

# LOUISIANA STATE BOARD OF MEDICAL EXAMINERS

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<b>In The Matter Of</b>	:	<b>No. 05-I-506</b>
	:	
<b>MARIA CARMEN PALAZZO, M.D.</b>	:	<b>CONSENT</b>
<i>(Certificate No. 016670),</i>	:	<b>ORDER</b>
	:	

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An investigation conducted by the Louisiana State Board of Medical Examiners (the "Board") has revealed that Maria Carmen Palazzo, M.D. ("Dr. Palazzo"), a physician who at all pertinent times has been licensed to practice medicine, and engaged in the practice of psychiatry in and around New Orleans, Louisiana, was charged<sup>1</sup> and in April 2008 convicted<sup>2</sup> of thirty-nine (39) felony counts of Health Care Fraud in the United States District Court for the Eastern District of Louisiana, in violation of Title 18, United States Code, Sections 2 and 1347. Underlying the charges the indictment alleged that from August 2000 through March 2005 that the physician billed and collected \$477,901 from Medicare and \$175,651 from Medicaid, for a combined total of \$653,553 for services that she either did not perform, could not have occurred, were not reimbursable, or were performed by a physician assistant rather than by herself. Such information further reveals that during the year 2008 the Mississippi State Board of Medical Licensure asserted that the physician's conviction provided cause for action against Dr. Palazzo's license to practice in that state. Rather than contest the allegations Dr. Palazzo voluntarily surrendered her license to practice medicine in that state.<sup>3</sup>

Predicated upon the foregoing information the Investigating Officer assigned by the Board with respect to this matter has determined that reasonable cause exists for recommending that a formal Administrative Complaint be filed against Dr. Palazzo, charging her with violation

<sup>1</sup> *Indictment for Health Care Fraud*, United States of America vs. Maria Carmen Palazzo, M.D., Crim. Docket No. 05-266, Sect. S, Mag. 1 (Aug. 25, 2005); *Superseding Indictment for Health Care Fraud*, (June 14, 2007).

<sup>2</sup> *Minute Entry*, United States of America vs. Maria Carmen Palazzo, M.D., Crim. Docket No. 05-266, Sect. S, Mag. 1 (Apr. 16, 2008). Sentencing was set by the Court for July 23, 2008.

<sup>3</sup> *Surrender of Medical Licensure*, Mississippi State Board of Medical Licensure T005-14691-398, In the Matter of Maria Carmen Palazzo, M.D., (July 10, 2008).

of the Louisiana Medical Practice Act (the "Act"), pursuant to La. Rev. Stat. §§37:1285(A)(1), (2), (11), and (29).<sup>4</sup>

As evidenced by her subscription hereto, but without admitting any violation of the Act or any other law, Dr. Palazzo acknowledges that the information developed by the Board's investigation would constitute probable cause for the institution of administrative proceedings against her medical license and that proof of such information upon administrative evidentiary hearing would establish grounds under the Act for the suspension or revocation of her license to practice medicine in the State of Louisiana, or for such other action as the Board might deem appropriate.

Recognizing her right to have an administrative adjudication of any charges that may be filed in this matter, at which time Dr. Palazzo would be entitled to be represented by legal counsel, to call witnesses and to present evidence on her own behalf in defense or in mitigation of the charges made and to a decision thereon by the Board based upon written findings of fact and conclusions of law, pursuant to La. Rev. Stat. §§49:951, *et seq.*, Dr. Palazzo, nonetheless, hereby waives her right to formal adjudication and pursuant to La. Rev. Stat. §49:955(D) consents to entry of the Order set forth hereinafter. Dr. Palazzo also acknowledges that she hereby waives any right to which she may be entitled pursuant to the Louisiana Administrative Procedure Act, La. Rev. Stat. §§49:951, *et seq.*, or which she otherwise may be afforded by any law to contest her agreement to or the force and effect of the Board's investigation or this document in any court or other forum. By her subscription hereto, Dr. Palazzo also hereby authorizes the Investigating Officer designated by the Board with respect hereto to present this Consent Order to the Board for its consideration and to fully disclose to and discuss with the Board the nature and results of the investigation and she waives any objection to such disclosures under La. Rev. Stat. §49:960. Dr. Palazzo expressly acknowledges that the disclosure of such information to the Board by the Investigating Officer shall be without prejudice to the Investigating Officer's authority to proceed with the filing and adjudication of an administrative complaint against her, or to the Board's capacity to adjudicate such charges should the Board decline to approve this Consent Order.

Based upon the information provided, accordingly, and upon the recommendation of the Investigating Officer assigned to this matter, the Board has concluded that its responsibility to insure the health, safety and welfare of the citizens of this state, pursuant to La. Rev. Stat. §37:1261, will be effectively served by entry of the Order set forth hereinafter by consent.

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<sup>4</sup> Pursuant to the Louisiana Medical Practice Act the Board may take action against the license of a physician as a result of :La. Rev. Stat. §37:1285A:(1) '[C]onviction of a crime or entry of a plea of guilty or nolo contendere to a criminal charge constituting a felony under the laws of Louisiana or of the United States;' (2) '[C]onviction of a crime or entry of a plea of guilty or nolo contendere to any criminal charge arising out of or in connection with the practice of medicine;' (11) '[M]aking or submitting false, deceptive or unfounded claims, reports, or opinions to any patient, insurance company or indemnity association, company, individual, or governmental authority for the purpose of obtaining anything of economic value;' and (29) '[T]he refusal of a licensing authority of another state to issue or renew a license, permit, or certificate to practice medicine in that state or the revocation, suspension, or other restriction imposed on a license, permit or certificate issued by such licensing authority which prevents or restricts practice in that state, or the surrender of a license, permit, or certificate issued by another state when criminal or administrative charges are pending or threatened against the holder of such license, permit, or certificate.'

Accordingly, in consideration of the foregoing and pursuant to the authority vested in the Board by La. Rev. Stat. §37:1285 and La. Rev. Stat. §49:955(D),

**IT IS ORDERED** that the license of Maria Carmen Palazzo, M.D. to engage in the practice of medicine in the state of Louisiana, as evidenced by Certificate No. 016670, is hereby **INDEFINITELY SUSPENDED**; and

**IT IS FURTHER ORDERED** that the reinstatement of Dr. Palazzo's license to practice medicine in the state of Louisiana shall be subject to her acceptance of and strict compliance with the following terms and conditions:

(A) **Suspension of Practice/Reinstatement.** Dr. Palazzo shall not practice medicine in any form in the state of Louisiana until and unless the Board issues and serves on her a written order reinstating her license to practice medicine. As express conditions to the consideration of a request for reinstatement Dr. Palazzo shall have: (1) been released from any period of incarceration and shall have successfully completed any period of probation that may be imposed by virtue of the above-mentioned criminal conviction *or* three (3) years shall have elapsed from the effective date of this Order, whichever is the longer; (2) demonstrated clinical competency through assessment at a program or facility approved by the Board and successfully completed any recommended remediation or training; (3) been cleared physically and mentally to resume practice by one or more physicians or institutions approved by the Board; and (4) scheduled and met with the Investigating Officer to discuss her then-current status and plans.

(B) **Medical Ethics.** Dr. Palazzo shall provide written confirmation that she has taken and successfully completed a course on medical ethics that is acceptable to and approved by the Board.

(C) **Appearance Before the Board.** Dr. Palazzo shall contact and arrange for a personal appearance before the Board or its designee, at its next meeting following any request for reinstatement of her license to permit the Board to consider her compliance with each of the terms, conditions and restrictions of this Order and to advise the Board of any intentions with respect to her future practice of medicine.

**IT IS FURTHER ORDERED** that upon Dr. Palazzo's compliance with and satisfaction of the terms and conditions hereinabove set forth, her license to practice medicine in the state of Louisiana shall be reinstated by the Board on **INDEFINITE PROBATION**; *provided, however*, that such reinstatement of license and her continuing exercise of rights and privileges thereunder shall

be conditioned upon her acceptance of and strict compliance with the following terms, conditions and restrictions:

- (1) **Limitation on Practice.** Dr. Palazzo shall not, until further written order of the Board, engage in the practice of medicine in this state other than in a practice setting approved in advance by the Board.
- (2) **Reports.** Until further written order of the Board Dr. Palazzo shall authorize and cause a physician with whom she works or is associated in practice, who is approved in advance by the Board, to submit written reports to the Board not less frequently than quarterly during the first year following Dr. Palazzo's resumption of practice, respecting her professional competency, performance and compliance with the terms and conditions of this Order.
- (3) **Continuing Medical Education.** For each year that her license remains on indefinite probation Dr. Palazzo shall obtain not less than fifty (50) credit hours per year through attendance at and participation in continuing medical education programs ("CME") accredited by and qualifying for the Physician's Recognition Award of the American Medical Association and she shall obtain such award within three (3) years from the date on which her license is reinstated by the Board. On or before the anniversary of the reinstatement of her license Dr. Palazzo shall cause to be submitted to the Board written certification of the CME programs and credits completed by her during the preceding twelve (12) months.
- (4) **Additional Probationary Terms.** In addition to such other terms and conditions as are placed upon any reinstated license to practice medicine by this Order, Dr. Palazzo hereby consents to, agrees with and acquiesces in the imposition of any additional terms, conditions or restrictions, as well as the length and nature thereof, including, but not limited to, the continued suspension of her license, and restrictions as to the nature, scope, location and supervision of her practice, which the Board in its sole discretion may deem necessary or appropriate.
- (5) **Sanction.** By her subscription hereto, Dr. Palazzo acknowledges that her receipt of written notification from the Board that it has received apparently reliable information which indicates her failure to comply with the requirements set forth by this Order in any respect shall, without need for formal hearing or providing her with any right to which she may otherwise be entitled pursuant to the Louisiana Administrative Procedure Act, La. Rev. Stat. §§49:951, *et seq.*, or which otherwise may be afforded to her by law, constitute her irrevocable consent to the immediate suspension of her license to practice medicine in this state pending the issuance of a decision by the Board following administrative adjudication of such charges.

(6) **Probation Monitoring Fee.** Dr. Palazzo shall pay the Board a probation monitoring fee of Three Hundred (\$300.00) Dollars for each year that her license remains on probation. Payment of the initial fee shall be due not later than sixty (60) days from the reinstatement of her license. All subsequent annual payments shall be due on or before the anniversary date of the initial payment.

(7) **Cooperation with the Board's Probation and Compliance Officer.** Dr. Palazzo shall immediately notify the Board's Probation and Compliance Officer of any change in her current home and professional addresses and telephone numbers and she shall direct all matters required pursuant to this Consent Order to the attention of the Probation and Compliance Officer, with whom she shall cooperate on all matters and inquiries pertaining to her compliance with the terms, conditions and restrictions of this Consent Order.

**IT IS FURTHER ORDERED** that any violation or failure of strict compliance with any of the terms, conditions or restrictions set forth by this Order by Dr. Palazzo shall be deemed adequate and sufficient cause, upon proof of such violation or failure, for the revocation and cancellation of Dr. Palazzo's license to practice medicine in the state of Louisiana, or for such other action as the Board may deem appropriate, as if such violations were enumerated among the causes provided in La. Rev. Stat. §37:1285.

**IT IS FURTHER ORDERED** that this Consent Order shall be, and shall be deemed to be, a PUBLIC RECORD.

Signed in New Orleans, Louisiana, and effective on this 19 day of February 2008.

LOUISIANA STATE BOARD  
OF MEDICAL EXAMINERS

By: \_\_\_\_\_

LINDA GAGE-WHITE, M.D., Ph.D.  
President

*Acknowledgement and Consent  
Follow on Next Page*

In the Matter of:  
Maria Carmen Palazzo, M.D.

Consent Order

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STATE OF LOUISIANA

PARISH OF ORLEANS

ACKNOWLEDGMENT  
AND CONSENT

I, MARIA CARMEN PALAZZO, M.D., hereby acknowledge, approve, accept and consent to entry of the above and foregoing Order, this 13<sup>th</sup> day of February, 2008.

MARIA CARMEN PALAZZO, M.D.

WITNESSES:

[Signature]  
Signature

A. MICHAEL LAWRENCE  
Typed Name

5941 MILVE BLVD  
Address

NEW ORLEANS, LA 70124  
City/State/Zip Code

[Signature]  
Signature

Paul C. Farr  
Typed Name

19132 Marion Ln  
Address

Long Beach, MS, 39507  
City/State/Zip Code

Sworn to and subscribed before me this 13<sup>th</sup> day of February, 2008, in the presence of the two stated witnesses.

[Signature]  
Notary Public

WILLIAM P. GIBBENS / 19775  
Printed Name/Notary or Bar Number