

SOAH DOCKET NO. 503-15-5051.MD
LICENSE NO. G-1766

IN THE MATTER OF THE

MEDICAL LICENSE OF

CYRUS SAJADI, M.D.

BEFORE THE

TEXAS MEDICAL BOARD

FINAL ORDER

During an open meeting at Austin, Texas, the Texas Medical Board (Board) finds that the above-styled case was assigned to and presided over by Administrative Law Judge (ALJ) Sarah Starnes of the State Office of Administrative Hearings. On May 3, 2016, the ALJ issued an Order Granting Partial Summary Disposition. On May 19, 2016, a Hearing on the Merits was convened to address aggravating and mitigating factors. ALJ Starnes issued a Proposal for Decision (PFD) on July 18, 2016, that contained Findings of Fact and Conclusions of Law. The PFD was properly served on all parties, and all parties were given an opportunity to file exceptions and replies as part of the record herein. Neither Respondent nor Staff filed Exceptions.

The Board, after review and due consideration of the PFD adopts the Findings of Fact and Conclusions of Law of the ALJ.

FINDINGS OF FACT

Factual Background

1. Cyrus Sajadi, M.D. (Respondent) is a Texas licensed physician and holds Texas Medical license No. G-1766.
2. Respondent was raised, was educated, and attended medical school in Iran. After immigrating to the United States in 1975, Respondent completed a three-year residency program at Baylor College of Medicine in neurology and psychiatry, followed by a two-year residency in psychopharmacology.

3. Respondent has been certified by the American Board of Psychology and Neurology since 1983.
4. Respondent served for several years as the director of the residency program at the Texas Research Institute of Mental Science, then established a full-time private practice in or about 1986.
5. Beginning in approximately 1995, Respondent began working with partial hospital Programs (PHPs), multidisciplinary clinics that offer an alternative to inpatient treatment for patients who require intensive psychiatric care but do not pose an immediate threat of harm to themselves or others.
6. In PHPs, patients typically attend structured sessions in group settings for four to five hours per day, with their care coordinated by physicians, physician assistants, nurses, practitioners, occupational therapists, and licensed mental health providers.
7. Respondent served as the medical director of ten or twelve PHPs over the course of a decade, while also maintaining a private practice.
8. In the mid-2000s, Respondent and a colleague, Dr. Mansour Sanjar, started their own PHP called Spectrum Care. They formed an entity to own the PHP, and Respondent was the 49% minority shareholder, while Dr. Sanjar owned the other 51% and served as the chief executive officer.
9. Medicare payments were Spectrum Care's primary source of income. Almost all of Spectrum Care's patients qualified for Medicare disability coverage and had schizophrenic, schizoaffective, or bipolar disorders.
10. On January 12, 2015, in Case No. 4:11CR00861-002 in the United States District Court for the Southern District of Texas, Respondent was found guilty of the following offenses:
 - a. One count of conspiracy to commit health care fraud, pursuant to 18 U.S.C. § 1349;
 - b. Two counts of aiding and abetting health care fraud, pursuant to 18 U.S.C. §§ 2 and 1347;
 - c. One count of conspiracy to defraud the United States and to pay healthcare kickbacks, pursuant to 18 U.S.C. § 371; and
 - d. Two counts of aiding and abetting the payment and receipt of healthcare kickbacks, pursuant to 18 U.S.C. § 2 and 42 U.S.C. § 1320a-7b(b)(1)-(2).
11. Respondent's conviction arose from the way Spectrum Care recruited patients and billed Medicare for their treatment.

12. Respondent's criminal offenses caused severe economic harm to the federal Medicare program.
13. Each crime that Respondent was convicted of committing involved intentional, premeditated and/or knowing conduct.
14. The court in Case No. 4:11CR00861-002 sentenced Respondent to 148 months' incarceration and ordered him to pay \$8,058,612.39 restitution. The restitution is owed jointly and severally by Respondent and his co-defendants in that proceeding.
15. Respondent's criminal trial concluded in January of 2014, but the court waited a full year to render the final judgment and sentence. During that time, Respondent was permitted to continue practicing medicine, limited only by a prohibition on billing any government entity or organization.
16. Respondent has appealed from his conviction and has not been required to begin his prison sentence while the appeal is pending.
17. Since his conviction, Respondent has continued seeing patients in his private practice.
18. As a consequence of his conviction, Respondent has been barred from participating in Medicare, Medicaid, CHIPS, any program administered by the Texas Department of Health and Human Services, and all other state and federal government health programs. He also voluntarily surrendered his Drug Enforcement Administration registration and is therefore no longer authorized to prescribe controlled medications.
19. In his work with Spectrum Care and other PHPs, Respondent served a vulnerable population of low-income patients, some of whom were treated for free.
20. Respondent is the only Farsi-speaking psychiatrist currently practicing in Harris County, where there is a population of Iranian immigrants whose mental-health needs could go unmet if he loses his license.
21. Respondent volunteers in the community by helping fellow Iranian immigrants apply for U.S. citizenship and prepare for the exams.
22. On August 26, 2005, the Texas Medical Board (Board) entered an Agreed Order (the 2005 Order) finding that Respondent was subject to disciplinary sanction for denying a patient request for copies of medical records without communicating a basis for the denial. The 2005 Order required Respondent to obtain nine hours of continuing medical education (CME) in the topic of ethics, pay an administrative penalty of \$1,000, and return the fee paid by the patient.
23. On February 4, 2011, the Board entered a Corrective Order based on Respondent's failure to adequately document the care he provided to a patient. The Corrective Order required Respondent to obtain eight hours of CME in medical record keeping.

24. Neither of the Board's previous orders against Respondent involved any patient-care issues or any allegation of billing fraud.
25. On May 5, 2016, the staff (Staff) of the Board sent a First Amended Notice of Adjudicative Hearing and Complaint to Respondent, containing a statement of the legal authority and jurisdiction under which a hearing was to be held; a reference to the particular sections of the statutes and rules involved; and a short plain statement of the matters asserted.
26. In Order No. 5, the Administrative Law Judge (ALJ) granted Staff's motion for partial summary disposition, determining that Respondent was subject to disciplinary action based on his criminal conviction and that, in determining a sanction, the Board could consider two previous disciplinary orders entered against Respondent as an aggravating factor.
27. On May 19, 2016, the evidentiary hearing was held on the other aggravating and mitigating factors in issue. The hearing was held before ALJ Sarah Starnes at the hearings facility of the State Office of Administrative Hearings (SOAH) in Austin, Texas. Staff Attorney Heather Pierce represented Staff, and Respondent was represented by attorney Ace Pickens. The record closed on May 31, 2016, when the transcript from the hearing was filed.

CONCLUSIONS OF LAW

1. The Board has jurisdiction over this matter pursuant to the Medical Practice Act (Act), Texas Occupations Code chapters 151-165.
2. SOAH has jurisdiction to hold a contested case hearing and to issue findings of fact and conclusions of law, subject to the provisions of § 164.007 of the Act, pursuant to Texas Government Code chapter 2003.
3. Respondent was adequately and timely apprised of the hearing and the allegations against him. Act § 164.005(f); Tex. Gov't Code §§ 2001.051-.052.
4. Staff had the burden to prove the alleged violations by a preponderance of the evidence. 1 Tex. Admin. Code § 155.427.
5. Staff had the burden to present evidence regarding aggravating factors, while Respondent had the burden to present evidence regarding mitigating factors. 22 Tex. Admin. Code § 190.15.
6. A contested case may be disposed of in whole or in part by summary disposition without an evidentiary hearing if the pleadings, affidavits, materials obtained by discovery, admissions, matters officially noticed, stipulations, or evidence of record show there is no

genuine issue as to any material fact and that a party is entitled to a decision in its favor as a matter of law. 1 Tex. Admin. Code § 155.505(a), (d).

7. Because Respondent has been convicted of felonies, the Board may take disciplinary action against his medical license pursuant to Texas Occupations Code §§ 164.051(a)(1), (a)(2)(A), 164.052(a)(5) and 22 Texas Administrative Code § 190.8(2)(R).
8. Pursuant to 22 Tex. Admin. Code § 190.15(a), as aggravating factors that may warrant more severe or restrictive action against Respondent, the Board may consider that the evidence established:
 - the economic harm caused by Respondent's violations and the severity of such harm
 - that Respondent's violations involved intentional, premeditated, knowing, or grossly negligent acts; and
 - that previous disciplinary actions have been taken against Respondent by the Board and by other government agencies.
9. Pursuant to 22 Tex. Admin. Code § 190.15(b), as mitigating factors that may warrant less severe or restrictive actions against Respondent, the Board may consider that the evidence established Respondent's prior community service and present value to the community.

ORDER

The Board hereby adopts the Findings of Fact and Conclusions of Law as proposed by the ALJs and ORDERS the following:

1. Respondent's Texas medical license is hereby REVOKED.
2. Respondent shall immediately cease practice in Texas. Respondent's practice in the state of Texas after the date of entry of this Final Order shall constitute a violation of this Order, subjecting Respondent to disciplinary action by the Board or prosecution for practicing without a license in Texas.
3. Respondent shall comply with all the provisions of the Medical Practice Act and other statutes regulating the Respondent's practice.
4. Respondent may petition the Board for reissuance of his Texas medical license after one year's time from the effective date of this Final Order. Respondent may apply for reissuance of his Texas medical license pursuant to applicable Board Rules and Statutes, including but not limited to Sections 164.151 and 164.152, and Board Rules 163 and 167. The Board may inquire into the request for reissuance and, may in its sole discretion, grant or deny

the petition without further appeal to or review by the Board. Petitions for reissuance may be filed only once a year thereafter. Respondent does not waive and specifically reserves his right to appeal any final decision of the Board regarding re-licensure to the State Office of Administrative Hearings.

SIGNED AND ENTERED by the presiding officer of the Texas Medical Board on this 26 day of August 2016.



Michael Arambula, M.D., Pharm. D., President
Texas Medical Board