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Governor Brown Signs ASDSA-CalDerm Patient Safety Bill into Law

July 17, 2012, Sacramento, Calif. — Gov. Jerry Brown today signed into law AB 1548, a measure designed to protect California patients from the unlicensed practice of medicine in corporate medical spas and laser hair removal chains. The bill – which was authored by Assembly Member Wilmer Amina Carter and co-sponsored by the American Society for Dermatologic Surgery Association (ASDSA) and the California Society of Dermatology and Dermatologic Surgery (CalDerm) – stiffens financial penalties for corporate scofflaws violating the existing ban on the corporate practice of medicine through sham “rent-a-doc” business schemes.

Existing law prohibits the employment of physicians by corporations to protect the physician's independent professional judgment. Joint Medical Board/Nursing Board hearings in 2007 concluded better enforcement is needed of existing California law that prohibits laypersons or corporate entities from owning any part of a medical practice. To get around today’s prohibition, medspa chains have created business management and franchising schemes that violate the law. The too-common practice of lay-owned businesses hiring so-called medical directors is also already prohibited but poorly enforced.

Several large, corporate laser and medspa chains operate in flagrant violation of the law because today’s penalties are minor costs of doing business. AB 1548 will significantly improve patient safety by making it tougher for these corporate entities to practice medicine illegally in California.

AB 1548 provides that when a business organization either employs a California physician – or contracts with him/her – to serve as a “medical director” of a health care practice he/she does not own and the business organization provides medical care that ordinarily can only be provided by the holder of a valid California medical license (actions already prohibited by California law), that conduct will be subject to penalties that are more proportionate to the risks to which patients are exposed – and more proportionate to the money of which they’re being defrauded.

“The signing of this bill into law represents nearly 10 years of hard work by the ASDSA, CalDerm and our tireless patient safety advocates,” said ASDSA President Susan H. Weinkle, M.D. “Too often, our members are treating horrific complications such as severe burns, missed skin cancer diagnosis and permanent scarring, suffered by patients at the hands of inappropriately trained, inadequately supervised individuals in illegal medical spa settings. Providing the State of California with adequate enforcement tools is critical to preventing future unnecessary patient harm and consumer fraud.”

AB 1548 received unanimous support through every stage of the legislative process before landing on Gov. Brown’s desk. AB 1548’s co-authors included Assembly Members Bill Berryhill and Jerry Hill, and Senators Lou Correa, Bill Emmerson, Gloria Negrete McLeod, Mark Wyland. The law goes into effect Jan. 1, 2013.

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Note: For additional quotes, please feel free to contact Dr. M. Christine Lee, a member of the ASDSA Policy Priorities Work Group, patient safety advocate and dermatologic surgeon practicing in San Francisco. She can be reached at 925-932-9389 or eastbaylaser@aol.com.

About the ASDSA

With a membership of nearly 5,700 physicians, the American Society for Dermatologic Surgery Association, a 501(c)6 association, was created to promote the educational and professional interests of dermatologic surgeons; provide a vehicle for advocacy and public education efforts on behalf of dermatologic surgeons and their patients; and address socio-economic issues that impact the practice of dermatologic surgery as a specialty. The American Society for Dermatologic Surgery Association advocates for patient safety and access to quality care, skin cancer prevention and education, and fair and appropriate office-based surgery regulation.