



County Targets Doctors in Fraud Probe : Finances: Health Department, auditors are looking into allegations that some hospital physicians are abusing moonlighting privileges and getting paid for hours not worked.

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In the midst of a financial crisis that is forcing the layoff of thousands of health workers, Los Angeles County is investigating whether some doctors who are paid to work full time at county hospitals are shortchanging taxpayers by moonlighting excessively at private practices and other jobs, according to county officials and documents obtained by The Times.

Various investigations into “several dozen” doctors at all six county hospitals are quietly being conducted by Department of Health Services investigators and auditors. The special investigations unit of the county auditor-controller’s office has also begun its own independent probe recently. It has cited concerns that an overworked and understaffed team of health department investigators has been unable to fully substantiate widespread allegations of chronic fraud and abuse by some county doctors.

Confidential documents obtained by The Times and interviews with doctors and county investigators indicate that there have been many health department investigations into alleged malfeasance over the years. They also show that calls for reform and crackdowns on moonlighting doctors have mostly gone nowhere, despite concerns that patient care may have suffered as a result.

“Some of these doctors still work half the time they are supposed to, if that, and they are not around when needed,” said one angry doctor, “and no one is doing anything about it. It is fraud, pure and simple.”

The probe involves doctors at all six county hospitals: County-USC, Harbor-UCLA, Martin Luther King/Drew, Olive View, High Desert and Rancho Los Amigos medical centers, officials said.

Under county rules, full-time county doctors--most of whom are paid more than \$100,000 annually, and some much more than that--are supposed to work 40 hours a week for the county. Some work an additional eight hours a week to receive lucrative stipends from the three teaching hospitals affiliated with the county. Like other county employees, doctors are allowed to work an additional 24 hours a week in outside employment, provided they get supervisors' permission and it does not interfere with their county work.

But county officials say they suspect that a very small fraction of doctors are taking advantage of lax oversight and working too many hours on the outside--or working during county time--sometimes at the expense of their county obligations.

Allegations of such abuse “are coming from everywhere,” said Marion Romeis, chief of the auditor-controller's special investigations unit, who confirmed that her office has begun several investigations. “I would say the problem with doctors and time abuse is all through DHS.”

“I have a real concern about time abuse,” especially when the county is laying off so many doctors and nurses, Romeis said. She said she usually refers most requests for investigations to the larger staff of investigators at the health department, but that top county officials have grown frustrated with that method.

Romeis said she knew of no doctor who had been fired or severely disciplined, because allegations against them had not been made to stick. “I think [that] about all the calls we get about them are true,” Romeis said. “I would expect some of those [referrals to the health department] to have been substantiated and they haven’t, so that is one of the reasons I want to have my staff do some.”

County officials would not confirm the names of doctors under investigation, citing personnel and privacy matters.

Confidential investigative reports obtained by The Times also show that some doctors in the emergency room at Martin Luther King Jr./Drew Medical Center are the focus of one extensive probe.

Emergency Room Inquiry

Fred Leaf, head of the health department’s staff of 12 auditors and investigators--down from 19 several years ago--said the entire emergency room is being investigated because of longstanding concerns about moonlighting. In a confidential report earlier this year, health officials spelled out allegations involving at least 13 emergency room doctors at the teaching hospital and trauma center in South-Central Los Angeles; the report did not say whether any had been disciplined.

But investigators say they fear that systemic problems with oversight of doctors at King identified in the report may be occurring at other county hospitals. Among them:

- * Doctors ignoring recently adopted sign-in policies, instituted to ensure that doctors were working in the emergency room and elsewhere when they were supposed to be.

- * Required forms disclosing outside employment were often missing, woefully incomplete, out of date or lacking supervisors’ signatures.

* Some doctors did not have updated performance evaluations in their files so supervisors could track whether their outside work had impaired their ability to work for the county.

There was little effort to determine whether doctors hired on a contract basis at \$79 an hour were working the hours they said they did. Also, there were few audits or other checks and balances “to ensure the accuracy of the billing.”

* Many doctors, instead of detailing their hours worked, merely wrote in eight hours a day, five days a week, on time cards, even though they acknowledged that their hours fluctuated greatly. Nonetheless, oversight mechanisms were scarce, investigators concluded.

As a result, investigators found instances in which a few doctors were criticized by their colleagues and supervisors for being absent. According to the report, one doctor worked at the hospital just one day a week, and was on call the rest of the time, while another was frequently absent, investigators and supervisors concluded, because of his work at an outside hospital’s emergency room.

It said that another spent a great deal of time traveling and delivering lectures while he continued to get paid by the county; he had even been taken off department work schedules. A colleague who reported no outside employment was nevertheless known to co-workers as having chronic attendance problems. Investigators concluded that the doctor was only at the hospital on two of the seven days they checked.

Leaf said the vast majority of doctors at King and elsewhere are hard-working and conscientious. But he said his investigators are trying to determine if moonlighting doctors and other alleged problems at King have affected the quality of care in general, and in some specific cases, such as the handling of the 1992 shooting of sheriff’s Deputy Nelson Yamamoto.

Yamamoto, 26, died at the hospital two days after being shot in the groin and thigh while on duty, and his post-operative care was sharply criticized by county prosecutors earlier this year. Calling his death “preventable,” the district attorney’s office also criticized the hospital in general, citing several other cases in which they believed deaths were preventable.

Among the district attorney’s conclusions was that senior doctors were not adequately overseeing potentially life-threatening surgeries performed by medical residents who were often fresh out of medical school. “We had concerns raised from a look at this array of cases as to the adequacy of supervision,” said Deputy Dist. Atty. Brian Kelberg, head of the medicolegal section. “I didn’t care why the attending [doctor] wasn’t there, just that they weren’t there. That was always being raised as a concern in these cases, including in the Yamamoto case.

“We saw no evidence to indicate that the lack of supervision by attending physicians arose from other emergency responsibilities,” Kelberg added. “It was not relevant for us to find whether they were off moonlighting, or off sleeping or in the hospital. What was important to us was whether they were there--or not there--and who was making the decisions on patient care.”

Investigators from the health department, Leaf confirmed, will be trying to determine if there is a link between doctors’ absences because of moonlighting and other outside responsibilities and any lack of oversight of residents.

In an interview Friday, Assistant Health Services Director Walter Gray confirmed that the financially troubled department recognizes it has a problem with moonlighting doctors and that it has been examining “the entire issue.” Gray, who oversees all hospitals, said he wants to see whether more of a crackdown is needed to ensure that the county is getting its money’s worth out of its doctors.

But he said he also wants to see if they need to be compensated better so they do not feel the need to seek outside work, because many make far less than their counterparts in private practice.

“I don’t want to go into any details” about investigations and proposed solutions, Gray said. “There has been concern about staff and how many hours they work. We are concerned about it. But in these times of layoffs it is pretty difficult to do two things at once.”

On Friday, the department began laying off hundreds of nurses, doctors and other health services staffers in a continuing effort to dramatically downsize the department so it can operate within the county’s means.

Allegations Made

Administrators at King also conceded that there have been problems, but said they are being addressed. Dr. Edward Savage, King’s medical director, said a “significant number” of the hospital’s 600 or so doctors have outside work and that it is an accepted practice.

Out of 23,000 health employees last year, about 1,000 had outside jobs, according to a recent letter signed by Health Services Director Robert C. Gates.

A 1987 report by the Los Angeles County Grand Jury identified a number of problems at King, including allegations of doctors’ moonlighting abuses. Savage said that in recent years “the situation has continually improved. It could always be better. And we are looking at a number of new ideas and proposals to make it better.

“The issue is whether or not it affects the standard of care. I don’t think it does,” Savage said. “There are almost always backups for anyone who happens to miss work for any reason. But I think it can always be improved.”

Dr. Eugene Hardin, acting chairman of the King emergency department, said he has recently instituted a series of reforms, including yet another attempt to force doctors to sign in and out of the emergency room--a requirement that two years ago prompted seven doctors to hire a lawyer in protest.

“This policy is not only extraordinarily demeaning, it appears in direct conflict” with county policies regarding exempt employees such as doctors, lawyer Rees Lloyd wrote in a Nov. 4, 1993, letter to Gates. “If any attempt is made to enforce it . . . through disciplinary, punitive or other retaliatory measures, I assure you of the most vigorous opposition.”

The requirement was dropped and recently reinstated by Hardin.

In March, Chief Administrative Officer Sally Reed ordered Gates to once again investigate allegations of abuse of work hours by doctors at King. She cited a detailed complaint letter she received, purportedly sent by “all the emergency department registered nurses and paramedic workers” at King.

In their letter--unsigned because they said they feared retribution--the nurses and paramedics pleaded this year for an investigation into what they called “the massive abuse of work hours and time cards by our doctors here from the top down.”

“When a patient comes here into our emergency room, the registered nurses have to do all the work, also when it is intensive care work, as there are . . . no doctors to help us,” said the letter, which mirrors detailed complaints sent to county officials by other King doctors and anonymous sources.

Even though 75% of King's patients come through the emergency room doors--a staggering amount of critically injured patients, doctors say--the nurses and paramedics wrote that, "we cannot find these doctors even when we page them and look for them for hours."

The lack of available attending doctors--whether due to moonlighting or other factors, such as inattentiveness--often forces the nurses and inexperienced post-medical school residents to make decisions they say doctors should make, such as admitting patients, the letter alleges. "Many times we are so overworked that it is not possible to admit the patient, and we have to say no!," they wrote, "Because we cannot take care of the patient."

Like other whistle-blower letters reviewed by The Times, the nurses provided the names and employee numbers of all doctors at the emergency room and elsewhere at King, including their salaries and even the addresses of their private practices that they say they got with the help of a private investigator.

"How can these doctors have one and two and some even three addresses for offices for private practice when they are [supposed] to be here full time but do no patient care?" they asked. "It gives us much shame to have to do this, but we do not know what other resource we have."

Hardin vehemently denied such allegations against doctors. County investigators said they interviewed some emergency room staff who said doctors were available at a moment's notice "with few exceptions."

Some county officials privately concede that the health department has failed to set up adequate controls, such as sign-in sheets, detailed time cards and enforcement of outside income statements.

Some investigative reports obtained by The Times indicate that the problems that surfaced years ago had yet to be corrected several months ago, including enforcement of requirements that all doctors complete statements itemizing their outside employment, and that they fill out their time cards in detail.

Two years ago, health department auditors investigated allegations that some physicians at King cheated on their time cards, collecting full salaries while working half the time.

Lax Controls

Even though those allegations were not fully substantiated, auditors noted--as previous audits have--that the hospital has lax controls over hours worked by emergency physicians. Some county officials said the health department's lack of rigid standards to make doctors account for their time makes it all but impossible to catch any wrongdoing.

"If they don't have to account for their time, unless I watch him around the clock, who am I to say he didn't do the work?" Romeis said. "You'd have to really watch them around the clock for a few weeks, or a month, to really make it stand. . . . I cannot do that. I just don't have the staff."

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