, P.T., Downey, California April 27, 1973 Revoked, stayed, probation 5 years, T & C
Wesley R. Loebausen, M.D., Long Beach, California May 6, 1973 Revoked, stayed, probation 5 years, T & C
Evan K. Perkins, M.D., Sacramento, California May 10, 1973 Revoked, stayed, probation 5 years, T & C
Wolfgang R. Buege, Claremont Optical Service May 11, 1973 Suspended 60 days, stayed, probation 2 years, T & C
Eloy E. Taige, M.D., Gardena, California May 11, 1973 Writ denied, Board’s Order of Revocation in full force and effect
Joseph H. Weiss, N.D., Lakewood, California June 11, 1973 Revoked, stayed, probation 5 years, T & C
Benjamin F. Walker, M.D., Los Angeles, California June 27, 1973 Revoked
Herbert H. Prillwitz, M.D., Inglewood, California June 28, 1973 Revoked, stayed, probation 1 year & C
Peter Dunn, M.D., Pasadena, California July 23, 1973 Revoked, stayed, probation 5 years, T & C

CLARIFICATION

Richard Lee, M.D., Torrance, California Sept 18, 1972 Revoked, stayed, probation 3 years, T & C

For additional information about accusations, decisions and other aspects of disciplinary actions, consult official records of the Board at the Department of Consumer Affairs, 1020 N St., Sacramento.

Dr. Grunigen Retires
As Medical Consultant

Forest J. Grunigen, M.D., retired at the end of July. Since early 1971, he has served as the first medical consultant to the Board of Medical Examiners. The position of consultant was established to assist in investigations, evaluate the conduct of licensees, serve as an expert witness in legal actions and inspect medical records to assure compliance with the Medical Practice Act.

Dr. Grunigen was a member of the Board from 1966 to 1971 and President in 1969. He currently serves on the Council of the California Medical Association representing the 12th District.

“Of the entire Board,” said Paul J. Dugan, M.D., President, “when I say Dr. Grunigen will be missed for his professional ability as a consultant, for his counsel and contributions to the medical profession in California, and, above all, for his friendship.”