July 27, 2004

Kentucky Board of Chiropractic Examiners
PO Box 183
Glasgow, KY 42142-0183

Dear Board Members,

I wish to file formal complaints against Paul R. Hollern and James P. Stapleton for multiple violations of Kentucky laws governing the practice of chiropractic. I do this at personal risk of retribution from Hollern and he possibility that I will not receive payment for my practice purchased by Hollern in October of 2003. However, I feel morally, ethically and legally obligated to provide information regarding what I perceive as multiple violations of the ethics and standards of care set forth by your agency.

201 KAR 21:015, Code of conduct. KRS 312.019
(5) A licensee shall practice his profession in accordance with the provisions of KRS Chapter 312 and the board's administrative regulations. He shall avoid professional association with individuals or groups who do not practice according to such statutes and administrative regulations.

(10) In any dispute between or among chiropractors involving matters of ethics, the matter in controversy shall be referred to the board for comment.

(13) Illegal, unethical and incompetent conduct by licensees shall be reported to the board.

I began working for Paul Hollern part time in July of 2003. This worked into an agreement for full time employment and the sale of my practice in October 2003. My official title with the company was Chief Operating Officer. As a full time employee I was to work in my former practice for a few months during a transition period while James Stapleton gradually took over the practice. The remainder of my time was to be spent at the Uncle Paul (Hollern's chiropractic training business) Corporation. I was also required to attend the Hollern business seminars that the training doctors had to sit through in order to understand the Hollern system.

Although I had practiced chiropractic for over 15 years, I had never bought or sold a practice. I had never had an associate or partner. Hollern on the other hand had over 80 practices and 21 students working in three offices preparing to go into practice under the Hollern system. When I questioned how billing would occur at my former office during the transition period Hollern assured me that he had done this multiple time and that he and his assistant Marilyn Sexton would take care of everything and that it was all perfectly legal.

Before I accepted the full time position I attempted to find out if Hollern and his organization were legitimate. Your organization did not have a record of any complaints against Hollern. All of his employees confirmed that his organization were everything Hollern claimed. They all claimed to be "fat and happy" as Hollern used to say. Once I had signed my contracts and was working for Hollern full time, one of my jobs was to meet with each corporate employee 30 minutes each week to check their progress on

goals and work assignments. These sessions immediately became 30 minute bitching sessions by the employees about Hollern and his company. Multiple problems were brought to my attention by the employees that had acted "fat and happy" just weeks before.

The employees thought that since I had been brought in to run the company on a daily basis that I could fix all of their complaints and problems. This was a mistake as the Uncle Paul Corporation was a true dictatorship. Nothing could happen without Hollern's knowledge and approval. Multiple financial problems (bonuses and bills not being paid) and questionable clinical procedures were brought to my attention. This in combination with attending the material covered in the classes caused me to realize after 6 weeks that I had made a severe mistake. I began looking to get out. I wrote my letter of resignation and then held it when Hollern claimed in a staff meeting that he was committed to improving his system and financial situation. I thought I would stick it out for a year while looked for another position.

On January 7, 2004 employee Sharon Johnson confronted me about her retirement funds being misappropriated. Hollern through his chief financial officer Michelle Clark had been withdrawing 15% from Mrs. Johnson's pay check and the funds had never been deposited into an account for her. This practice had already been brought to my attention by Betsy Smith the human resource person for the corporation. Mrs. Smith told me in early November of 2003 that Hollern had not put the retirement in the appropriate account for almost 2 years and owed her a large amount of back pay in the form of bonuses. After the conversation with Mrs. Smith Hollern talked to her and she later told me she was willing to wait longer because Hollern had promised to pay and with interest if she would wait until the company was over the financial crisis. Mrs. Johnson was not willing to wait. She had already consulted an attorney and she demanded to be paid within a week. She said she did not intend to stay with the company and wanted her money before she left.

When I discussed the situation with Michelle Clark CFO she said, "If he pays hers then he has to pay mine and Betsy's". She then stated to the dollar how much Hollern owed all of them in retirement funds that had never been deposited and bonuses. She would later deny any money was owed and that Mrs. Johnson's situation was a simple mistake. This was in a letter to me.(attached) I then called Hollern at his Florida residence to discuss the situation with him. He denied any knowledge of the situation and said to pay her the money. However, he felt that since Mrs. Johnson had already consulted a lawyer that her employment was over. He told me to call her and tell her she would receive two weeks severance pay with her retirement funds and she would not be returning to work. (I had sent her home while I checked into the situation). He then said that when she came for the check not to give it to her unless she signed a paper that said she would not report or sue Hollern (Uncle Paul) for receiving the funds. I asked where I would get a paper like that and he told me Michelle Clark had a copy because Joni (a former employee) had signed one before she left. Obviously this had happened before. I just told Hollern I would handle the matter and hung up.

I knew Hollern was lying about knowledge of the retirement fund misappropriations because of my discussions with Betsy Smith and Michelle Clark. I also knew that there were not enough funds in the corporate checking account to cover the amount owed Mrs. Johnson much less the others. The land lord was holding the rent check in order to keep it from bouncing. I was not going to strong arm the employee or participate in his cover up. I wrote a letter of resignation and told the employees I was quitting and what I thought of Hollern. I left and returned to Shelbyville where I told my former staff members I had quit and apologized for getting them into the mess. I also forbid the billing of anything under my license beyond that day (1-8-04).

Since I quit I have had nothing but trouble with Hollern and Stapleton. They have used my license and credentials to commit insurance fraud as well as Medicare fraud. They have reduced the standard of care in my former practice and practice in a manner that I feel endangers the patient's health and their trust in the chiropractic profession. The following information will outline my complaints against Hollern and Stapleton.

Witnesses:

1. Sharon Johnson
2. Betsy Smith
3. Michelle Clark

Complaint # 1
Against Hollern
KRS 312.150
(1a) That fraud, misrepresentation, concealment of material facts, or deceit was used in obtaining or retaining the license.

Hollern concealed the fact that he had an open malpractice action against him when he filed for license renewal in 2004. Hollern and Bill Vonnahme, DC were sued in late 2003 or early 2004 for malpractice. The patient never saw Hollern but he was sued with Vonnahme because he owns the Hillview clinic and the patient's insurance was filed in Holler's name. This also serves as proof to a fact mentioned later in this complaint, that the Uncle Paul students and an adjusting doctor were seeing all the patients not Hollern while at the same time the insurance was all filed under Hollern's name because he was credentialed.

Complaint # 2
Against Hollern
KRS 312.150
(1b) That the licensee no longer possesses a good moral character.

I feel that Hollern is misappropriating his employee's retirement funds and violating multiple Kentucky chiropractic statutes as described below and has never been of good moral character.

Complaint # 3

Against Hollern and Stapleton

KRS 312.150

(d) That the licensee solicits or advises patients utilizing false, deceptive, or misleading statement or information.

Hollern through his multiple offices (Hillview, Preston Highway and Shelbyville in Kentucky and Clarksville in Indiana) use bait and switch tactics to solicit patients. Specifically this occurs by offering free exams and x-rays to prospective patients. During the first visit the patient will receive a brief examination and 2 x-rays of the major area of complaint. The second day the patient will receive additional x-rays of the major area of complaint and 2 film of the adjacent area. The patient is always told that the doctor saw something on the initial film that makes the additional film necessary. Unfortunately, this happens to every patient regardless of the findings on the initial film. When I asked why this was done Hollern stated to me, "I am giving them services the first day so I have to make some money somewhere. It is part of my business system." This fact was confirmed to me by Dr. Rodney Wisdom when I asked him the same question. Obviously the patients well being is not being considered. They are unbundling and splitting fees.

I was instructed to list the proper coding of this situation. My first recommendation was to wait until they had obtained all of the film and then bill the code that reflected that number of film. I was told by Marilyn Sexton that this would not work because in the Hollern system all services were billed the same day. This meant that the two films from day one would have already been submitted. So, day two film had to be billed using a modifier as though the additional film were never anticipated. However they were always "necessary". I did write coding instructions for proper coding if a doctor does need to take follow-up film (attached). In over 15 years of practice I only found additional film to be necessary in 1 out of every 25-30 patients. I wrote the coding instructions in this manner. However, Hollern instructed his training doctors, students and staff to use this two day x-ray procedure on every patient regardless of how it was written in the training manual or what type of insurance a patient had. Unbundling the codes and taking additional film on day two for every patient resulted in fraudulent billing of all forms of insurance. Hollern felt that if he used this system of x-raying all patients that it was not fraud. However, bait and switch is bait and switch.

In addition to bait and switch tactics, the following resulted from Hollern's business system; unbundling of CPT codes, fraudulent billing practices and unnecessary radiation exposure to the patients.

Stapleton has been utilizing this system from the moment he took control of the Shelbyville location.

An additional concern here is the taking of x-rays by untrained staff. The therapy CA in each of Hollern's practices was to take the patients x-rays. I was told at one point during my employment by two of the training doctors that only one of these CAs had been trained and certified by the state. This helped explain the overall poor quality of the films recorded in the Hollern offices. Stapleton hired a therapy CA at Shelbyville named

Dianne Green. Just after I left I understand that Ms.Green quit her job in part over being told (by Hollern and Stapleton) the training was to expensive and that she would be shown how to take the necessary film and would function without certification. This action violates the regulations pertaining to the proper and safe use of diagnostic radiation equipment by doctors of chiropractic and places the public at risk.

The unnecessary radiation of small children is another concern. Please see the attached marketing information from the Hollern training manual. When I was in the training sessions one of the students asked Hollern how young should a patient be when screening for scoliosis. His answer was that he was the youngest child in his family and had never been around very many small children and he did not like to be around them. So, his rule was to screen all children from age three up. This had nothing to do with what age group should be screened or clinical judgment (12-16 yoa). His answer was based solely on what was convenient for him and getting new patients. One of the first complaints I heard from my former office staff about their new employer (Stapleton) was how he was x-raying very small children and they "always" had scoliosis. The Hollern CA manual tells the CAs to tell the patients that scoliosis happens to 1 in 10 children. What are the statistical odds of every child who enters a practice being the 1 in 10? Unnecessary exposure to radiation at a young age can have serious consequences. I am not a lawyer but I have been told that the statute of limitations on injury to a child is indefinite. This could have long term negative implications on the chiropractic profession as a whole in Kentucky if law suits are filed over the course of the next several years by parents of these children.

At one point in early 2004 just after I quit Kathy Swartley told me that Lisa Finnell said to her that she thought that Stapleton was using the same set of x-rays over and over again to give patient reports because he was telling every patient that their neck was straight.

Finally, Hollern started a Radiology business Stat Radiology. This firm was to read all film from the Hollern Training offices and he was putting it into his student contracts that all of the offices had to send their film to Stat for reading. I feel this violates laws against doctors referring to a lab or other facility they have a financial interest in. Initially all film were sent to Stat whether it was necessary or not. Later I heard that cash patient's film were no longer sent. It is surprising that people paying cash would "never" need radiology consult but people with insurance "always" would. They even bill through Stat for reading all those "free" bait and switch films. They really are not free if they always receive additional films on day two and there is a bill for reading all the films.

Witnesses:

1. Dianne Green
2. Interview other CAs from the other Hollern Offices
3. Lisa Finnell (Shelbyville)
4. Kathy Swartley (Shelbyville)
5. Dr. Rodney Wisdom

Complaint # 4
Against Hollern and Stapleton
KRS 312.150
(j) That the chiropractor failed to provide notice of a change of address or change in the name and address of the facility where the chiropractor practices as required by KRS 312.145(4)

See my earlier complaint (attached) regarding Hollern's failure to post his name as an owner of the Shelbyville office and his and Stapleton's continued use of my name after I was no longer an employee of that office or the corporation.

Complaint # 5
Against Hollern and Stapleton
KRS 312.150
(2a) Unprofessional Conduct: Gross ignorance of, or incompetence in, the practice of chiropractic.

1) See the above discussion of Hollern's and Stapleton's use of diagnostic radiation.
2) All therapies (97014 EMS and 97012 Traction) are only performed for 5 minutes. The minimal standard is 8 minutes. See the attached pages from the Hollern CA training manual and the ChiroCode Desk Book. Once during my employment while working in the Shelbyville office I placed a patient on one of the traction tables for 10 minutes. When therapy became backed up, I asked Lisa Finnell the therapy CA and my former office manager what the hold up was. She then chastised me for putting the patient on therapy too long in front of a group of patients. This lead to an angry response from me for her being disrespectable to me in front of patients. She went on to explain that the therapy limit according to the training she had received was 5 minutes max. Mrs. Finnell also phoned me at the corporate office one day to ask if it was ok to place a patient with a pacemaker on the EMS machine. She said that Stapleton had told her to do so. She at least called but this reflects Stapleton's lack of attention to proper patient history and appropriate use of modalities. It also reflects the poor training provided to the CAs in the Hollern system. Each time a therapy is billed with a carrier for a minimum of 8 minutes when only 5 minutes were performed the patient is shorted and the claim is fraudulent. I pointed this out to Marilyn Sexton the insurance person for Uncle Paul but she referred me back to the Hollern business system. There is no way any of these therapies could have a positive physiological affect on the patient's health in this time period. Placing them on these therapies only allowed the patient to verify that they received a therapy if asked. The patients were ignorant to any other factors. Please see the attached pages from the Hollern training manual regarding the 7 minute office visit. Any updated information about the patient's case, the adjustment and all therapies were to occur in 7 minutes. This is despite the fact that the minimum time for one therapy is to take no less then 8 minutes. The only reason patients ever exceeded this time period was when the office was running behind. Time then increased due to waiting and not as a result of patient care. Attached is an

example of "Daily Notes" one of my first attempts to improve the Hollern note taking system. This form was rejected by Hollern for two reasons. First because it only allowed three visits to be recorded per page and second because I listed 8 minutes as the time for EMS 97014 and traction 97012. He said, "This would get out to the doctors in the field (Hollern graduates) and I don't want them to think that I want them to do therapy for 8 minutes. It's too long".

3) I was instructed to develop a new examination procedure for the Hollern offices. I developed several versions. My initial efforts were refused by Hollern because they would take too much time. He refused to allow me to include the taking of blood pressure and auscultation of the carotid arteries because he did not want the doctors to take the time get the equipment, use it and replace it. The only equipment he would allow was a reflex hammer. Patient entrance forms, history, examination and x-rays were to occur in 13 minutes. See the attached notes from the Hollern training manual regarding the 13 minute first visit. This clearly places the doctor's time management and office flow above patient care. Hollern also felt that since this service was usually free in his clinics that the doctor should not spend a lot of time with the patient. A copy of the 50 Point examination I developed for Hollern is attached.
4) Failure to render a proper diagnosis is another problem. My first review of the Hollern system showed that they were not rendering proper diagnoses for their patients. I wrote an extensive set of notes on proper diagnosis and taught a class for the students and training doctors at least twice during my 3 month employment. Despite the classes and extensive notes my former staff in Shelbyville (Finnell and Swartley) repeatedly complained to me about how Stapleton listed or failed to list the patient diagnoses. In fact the staff was placing the diagnosis in the file for Stapleton. When he did place a diagnosis in the file it was often changed by the staff because he had not used the proper codes. A CA should never know more about diagnosing the patient than the doctor. I discussed this with Stapleton and Lisa Finnell told me she did the same but Stapleton continued in his ways. He was always concerned about how many people were seen in the office daily and weekly but never about proper patient care.
5) Stapleton in November of 2003 showed a lateral lumbar x-ray to me and asked, "Is this an aneurysm"? There was a very obvious aneurysm present in the abdominal aorta. I told him it was and asked if he had measured the aneurysm. He seemed confused and did not seem to even know that he should measure the aneurysm. I then had to explain how to do the measurements. I then asked if the patient had any history of cardiovascular problems and Stapleton said, "No". I then asked to see any additional film (which there always was) and the AP thoracic film showed that the patient's sternum had been wired together. This is common in open heart surgery. When I pointed this out to Stapleton I also asked to see the history form the patient completed prior to seeing Stapleton. The patient had listed his open heart surgery. It

was obvious that Stapleton paid little attention to the patient's history. Stapleton's behavior placed this patient at great risk.

6) Multiple patients have called me at home complaining that Stapleton was rough with them or hurt them. When I told Stapleton that patient and former employee/Patient called me and said he (Stapleton) had hurt her husband and that they probably would not be returning to the practice, Stapleton said, "#@?! her, I don't need her around here anyway. As Dr. Hollern says, 'If the patients give you problems, fire them'." This was a common Hollern saying. He always told his students to fire a patient once a month, "It empowers you" he would say. The Patient gave Stapleton another chance. However, Barbara recently called me to say they had stopped seeing Stapleton because of his billing practices. Barbara had worked for me several years prior and understands chiropractic billing. She said that there was a large difference between what she had been taught by me and had seen on EOBs from my office in the past and what was happening with Stapleton. A long time patient told Lisa Finnell's landlord that Stapleton hurt his neck. He is reported to have said, "If I had a gun I'd shoot him" (Stapleton). Lisa told me that she told Stapleton about the Patient's complaint and he reportedly said, "What does he expect? That guy is like a hundred years old." This pissed me off and I confronted Stapleton about it. He said the exact same thing to me. I told him, "He expected to get better or at least not to leave in worse shape than he was in". I later adjusted the Patient's neck and told Stapleton to leave him alone. Multiple other patients have called with similar situations. Dr. David Campola of Shelbyville recently told me that once I left that he began seeing a large number of new patients from my old office. He related that the first patients all said Stapleton hurt them. More recently he reported that the patients from my former office said they had been hurt and were being lied to. They were referring to Stapleton pretending I was still associated with the practice yet they never saw me and could not get an appointment to see me. The patients reported a tension in the air at my old practice. When my former staff received complaints from patients about Stapleton's quality of care, they quietly referred the patients to Dr. Campola as he is the doctor I always referred patients to when I was out of town.
7) Attached is page 50 of the Hollern doctor's manual. Please read item number 35. This policy regarding patient records and medications is further evidence of the overall lack of concern for the patient's welfare. This and other aspects of the Hollern manuals show that the actions by Hollern and his associates are deliberate and not oversights.
8) Stapleton had a computer technician work on the Shelbyville office computers midway through my three month employment. The technician deleted the last seven years of clinical notes recorded in my practice from the computer. Little or no effort was made to retrieve the notes. This is a violation of the contract for the sale of my practice in which Hollern/Stapleton agreed to take custody and responsibility for the records. This has lead to multiple patients being denied access to their previous chiropractic health care records. The lack of effort in retrieve the records shows continued avoidance of good

record keeping standards as mandated by your agency. On July 14, 2004 a former patient phoned me at home regarding her daughter. The Patient was attempting to precertify surgical care for a breast reduction and needed her last three years of chiropractic records. She had tried to get the records from Stapleton (my former office) and they had referred her to me. I explained that Stapleton had deleted the records and that I had been threatened with arrest for trespassing if I went to the office for any reason. I then referred the patients to your agency and recommended that she file a complaint against Stapleton if the surgery is denied. Actually that should have been Hollern since he took control of the records with the sell of the practice.

Witnesses:

1) Finnell as in Complaint # 3
2) Former Hollern students (see list under witnesses)
3) Hollern therapy CAs.
4) Marilyn Sexton
5) Patient
6) Dr. David Campola

Compliant # 6
Against Hollern and Stapleton
KRS 312.150
(2b) Performing unnecessary services.

Almost without fail all patients in the Hollern/Stapleton system receive 20-30 visits, and multiple therapies without regard to the patient's diagnosis. They say everyone needs this many adjustments because of the three phases of soft tissue healing. However, no attention is given to the condition the patient enters in. Patients with acute, sub-acute, chronic, self limiting and maintenance conditions were all placed on multiple visit treatment plans. I could always tell that it angered them when I would see a patient and tell them to come back in a month or as needed. When I was not in the Shelbyville office Stapleton would place maintenance patients who had been on maintenance care for years on extended visit plans with multiple therapies. Again what is the probably of every patient needing the same plan of care?

Witnesses: Lisa Finnell and Kathy Swartley can attest to these facts.

Complaint # 7
Against Hollern and Stapleton
KRS 312.150
(2e) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic, including violations of the federal Medicaid and Medicare laws.

I have already discussed the unbundling and bait and switch tactics used by Hollern and Stapleton in the clinical use of x-rays, filing for therapies that were not properly performed and the performance of unnecessary services. In addition I feel they have violated the following rules/laws regarding Medicare.

1) Improper use of the required ABN form
2) Medicare patients are to receive the lowest price for any service rendered. However, the Hollern system gives a lower price to cash patients.
3) The Hollern offices still tell patients that Medicare requires x-rays even though that requirement was dropped by Medicare years ago.
4) The Hollern note system does not meet the Medicare P.A.R.T. requirements. I tried to revise this system and although I improved it the resistance I met in trying to improve it was similar to what I met in trying to improve the exam.
5) Free services (exams, x-rays and therapies) and discounts are given to Medicare patients as incentives to initiate and continue chiropractic care.
6) They are violating Medicare Locum Tenens Laws.
   I practiced for 15.5 years and never bought or sold a practice. Nor did I ever have an associate or partner. Hollern assured me that he had done all of these things multiple times and that he knew exactly how to handle everything. He said the he could bill under my license and credentials with Medicare, Medicaid and all other carriers as he was already doing this at his other locations and he would never do anything illegal.
7) Failure to report a financial interest in a practice(s).

Most of Hollern's training offices have the patient sign a blank ABN form or don't have the form signed at all. Field CAs frequently came to the corporate headquarters for training and did not know what the form was for.

The cash policy is self explanatory.

Pages from the Hollern manual follow that show that Medicare patients are told x-rays are "required". My former office staff, Mrs., Finnell and Mrs. Swartley can attest to the fact that this was taught during their Uncle Paul training when my office changed hands. Marilyn Sexton did the training and told them to tell this to all Medicare patients.

The earlier discussion of bait and switch tactics deals with free and discounted services to Medicare patients.

Hollern claimed a locum tenens agreement existed beginning October 1, 2003 and was to continue until Stapleton was fully credentialed with all carriers. He also claimed that he intended to continue billing under my license and credentials even if after I moved to my corporate position if Stapleton was not fully credentialed. He also stated that when I quit, he should have been allowed to continue filing under my license and credentials even though I was no longer an employee, seeing patients or had any control over how Stapleton was practicing.

I did not agree to either of the above arrangements. I did not intend to allow them to keep billing under my license or credentials when I left the practice and went to corporate full time. I stopped them from doing so the day I quit.

The attached information from the Medicare manual for chiropractors and other sources disturbs me as it now appears that all billing October 1, 2003 and beyond was inappropriate if not illegal. The information shows that Hollern and Stapleton have violated Medicare and Medicaid laws. It also shows violations of the provider agreements with managed care organizations.

Billing under my license at any point was inappropriate. Continuing beyond my employment would definitely have been inappropriate.

Hollern's and Stapleton's use of my credentials and license did not fit the Medicare or Medicaid description for locum tenens, "incident to" rules, reciprocal billing or substitute physician.

I regret trusting Hollern and his attorney and not looking this information up prior to signing the sale and employment contracts and allowing them to bill in my name. Technically, Hollern and Stapleton owe the money they received from billing under my license and credentials back to Medicare, Medicaid and all other carriers.

Hollern's billing arrangement was his idea and he billed to suit his needs. He did not follow the locum tenens rules for any of the organizations I was credentialed with. Even if he had followed the rules a locum tenens agreement ends in 60 days for Medicare. It is typically only 14 days for Medicaid. With special arrangements (permission) for Medicaid it can be 90 days. There are apparently NO locum tenens arrangements in the majority of managed care company contracts.

Hollern and Stapleton placed my reputation with all carriers at risk and their actions could have resulted in being thrown out of their plans and not being allowed to participate in them in the future. Hollern and Stapleton should have to repay all funds issued from these carriers from October 1, 2003 through January 8, 2004. The dates they billed under my license.

Hollern assured me that his billing tactics in all of his offices were perfectly normal. He had not practiced for two years but all the services in his Hillview office were billed under his license (2002-2003). The training doctor and the students were actually treating the patients.

Everything in the Preston Office was billed under Jason Goodman's license and everything in the Clarksville office was billed under Joe Roger's license. This is despite the fact that these doctors were not in the office 50% of the time. Again, the students (some licensed, some not) were seeing the patients. Dr. Goodman caught on to the problems and lies in the Hollern system and got out as I did. Dr. Rogers stayed despite being made aware of the problems. I believe that Dr. Goodman is prepared to cooperate with the investigation that will result from this complaint.

According to Medicare rules a practice is suppose to disclose the identity of any person who has a 5% or greater financial interest in the practice. Since Hollern receives 40% of

the profit from all of the practices he sets up (18 states so far) Hollern definitely has a 5% or greater interest in each practice. However, I do not think Hollern is identified in any of these practices as such. This means Hollern is collecting Medicare and Medicaid funds in multiple states where he does not hold a chiropractic license. He could claim that he is just being paid back but, the practices are being run by Hollern rules and the doctors buying the practices are not allowed to purchase anything for the practices over $300.00 without Hollern's permission. The same goes for changing any office or procedural policies. The practices are set up with the intension to bill Medicare, Medicaid and other third party payers. Hollern is the owner of these practices until the other doctor pays him off. He has the power to remove a doctor from the practice if the doctor is not performing to Hollern's standards.

Some of the states Hollern has offices in (Illinois for example) have laws that state that the owner of a chiropractic practice in that state has to be a chiropractor licensed in that state. To my knowledge Hollern only holds Kentucky and Indiana licenses. His practices may then be violating laws in other states regarding chiropractic ownership.

Witnesses: Finnell and Swartley for billing practices see Complaint # 3, Dr. Jason Goodman and Dr. Joe Rogers

Complaint # 8
Against Hollern and Stapleton
KRS 312.150
(2g) Accepting for services rendered assigned payments from any third-party payer as payment in full, in the payment by the patient of any required deductible or co-payment applicable in the patient's health benefit plan, or collecting a fee or charge the licensee submits to a third-party payer for that service or treatment. However, in instances where the intent is not to collect excessive remuneration from a third-party payer but to provide services at a reduced rate to a patient unable to afford the deductible or co-payment, the services may be performed for a lesser charge or fee. The third-party payer shall be informed by the licensee of the reduced charge.

The Hollern business system includes prepayment plans, cash discounts, the waving of deductibles and co-pays and having patients sign hardship papers with little or no proof of hardship. These arrangements are across the board and not based on individual circumstances. The carriers are not notified of the discounts and the arrangements do not qualify as Time of Service arrangements that are common and acceptable. In fact carriers receive the total bill for services so the original amount applies to the deductible (see attached notes from the Hollern CA Training Manual).

The Hollern practices bill for services provided to employees and their families (spouses and children). They wave the deductibles and co-pays and accept the amount paid by the carriers.

Complaint # 9
Against Hollern
KRS 312.018
No person shall engage or attempt to engage in the practice of chiropractic or hold himself out to be a doctor of chiropractic in Kentucky unless licensed in accordance with the provisions of this chapter.

Hollern has been operating an unregistered chiropractic business school in Kentucky for several years. He brings chiropractors to Kentucky for 6-8 month periods of time to train in the Hollern system of practice. These doctors work in the Hollern offices and go to school at the corporate office. Some of them obtain a Kentucky or Indiana license but most do not. For those without a license they perform every service for patients except give adjustments. They hold themselves out to be doctors of chiropractic and solicit patients. However, the arrangement does not seem to fit the definition of an intern or preceptor as described by Kentucky law. These doctors are placed in this position by Hollern and are told the arrangement is perfectly legal.

On November 14, 2003 Hollern's attorney Charlie Meers called me while I was waiting at the Louisville airport to fly to Iowa to speak for the Iowa Chiropractic Society's convention. He was in a panic because of information he had discovered while researching a corporate name change for Hollern. Hollern was entertaining adding the word "school" or "college" to the corporate name. I had told him that the state regulated the use of the word "clinic" for doctors and that he may want to check state law to see if the use of the words "school" and "college" were regulated. Meers checked and they were. Hollern's program fit the definition of a school by state law. But what upset Meers, was the fact that the law said that any school entering into a contract for tuition could not collect the tuition if the contract was entered into prior to the school being officially registered with the state. This ment the all of Hollern's contracts may be invalid. Meers said his malpractice insurance would not cover the 43 million dollars worth of contracts that Hollern held. If this got out to the doctors from the Hollern program they could get out of paying him. Hollern later said that it was no big deal and that his contracts were asset purchase agreements and not contracts for tuition. But of course Hollern always wants to have his cake and eat it too.

A group of four former students (August 2003 graduates) one of which is Adam Hoogestraat are perusing legal action against Hollern to get out of their contracts. Hollern failed to set them up in practice and they want out of the contracts. However, he is reportedly demanding that they pay back the $2500.00 per month salary they were paid while they were in Louisville because they received his "special knowledge". If the contracts are asset purchase agreements and not contracts for tuition, could he really make them pay? Since they did not receive a building, practice and equipment it sounds like tuition to me.

Interestingly, Hollern sent the doctors trained in Louisville a tax form and insisted that they report their $2500.00 monthly salary as income. This is odd as the salary is detailed in the contracts as a loan to be paid back. I do not believe it is appropriate to pay tax on a loan as income. Hollern wants to write their $2500.00 monthly amount off as employee salaries and be paid the salary back with interest. The Hollern contracts are for $395,000.00 plus the return of the $2500.00 monthly salaries for the months received, plus the price of equipment, plus the cost of office build out, plus expenses incurred while getting the practice into profit. Once the practice is in profit the doctor running (buying) the practice keeps 60% and Hollern receives 40% of the profit. This continues

until Hollern is paid off. This shows that Hollern has a greater than 5% interest as mentioned earlier under Medicare violations.

Hollern wants to charge for tuition but not call it that so he does not have to comply with state education law. He wants to keep my name on the practice and tell patients that they can see me at the practice, yet threaten to have me arrested for coming on the property. He wants to tell everyone that he doubled my practice, yet complain that by not allowing him to use my license I stole from him and Stapleton and hurt the practice. He wants third party payers to pay for services rendered to their insured by unapproved/uncredentialed student doctors, pay the doctors $2500.00 per month for their work, record the $2500.00 as salaries for his tax purposes and then get the money back with interest as tuition for his "special knowledge". The student's hard work in his training facilities generate income for Hollern, he get their salaries back with interest and takes it off his taxes. For years patients have simply been lab rats to Hollern for training students and for his profit. Third party payers and their insured are funding Hollern's get rich scheme.

Third party payers have credentialing processes in order to assure that the providers they recommend are safe and reputable. They even require minimum amounts of general liability and malpractice coverage. They do not want to take a chance that a patient will be harmed in any way and part of the liability will revert back to them. By lying to the carriers during credentialing and subjecting their insured to evaluation, diagnosis and treatment by uncredentialed/unlicensed practitioners, Hollern has placed himself, his students and the carriers to possible legal action. This is especially true if patients who discover they have been video taped without their knowledge ban together and file class action suits against Hollern and the carriers that certified his credentialing/offices for violation of their privacy

Back to the school; the students are required to process 80 patients during their time in Kentucky before they are allowed to "graduate". The students have to solicit more than 80 because so many of the patients drop out prior to being fully processed.   The processing of a new patient is a four day procedure. These first four patient encounters are very important in the Hollern system because this is when they "sell" the patient and their spouse or loved one on care. In order to make sure that the student doctors perform the day one through four procedures correctly, Hollern had cameras installed in the exam/report rooms. These cameras record audio and video of every patients first four days in the clinic. The cameras are connected to a video monitor in the room the student doctors sit in between patients. The students watch each other live and the events are also recorded on four separate VCRs. Tapes of the encounters are reviewed as a group on Tuesdays and Thursdays each week. The students rate each other and the training doctors rate the students assigned to their respective clinics. The trouble is the patients have no idea they are being watched or recorded. There is a short statement on the bottom of the information form that Hollern claims notifies the patient and asks permission but, it is vague and they really do not know (see attached entrance form). In fact the students and staff are instructed to tell the patients that the cameras are for security because the office has been broken into if the patient asks about the cameras.

These actions violate HIPAA law and they are unethical. Especially, when they students can listen to conversations that the patient is having with a spouse or loved one prior to the student entering the room. This gave the students information on how the patient was thinking about accepting care and allowed them to sell care easier.
Jason Goodman ran the training at the Preston office and Joe Rogers ran the Clarksville operation. Hollern was supposed to be running the Hillview training but in 2002 and 2003 he was never there. All three of these training doctors filed everything under their licenses although they were seldom in the office and did not see the majority of the patients. This is a violation of the Medicare, Medicaid and managed care locum tenens rules. In other words they were billing fraudulently. Third party payers have no idea that the doctor they certify in their programs is not the doctor seeing the majority of patients. They also have no idea that the offices that they have allowed into their programs are used as training facilities and that their insured are subjected to video and audio taping. Their insured are seen as people to practice the Hollern system on. The health of the insured is not the primary concern. If carriers were to poll their insured and ask how they like the doctor they have certified/credentialed most of the patients would relate that they have not seen the credentialed doctor. Carriers would be surprised if they asked patients who were seen in the Hollern offices during the years 2002 and 2003 which doctor they saw at the variety of names they would here in response. This has been going on for years but most heavily for the past two years. The Hollern offices are currently run by the primary doctor only because they shut the school down temporarily due to financial problems. Word on the street is they will be up and running by January of 2005 again. Even though they have stopped training the fraud that has been going on for years is still fraud and there is still proof in the records and in talking to the insured and asking which doctor(s) they have seen.

A copy of a Hollern student performing the day one through day four procedures accompanies this complaint. Approximately 7 to 71/2 minutes into the tape one of the patients in the room notices the camera recording him and his family. Listening to the conversation that follows the patient noticing the camera is proof that the patients had no idea that they were being taped and that Hollern and his students were anything but honest with the patients about the cameras.

The above violations occur in all of the Hollern training clinics. These violations carry over into the field offices with the exception of the video taping of patients. Video taping has not occurred yet in my old practice but the cameras and monitors were installed. In their letter of April 6, 2004 to your board regarding my first complaint Hollern and Stapleton lied when they stated, "Dr. Hollern purchased the practice with the intent of reselling it". It was purchased as a training facility and the cameras were installed. When my former staff (Finnell and Swartley) and I would discuss problems we were encountering with the Hollern system, we had to be careful which room we were in because we were afraid of being over heard. I fact, the day I quit and I went to the Shelbyville office to turn in my keys and tell my former staff, we had to talk in the x-ray room because it was one of the few rooms without cameras and microphones. I understand that Hollern had the cameras pulled recently when he temporarily closed his

school. However, he has plans to replace them when his school is up and running again. Most of the Hollern students listed in the section on witnesses have copies of the tapes recorded during their training. Hollern closed his school due to financial and tax problems.

The doctors listed in this section, the office staff from any of the offices and the former students (see witnesses) can attest to the above.

Key Witness: Dr. Jason Goodman

I taught chiropractic business for Kats Management Services for over 10 years. Kats was the first system ever endorsed by the ACA because of their ethics. I practiced for 16 years. I have written an examination text book. I had reviewed thousands of chiropractic records and cases. I frequently advise NCMIC of malpractice matters. I teach utilization and peer review and I have had the privilege of being on both state sponsored peer review committees. When I was on the board's peer review committee we referred several doctors to the board for disciplinary action for clinical incompetence and other violations. None of the doctors we referred came close to being as clinically incompetent or violated as many regulations as Holler/Stapleton and their associates. I can honestly say that the business and clinical practices of the Hollern offices deviate from the normal standards and I feel they are illegal.

While I have mentioned several doctors who work for Hollern, I have only filed these complaints against Hollern and Stapleton because I actually witnessed their actions first hand. And, they are the ones who billed fraudulently under my license. I am sure their actions are duplicated by others, as the Hollern system was a dictatorship. Nothing happens or occurs without Hollern's full knowledge and direction. Additionally, all patients were treated the same regardless of their type of insurance or complaint.

I have forwarded a copy of this compliant to the Indiana Board of Chiropractic. I feel that these matters must be brought to the attention of the Indiana Board of Chiropractic as Hollern, Stapleton and Rogers have Indiana licenses and their actions are uniform. Stapleton was trained by Rogers for over six months in the Clarksville office prior to taking over my practice in Shelbyville. Hollern recently (February 2004) opened a second office in Indiana that was run briefly by Dr. Kerry Young. Kerry left the Hollern organization at the end of June 2004 and the practice is now run by Rodney Brown. I am sure that the conduct of Hollern and his employed doctors, described above also violate multiple Indiana chiropractic regulations.

I feel this complaint will also be of interest to these additional organizations:

The Kentucky Department of Labor
The Kentucky Department of Education
The Kentucky Radiology Control Board
Adminastar Federal Medicare
Kentucky Medicaid

The Insurance commissioner for the State of Kentucky
Anthem Blue Cross and Blue Shield
The Inspector General's Office
All third party payers the Hollern practices are credentialed with for patient care

Multiple copies of this complaint and the supporting documentation have been prepared to send to the organizations above and distributed among several of my friends. This will guarantee that the information will come to light should something happen to me.

"The only thing necessary for evil to prevail is for good men to do nothing".

Sincerely,

K. Jeffrey Miller DC, DABCO

Accompanying documentation:

1. Selected pages from the Hollern Training Manuals to support individual complaints
2. Complete copies of the Hollern/Uncle Paul doctor and CA training Manuals
3. A DVD of Hollern's Day One through Day Four procedures as performed by a Hollern Student Mark Lachich
4. Witness lists

Editor's Note: Those doctors who would like more information about this complaint may contact Dr. Miller through ChiroWeb at **DrMiller@DCMedia.com**.