

**BEFORE THE WEST VIRGINIA BOARD OF OSTEOPATHY**

**WEST VIRGINIA BOARD OF OSTEOPATHY**

**Complainant,**

**v.**

**Complaint No. 2011-11**

**ALLEN G. SAOUD, D.O.,**

**Respondent.**

**ORDER FOR SUMMARY SUSPENSION OF LICENSE**

On the 19th day of May, 2011, the West Virginia Board of Osteopathy (hereinafter referenced as the "Board") met to review allegations that the Respondent, Allen G. Saoud, D.O., had engaged in unprofessional and unethical conduct. Whereupon, the Board determined that there was probable cause to believe the allegations against the Respondent and to issue a Statement of Charges based upon those allegations.

The Board then considered the nature of these charges and additional information regarding the nature of the Respondent's practice. Based upon this review, the Board notes the following findings:

1. The Board has found that there is probable cause to believe that the Respondent, Allen G. Saoud, D.O., has engaged in unprofessional and unethical conduct and the Board has issued a Complaint and Statement of Charges against the Respondent.
2. The charges against the Respondent include allegations that he engaged in conduct likely to deceive, defraud, and harm the public, concealed material information from the Board and the public, and violated the standard of care as practiced by reasonable and prudent physicians in the same specialty.
3. The charges against the Respondent also involve elements of deceptive actions for financial gain, particularly in the operations of two osteopathic medical corporations under his direction: AGS, Inc., and Central WV Dermatology Associates, Inc.

4. On May 8, 2009, the Respondent signed a petition for bankruptcy of the corporation AGS, Inc., and then submitted this petition to the United States Bankruptcy Court for the Northern District of West Virginia.

5. The principal creditor in the bankruptcy action regarding AGS, Inc., was and is Highmark West Virginia, Inc., doing business as Mountain State Blue Cross Blue Shield (hereinafter referenced as "Mountain State"). Mountain State alleges that AGS, Inc., filed for bankruptcy after Mountain State presented a demand for payment of \$559,477.66. This amount was derived after an audit of invoices and records submitted by AGS, Inc., showed a pattern in the lack of documentation that would support the medical necessity of procedures, unusual and excessive frequency of services billed by AGS, Inc., and billing for procedures that were not medically necessary. According to Mountain State, these improper billing actions were of such degree and volume that "they indicated a pattern of material misrepresentation."

6. The amounts claimed by Mountain State covered claims submitted by AGS, Inc., between the year 2000 and February 2006. During this period, the Respondent was the president and sole owner of AGS, Inc.

7. In 2005, the Respondent entered into a written settlement with the United States of America and the State of West Virginia after an audit, conducted by the US Department of Health and Human Services, revealed that the Respondent had submitted claims to Medicaid and Medicare for performing medical services and procedures that were not supported or justified. The DHHS alleged that these were false claims and the Respondent agreed to pay \$310,800.58, as treble damages, without admitting fault or liability, in settlement and resolution of his dispute with the federal and state agencies.

8. Following the initiation of the bankruptcy proceeding for AGS, Inc., the Respondent opened a medical enterprise in November 2010, under the name of Allen Medical Care, to be operated as a "concierge medical practice" in which patients of the practice are to pay a substantial fee up front as "members," in exchange for "premium medical services" to be provided at later dates.

9. The advertised fees for member services are \$3,500 for a one year membership and \$6,500 for a member and spouse for one year.

10. The Respondent advertises that this fee includes procedures which are often not covered by insurance and membership offers the convenience of obtaining these procedures and services "without the need for third party approval."

11. Because this service offers to perform medical and cosmetic procedures without the need for third party approval, Dr. Saoud would have no need to provide documentation supporting the patients' need for procedures that he intends to perform and his actions would not be subject to audits such as those conducted by the US DHHS and Mountain State.

12. Based upon the information available to the Board, here is a significant likelihood that Dr. Saoud will perform dermatologic and other procedures upon patients when there is no medical need or basis for such procedures, and that members of the public will be charged for medical services they do not require.

For these reasons, the West Virginia Board of Osteopathy finds, pursuant to WEST VIRGINIA CODE section 30-1-8(e)(1), that the Respondent's continuation in the practice of osteopathic medicine and surgery constitutes an immediate danger to the public. Now, therefore, the West Virginia Board of Osteopathy ORDERS that the Respondent's license to practice osteopathic medicine and surgery in this State is **SUMMARILY SUSPENDED** until further ORDER of the Board or of a court of law.

The Board further ORDERS that this matter shall be set down for hearing at the date and location reflected in the attached Notice of Hearing to determine whether this summary suspension shall continue during the pendency of the Board's proceedings against the Respondent.

WEST VIRGINIA BOARD OF OSTEOPATHY

by: Ernest Miller, D.O.  
Ernest Miller, D.O.  
President

Date: May 25, 2011