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FILED

NOVEMBER 12, 2010
NEW JERSEY STATE BOARD
OF MEDICAL EXAMINERS

STATE OF NEW JERSEY
DEPT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BOARD OF MEDICAL EXAMINERS

IN THE MATTER OF AN INQUIRY INTO :
THE UNLICENSED PRACTICE OF
MEDICINE BY

ADMINISTRATIVE ACTION

SADIA CHAUDHRY AND
DANNY CHAUDHRY a/k/a ATA CHAUDHRY

ORDER TO CEASE AND DESIST
IMPROPER PRACTICE AND TO
TAKE CORRECTIVE ACTIONS.

IN THE STATE OF NEW JERSEY :

This matter was presented to the State Board of Medical Examiners by the Attorney General of New Jersey, by Joan D. Gelber, Sr. Deputy Attorney General, by investigation, pursuant to N.J.S.A. 45:1-18.1 to -18.3 and other pertinent statutes, into multiple matters including but not limited to: falsely representing on imaging reports that an imaging facility whose assets Sadia Chaudhry and Danny Chaudhry (also known as Ata Chaudhry) had purchased in February 2006 and which they renamed as "Inner Imaging" was a "Licensed Ambulatory Care Facility" when, in fact, it was not, and billing for radiologic services performed at that entity for an extended period before "Inner Imaging" became licensed on October 1, 2006; and failing to have and to post a list of fees at "Inner Imaging" and at its subsequent renaming as "American Diagnostic Imaging" for standard radiologic services at 925 Alling St., Newark, NJ 07102. Reports on letterhead of "American Diagnostic Imaging" failed to identify it as a general business corporation.

Investigation also suggested the unlicensed practice of medicine by the Chaudhrys by their determination that there was medical necessity for performing 3D reconstructions for certain MRIs; issuing insurance claim forms charging for 3D reconstructions when such reconstructions had been

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incompetently performed; making the medical determination of the CPT codes to assign to certain radiologic procedures without obtaining information from the reading radiologist as to the services he/she had actually performed. Additional investigation involved the Chaudhrys' issuance of MRI reports in the name of a person unlicensed as a physician in the State of New Jersey - despite having documentation of his correct licensure name, and regularly failing to identify the physician-provider of the radiological service on the claim form.

Further investigation involved the Chaudhrys' designation of a physician as Medical Director of American Diagnostic Imaging (hereinafter referred to as ADI), without assuring that such person implemented the responsibilities required by rules of the Department of Health and Senior Services, N.J.A.C. 8:43A-7.1 et seq., thus presenting a risk of harm to the public.

Additional investigation revealed that Respondents, billing under the entity name "Hudson Radiology Center," at 657-659 Broadway, Bayonne, New Jersey, submitted an insurance claim form for the performance of cervical and lumbar MRIs of patient Ms J.H.¹ on February 20, 2009, listing referral by "Dr. Kat," with no listing of the date of the motor vehicle accident, with interpretive reports transcribed on two other dates and signed electronically by "Satish Chandra Panduranga, M.D." That claim form, charging a total of \$2,800.00, was issued in the name of "Satish, Chandra, M.D." - although there is no New Jersey licensed physician of that name. Respondents submitted another insurance claim form for the same patient, studies and dates of service at the same location, again listing the referring provider as "Dr. Kat" with no MVA date, but this time listing the provider as "Peter H. Soloway, M.D." and charging \$2,196.00. Still another claim form was submitted for the same patient, studies and dates of service at the same location, again with no MVA date, but this time listing the provider as "Satish C. Panduranga, M.D.", the referring doctor as "D. Kroopnick MD" and charging \$2,800.00. This time, the billing provider is listed as "Hudson Radiology Centre NJ" at 925 Alling St., Newark, NJ 07102" - the address of "American Diagnostic Imaging." The entities listed different Tax Identification Numbers. The claim forms were sent to different carrier addresses. Further review revealed that the MRI studies produced by Respondent's entity "Hudson Radiology Center" as taken on February 20, 2009 for patient Ms J.H., failed to include imprinted

¹Patient identity is redacted to preserve confidentiality; full identification has been provided to Respondents.

identification of the patient, date of service or the name of radiology facility. The above described conduct constitutes negligence in performing diagnostic studies and billing for services not rendered.

The Chaudhrys have produced a document from the State Department of Health and Senior Services, confirming that a license was issued and is current, to "Hudson Radiology Center of NJ, Corp", operating under the entity name "Hudson Radiology Center of NJ."

With regard to the billing for patient J.H., the Chaudhrys have offered an explanation for the differences among the three bills, representing that they were sent at successive times when the first two were unpaid, and issued by inexperienced clerical help using a different computer which contained the pre-printed physician-provider name, facility name, Tax Identification Number and MRI fee different from that which the Chaudhrys intended for use by "Hudson Radiology Center of NJ, corp." They ascribe the problems to unrecognized clerical error which they regret. They state that Hudson Radiology Center of NJ was paid recently and only once for the stated MRI services, on the third and last bill. They now represent that they shall henceforth assure that only their correct entity name, Tax Identification Number, and fee shall be provided on all billings issued under the name by which their entity is licensed.

Respondents Sadia Chaudhry and Ata/Danny Chaudhry have consulted with their attorney, Michael J. Keating, Esq., and have determined to waive their individual rights to await the filing of formal charges and to defend in a plenary hearing. Respondents hereby neither admit nor deny the allegations. In the interests of amicable settlement, Complainant Attorney General and Respondents Sadia Chaudhry and Ata/Danny Chaudhry have agreed to the following resolution of the matter, and to promptly implement the remedial actions set forth below.

The Board has considered the matter, and finds that the entry of this Order will adequately protect the public interest. For good cause shown,

.IT IS, ON THIS 12TH DAY OF NOVEMBER 2010

ORDERED:

1. Respondents Sadia Chaudhry and Ata/Danny Chaudhry are hereby reprimanded for and directed to cease and desist from the conduct set forth above, and to promptly implement remedial measures as set forth below.
2. Respondents shall henceforth assure posting of a fee schedule for standard imaging

studies or posting of an announcement of its availability on request (see N.J.A.C. 8:43A-6.8(b)).

3. Respondents shall assure that each of their radiology facilities formally contracts with a Medical Director (whether on salary or as an independent contractor) who holds and implements all responsibilities required by the Department of Health and Senior Services, including but not necessarily limited to those set forth in N.J.A.C. 8:43A-7.3 and -7.4, as they may be amended from time to time. The Medical Director's responsibilities shall include an active role in developing and maintaining written objectives, policies, procedure manual, organizational plan, quality assurance program for the medical service, participation in planning and budget for the medical service, coordinating medical services, ensuring implementation of medical staffing patterns, participating in review of credentials and delineation of medical privileges, assigning duties based on education, training and competencies, staff education, planning medical staff meetings, evaluating medical care, and granting, denying, curtailing, suspending or revoking medical staff privileges.

4. Respondents shall assure that none of their radiology facilities enters into, or continues, a contract with a licensed professional to provide professional medical services to the entity, which includes any wording purporting to insulate the radiologist or his/her practice entity, from personal responsibility for that licensee's professional conduct.

5. Respondents shall henceforth assure that the Medical Director of each of Respondents' facilities establishes practice guidelines consistent with the requirements set forth in N.J.A.C. 13:35-2.6, including authority to document in the chart any additional communication with said practitioners sufficient to justify performance of a requested imaging study. Respondents shall assure that only the Medical Director shall make the professional medical determination as to whether sufficient supporting documentation has been provided to justify performance of 3D reconstructions.

6. Respondents shall henceforth assure that only the Medical Director makes the professional medical determination as to whether imaging studies, including 3D reconstructions as applicable, have been performed in a competent manner sufficient to meet the criteria set forth for CPT 76377 or other pertinent billing codes.

7. Respondents shall henceforth assure that only the Medical Director makes the professional medical determination as to whether the reports of reading radiologists have adequately described

the services rendered, and medical justification therefor, and the information acquired. MRI 3D reconstructions may be billed only when the chart, images and report correctly document the above.

8. Respondents shall henceforth assure that the report of each reading radiologist is issued in the name of the physician as set forth on such person's license.

9. Respondents shall henceforth assure that the radiologist responsible for interpreting a specific patient imaging study is identified in Box 31 of the standard insurance claim form.

10. Respondents shall take prompt corrective action to assure that imaging studies produced in digital form contain identification of the patient and imaging facility and the date of service.

11. Respondents shall henceforth assure that only a single claim form is submitted for those services performed for a single patient on a single date, and that such claim form contains accurate information for each required entry, including but not limited to the name of the entity as listed on its Department of Health and Senior Services license, and the Tax Identification Number applicable to that licensed entity.

12. Respondents are jointly and individually assessed the following, to be paid to the State Board of Medical Examiners:

(a) Investigative costs and attorney fees totaling \$6,000.00;

(b) Restitution to the patients/third party payors of payments made for "Chandra" reports for those patients already known to the Board², totaling \$8,897.00, by individual certified checks payable as set forth on Attachment A and delivered to the Board of Medical Examiners for distribution to the listed payors;

(c) Payment of an aggregate civil penalty of \$25,000.00 for the offenses set forth herein.³

13. The above payments, totaling \$39,897.00, shall be delivered to the State Board of Medical Examiners within 10 days of the entry of this Order. Failure to pay in full shall result in the

²Reports in the name of "Chandra" and/or billing for 3D reconstruction already known to the Board include the following: Ms. A.C. on May 4, 2007 for \$1,750.00; Ms. D.C. on January 3, 2008 for \$1,899.00; Ms. P.H. on April 9, 2008 for \$3,798.00; and Mr. A.Y. on April 19, 2007 for \$1,450.00.

³The Board has taken into account the \$8,000.00 penalty assessed by the Office of Insurance Fraud Prosecutor for the charging for imaging services of "Inner Imaging" prior to obtaining licensure to operate a radiology facility.

filing of a Certificate of Debt pursuant to N.J.S.A. 45:1-24. Interest on all financial assessments shall accrue in accordance with Rule of Court 4:42-11.

14. If installment payments are requested, and approved by the Board for good cause shown, Respondents shall first pay the investigative costs and fees set forth in paragraph 12(a) above in full within the first 10 days. Respondent shall then pay the restitution costs totaling \$8,897.00 within the next 10 days. Respondents shall then be permitted to pay the balance of the debt regarding penalty in equal monthly installments of \$5,000.00, each due on the first day of the month commencing on January 1, 2011.

15. All payments (except for the patient reimbursements) shall be made by certified check or money order payable to the State of New Jersey. In the event that the payment of costs and reimbursement, and/or the monthly payment of penalty, is not received within five days of its due date, the entire balance of the civil penalty and costs shall become due and owing.

16. The entry of this Order shall not limit the authority of the Attorney General or of any other person or agency to initiate any further action permitted by law, whether administrative, civil or criminal, in any court or other forum of competent jurisdiction in connection with any matters coming within that jurisdiction.

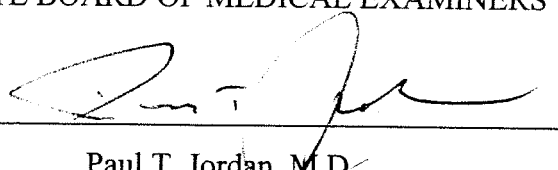
17. It is intended by the parties that this Order shall resolve all administrative and license issues with Respondents, which were specifically alleged as violations by the Attorney General in this document, with regard to their responsibility to the State Board of Medical Examiners, all and solely in connection with Professional Board law and rules.

18. The Notice of Reporting Practices of the Board Regarding Disciplinary Actions is incorporated herein.

THIS ORDER IS EFFECTIVE UPON ENTRY.

STATE BOARD OF MEDICAL EXAMINERS

By: _____





Paul T. Jordan, M.D.
President

ATTACHMENT A

<u>Patient</u>	<u>Date of Study</u>	<u>Fee Charged</u>	<u>Third Party Payer</u>
Ms. A.C.*	5/4/07	\$1,750.00	New Jersey Manufacturers 1599 Littleton Road Parsippany, NJ 07054
Ms. D.C.	1/3/08	\$1,899.00	New Jersey Manufacturers
Ms. P.H.	4/9/08	\$3,798.00	State Farm Insurance P.O. Box 926 Parsippany, NJ 07054
Mr. A.Y.	4/19/07	\$1,450.00	New Jersey Manufacturers

I have read and understood the
within Order and agree to be
bound by its terms. I consent to the form
and entry of the Order by the Board
of Medical Examiners.


Sadia Chaudhry


Ata/Danny Chaudhry

Witnessed: 

Michael J. Keating, Esq.
Counsel for Sadia Chaudhry and Danny/Ata Chaudhry

*Patient identity is redacted to preserve confidentiality. Full identification has been provided to Respondents and is on file with the Board of Medical Examiners.

**NOTICE OF REPORTING PRACTICES OF BOARD
REGARDING DISCIPLINARY ACTIONS**

Pursuant to N.J.S.A. 52:14B-3(3), all orders of the New Jersey State Board of Medical Examiners are available for public inspection. Should any inquiry be made concerning the status of a licensee, the inquirer will be informed of the existence of the order and a copy will be provided if requested. All evidentiary hearings, proceedings on motions or other applications which are conducted as public hearings and the record, including the transcript and documents marked in evidence, are available for public inspection, upon request.

Pursuant to 45 CFR Subtitle A 60.8, the Board is obligated to report to the National Practitioners Data Bank any action relating to a physician which is based on reasons relating to professional competence or professional conduct: (1) Which revokes or suspends (or otherwise restricts) a license; (2) Which censures, reprimands or places on probation; (3) Under which a license is surrendered.

Pursuant to 45 CFR Section 61.7, the Board is obligated to report to the Healthcare Integrity and Protection (HIP) Data Bank, any formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure or probation or any other loss of license or the right to apply for, or renew, a license of the provider, supplier, or practitioner, whether by operation of law, voluntary surrender, non-renewability, or otherwise, or any other negative action or finding by such federal or State agency that is publicly available information.

Pursuant to N.J.S.A. 45:9-19.13, if the Board refuses to issue, suspends, revokes or otherwise places conditions on a license or permit, it is obligated to notify each licensed health care facility and health maintenance organization with which a licensee is affiliated and every other board licensee in this state with whom he or she is directly associated in private medical practice.

In accordance with an agreement with the Federation of State Medical Boards of the United States, a list of all disciplinary orders are provided to that organization on a monthly basis. Within the month following entry of an order, a summary of the order will appear on the public agenda for the next monthly Board meeting and is forwarded to those members of the public requesting a copy. In addition, the same summary will appear in the minutes of that Board meeting, which are also made available to those requesting a copy. Within the month following entry of an order, a summary of the order will appear in a Monthly Disciplinary Action Listing which is made available to those members of the public requesting a copy. On a periodic basis the Board disseminates to its licensees a newsletter which includes a brief description of all of the orders entered by the Board. From time to time, the Press Office of the Division of Consumer Affairs may issue releases including the summaries of the content of public orders.

Nothing herein is intended in any way to limit the Board, the Division or the Attorney General from disclosing any public document.