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NEW JERSEY STATE BOARD
OF MEDICAL EXAMINERS

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STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF MEDICAL EXAMINERS

IN THE MATTER OF THE SUSPENSION
OR REVOCATION OF THE LICENSE OF

MICHAEL CHUNG KAY LAM, M.D.
LICENSE NO. 25MA068326

TO PRACTICE MEDICINE AND SURGERY
IN THE STATE OF NEW JERSEY

Administrative Action

**CONSENT ORDER
OF REINSTATEMENT
WITH RESTRICTIONS**

This matter was opened to the New Jersey State Board of Medical Examiners ("Board") upon application of Michael Chung Kay Lam, M.D. ("Respondent") for reinstatement of his medical license following its revocation by Final Order on July 10, 2013, retroactive to January 13, 2011.

On December 21, 2010, Respondent was arrested and charged with multiple counts of illegal distribution of controlled dangerous substances ("CDS"), a second degree offense in violation of N.J.S.A. 2C:35-5A(1) & 2C:35-5B(5) and possession of property derived from criminal activity, a second degree offense in violation of N.J.S.A. 2C:21-25A(1). This arrest was predicated on a joint investigation between the New Jersey Division of Consumer Affairs,

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Enforcement Bureau and the Fort Lee Police Department dating from in or about July 2010, through and including December 21, 2010, which found that Respondent had indiscriminately prescribed CDS. On December 21, 2010, A.M. visited the Respondent's office, accompanied by a female police officer posing as his girlfriend. While the Respondent did not provide this officer with a prescription, he told her to use the pills from the prescriptions provided to A.M. Immediately following this office visit, Respondent was arrested and agreed to give a voluntary videotaped statement to the police and to an Enforcement Bureau investigator. When giving that statement, Respondent admitted to partaking in four separate illegal actions, as well as estimating that he had obtained \$12,000 in cash from A.M. and other patients. In the course of searching his house, however, the Fort Lee Police found and confiscated more than \$146,000 in cash, which included marked bills that had been provided to Dr. Lam by A.M.

On or about January 13, 2011, Respondent entered into an Interim Consent Order with the Board to voluntarily surrender his license deemed to be a temporary suspension. At that time, Respondent returned his original New Jersey license, current biennial registration, and CDS registration to the Board.

On or about June 7, 2011, Respondent was indicted by the Bergen County Prosecutor's office with four (4) counts of Criminal Distribution of CDS in violation of N.J.S.A. 2C:35-5A(1) and 2C:35-5B(5) and one (1) count of Money Laundering in violation of N.J.S.A. 2C:35-5B(5) and 2C:21-25. On June 8, 2012, Respondent entered a guilty plea to Count 4 of the Indictment, a third degree charge of Criminal Distribution of CDS in violation of N.J.S.A. 2C:35-5A(1) and 2C:35-5B(5) before the Honorable Edward A. Jerejian, J.S.C. On July 20, 2012, a Judgment of Conviction was filed in Superior Court, Bergen County reflecting Respondent's conviction of one (1) count of Criminal Distribution of CDS in violation of N.J.S.A. 2C:35-5A(1) and 2C:35-

5B(5) and a sentence of three (3) years of probation.

On or about January 8, 2013, a Two Count Administrative Complaint was filed by the Attorney General alleging that the actions of Respondent described herein constitute the use or employment of dishonesty, fraud, deception, misrepresentation or false pretense in violation of N.J.S.A. 45:1-21(b); gross negligence in violation of N.J.S.A. 45:1-21(c); repeated acts of negligence in violation of N.J.S.A. 45:1-21(d); professional misconduct in violation of N.J.S.A. 45:1-21(e); the engagement in acts constituting moral turpitude or conduct relating adversely to activity regulated by the Board in violation of N.J.S.A. 45:1-21(f); a violation or failure to comply with the provisions of any act or regulation administered by the Board in violation of N.J.S.A. 45:1-21(h) (specifically, the failure to maintain proper patient records required by N.J.A.C. 13:35-6.5; failure to follow the regulations for prescribing medication to a patient as required by N.J.A.C. 13:35-7.1A; and/or failure to follow the regulations for prescribing CDS as required by N.J.A.C. 13:35-7.6); the indiscriminate prescribing of CDS in violation of N.J.S.A. 45:1-21(m); and/or failure to be of good moral character as required for licensing as a physician pursuant to N.J.S.A. 45:9-6.

On or about May 21, 2013, Respondent filed a Joint Stipulation of Facts and Law admitting to the allegations in the Administrative Complaint. On or about July 10, 2013, a Final Order was filed by the Board revoking Respondent's license after a penalty hearing before the Board on June 12, 2013. In the July 10, 2013 Final Order, the Board determined that Dr. Lam's conduct was egregious. Because Dr. Lam knowingly prescribed drugs for patients who were not using them, the Board deemed that he caused immeasurable harm and that he acted corruptly in his profiting from the illegal distribution of CDS. Furthermore, the Board determined that Dr. Lam's conduct is at its core indistinguishable from that of any criminal drug dealer. The

revocation was deemed to be retroactive to the date on which Respondent surrendered his license, January 13, 2011. Pursuant to the terms of the Final Order, Respondent would be eligible to apply for reinstatement no sooner than January 13, 2014. He was required to appear before a Committee of the Board to demonstrate his competency/fitness to resume practice and document his fulfillment of the following terms and conditions: completion of all CME requirements; attendance and successful completion of a Board-approved course in prescribing CDS; attendance and successful completion of a Board-approved course in medical ethics; and attendance and successful completion of a comprehensive Board review course in his specialty. He must also submit a written plan outlining any proposed medical practice. Additionally, the Board reserved all rights to decide whether to grant or deny Respondent's application for reinstatement and to impose conditions/limitations upon such practice as the Board may deem appropriate. The Board expressly reserved decision at the time of the Final Order as to whether Respondent should ever again be allowed to obtain authorization to prescribe CDS. Respondent was also assessed a civil penalty of \$20,000, and costs incurred in this matter.

On May 7, 2014, Respondent appeared and testified before a Committee of the Board in support of his reinstatement application. Respondent provided documentation to show proof that he satisfied the conditions of the Final Order, i.e. CME documentation which includes completion of an Internal Medicine Board review course, an Intensive Course in Controlled Substance Management, and the PRIM-E Course. Respondent paid in full all penalties and costs totaling \$51,722.87.

When asked by the Committee at the PEC about his understanding as to why his license was revoked, Respondent was contrite in his answer and admitted that he received money in exchange for his writing of CDS prescriptions to approximately 10 patients. After taking full

responsibility for his actions, Respondent explained how the courses he attended helped him understand how to be cognizant of patients seeking prescriptions and what red flags to look for. He stated several times that he would never fall into the same “trap” again. When asked more specifically how he would avoid this “trap”, Respondent explained that he would treat those patients for hypertension or diabetes but would refer them out for any type of pain management.

The Committee asked Dr. Lam about his plans if his license was reinstated. Respondent advised the Committee that he would work with Dr. Ghias M. Moussa at his Jersey City practice. Dr. Moussa is a cardiologist but has an internal medicine practice. Respondent would be hired to work as an internist in his office. Respondent explained that Dr. Moussa was willing to supervise and help him as set forth in more detail below.

The Board finds that Respondent has complied with all the terms of the July 10, 2013 Order, including the payment of all penalties and costs, successful completion of mandated coursework and an appearance before a Committee of the Board, based upon this, and for other good cause,

IT IS, on this 21st day of July, 2014,

ORDERED THAT:

1. Respondent’s license to practice medicine in the State of New Jersey is hereby reinstated subject to the conditions set forth in this order.
2. Respondent shall not be permitted to prescribe Controlled Dangerous Substances (CDS) for two years from the date of entry of this Consent Order. After a period of two years from the filing of this order, Respondent may seek reinstatement of his CDS prescribing privileges. At a minimum, Respondent must appear before a Committee of the Board and demonstrate a specific need to prescribe CDS.

3. If the Board grants reinstatement of his CDS prescribing privileges, Respondent shall also seek an order from the Director of Consumer Affairs to reinstate Respondent's CDS registration.¹ The Director will consider the factors enumerated in N.J.S.A. 24:21-11 and determine, in his sole discretion, if, and under what circumstances, the revocation of Respondent's NJ CDS Registration should be lifted.

4. Respondent shall only work as an internist in a group setting and only as an employee of Dr. Ghias M. Moussa. Respondent may not work as a solo practitioner or partner in a medical practice. The Board shall not entertain a motion to rescind this limitation for a minimum of two (2) years from the filing date of this Consent Order.

5. Dr. Moussa shall review all of Respondent's charts for the first two weeks of practice, and thereafter review 40 charts per month. In addition, Dr. Moussa shall provide the Board's Medical Director, Sindy Paul, M.D., with quarterly reports regarding Dr. Lam's practice.

6. Respondent expressly waives any claim to privilege or confidentiality that he may have concerning reports and disclosures to the Board, and use by the Board of that information in any license proceedings, including any information obtained or discovered by Dr. Moussa or any other person.

7. All costs associated with the supervising outlined above shall be the responsibility of the Respondent and paid directly by the Respondent, including the entirety of the cost of Dr. Moussa's assistance.

8. Respondent hereby consents to the entry of an Order of automatic suspension of

¹ An Order to Show Cause was filed by the Acting Attorney General before the Director of the Division of Consumer Affairs on September 30, 2013 to permanently revoke Respondent's CDS registration. After a hearing on January 27, 2014, the Director filed an Order on April 9, 2014 stating that the action before him was stayed pending a decision from the Board of Medical Examiners regarding Respondent's medical license.

license without notice, upon the Board's receipt of any information which the Board in its sole discretion deems reliable that Respondent has failed to comply with any of the conditions set forth above, or any other provision of this Order. Respondent shall have the right to apply for removal of the automatic suspension on five (5) days notice but in such event shall be limited to a showing that information submitted was false.

9. This Order is effective upon its filing with the New Jersey State Board of Medical Examiners.

NEW JERSEY STATE BOARD OF MEDICAL EXAMINERS
BY: George J. Scott D.P.M., D.O. FICOP
George J. Scott, D.P.M., D.O.
Board Secretary

I have read and understood the within Order and agree to be bound by its terms.

Michael Chung Kay Lam, M.D.
Michael Chung Kay Lam, M.D.

Consent is hereby given as to the form and entry of this Order.

Joseph M. Gorrell, Esq.
Joseph M. Gorrell, Esq.
Brach Eichler, L.L.C.
Attorney for Respondent

I hereby agree to supervise, observe and provide reports regarding Dr. Lam as required in this Order.

Dr. Ghias M. Moussa M.D.
Dr. Ghias M. Moussa M.D.
Supervising Physician

**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.