BEFORE THE NEVADA STATE BOARD OF OSTEOPATHIC MEDICINE

IN THE MATTER OF: ) Case No. AD1011003
GARY DESHAZO, D.O. ) STIPULATION AND ORDER
License No. 380, ) AMENDING SETTLEMENT AGREEMENT

Respondent. ) AND ORDER

BACKGROUND FOR PROPOSED AMENDMENT

1. On December 8, 2010, the Nevada State Board of Osteopathic Medicine entered a Settlement Agreement and Order (SAO) in the above-captioned matter. In the SAO, the Board accepted a settlement reached between Dr. DeShazo and the Board's then Executive Director and General Counsel Dianna Hegedus and the Investigating Board Member Dr. Daniel Curtis. The SAO ordered that Dr. DeShazo's license be suspended for one month with a three-year probationary period to follow thereafter, which probation will end on December 31, 2013. The SAO also required Dr. DeShazo to pay $20,000.00 as and for the Board's fees and costs incurred in the matter at the rate of $833.33 until paid in full. As of the date of this proposed Amendment, Dr. DeShazo has paid all of the fees and costs ordered.

2. Subsection III(F) of the SAO required as follows:

F. Dr. DeShazo agrees to cease treating chronic pain patients and that such patients will be immediately referred to a pain management specialist. This cessation will occur on or before the 1st day of February, 2011, thus allowing the proper transfer of his patients' care. Dr. DeShazo will be able to treat acute pain patients with opioid prescriptions if such course of treatment is for thirty (30) days or less.

Additionally, Subsection III(H) of the SAO required that the Board's staff perform four random audits of Dr. DeShazo's patient files during the probationary period to assure that Dr. DeShazo was complying with the terms of the SAO.

3. Pursuant to Subsection III(H) of the SAO, commencing May 30, 2012, the Board's staff audited some of Dr. DeShazo's patient files. The Board's staff initially identified several patient files that seemed to indicate that Dr. DeShazo might have been in violation of Subsection III(F) by continuing to treat some of his patients for chronic pain. The Board's staff thereafter obtained additional information from Dr. DeShazo and consulted with an outside expert to review Dr. DeShazo's medical records.
4. As a result of its audit and review of Dr. DeShazo's medical records, the Board's staff and present Investigating Board Member Dr. Ronald Hedger believe that Dr. DeShazo has violated Subsection III(F) of the SAO by continuing to treat some of his patients for chronic pain. Dr. DeShazo disputes this conclusion and believes that his practice has been compliant with the SAO.

5. Despite the good faith dispute between the Board's staff and the IBM on one side and Dr. DeShazo on the other, all parties agree a mutually agreed upon resolution of this matter is in the best interests of Dr. DeShazo and the Board. Throughout this matter, Dr. DeShazo has been represented by Michael D. Navratil of John Cotton and Associates.

NOW THEREFORE, the IBM and Dr. DeShazo hereby agree to resolve this matter by jointly submitting the following terms and conditions as an amendment to the SAO:

**TERMS AND CONDITIONS OF AMENDMENT TO SAO**

1. The probation ordered in the SAO shall be extended for an additional two-year period, so the probationary period shall now terminate on December 31, 2015. The terms and conditions of the SAO remain in effect, but they shall be amended by the addition of the following terms and conditions:

   A. Dr. DeShazo's controlled substances privileges shall be suspended for a period of 60 days from the effective date of this Stipulation and Order. Dr. DeShazo may authorize a 30-day supply (either by new prescription or by authorization of a refill of an existing prescription) on or before the expiration date for the immediately preceding prescription for any patient for whom he had been prescribing controlled substances prior to June 1, 2013 so that the patient's therapy will not be interrupted. Dr. DeShazo shall not administer any controlled substance while his controlled substances privileges are suspended. If Dr. DeShazo has written a prescription for a patient prior to June 1, 2013 that contained an authorization for refills where those refills might be filled during the period of the suspension of his controlled substances privileges, and Dr. DeShazo is contacted by a pharmacy regarding the refill, Dr. DeShazo must inform the pharmacy that his controlled substances privileges have been suspended and that the refill should not be filled. If a pharmacy refills any such prescription without contacting Dr. DeShazo, Dr. DeShazo shall not be deemed to be in violation of this Amendment. Dr. DeShazo shall work with all such patients to assure continuation of their therapies while his controlled substances privileges are
suspended and shall notify the Board in writing as to how he intends to assure continuation of his
patients' controlled substances therapies while his controlled substances privileges are suspended.

B. During the period in which his controlled substances privileges are suspended, Dr.
DeShazo shall prepare and present to the Board's staff a list of those controlled substances that he
believes he might reasonably need to prescribe once his controlled substances privileges are
restored for the remainder of the period of probation. Dr. DeShazo stipulates and agrees that
none of the controlled substances on his proposed list will be opioids. The IBM and Dr. DeShazo
shall confer regarding Dr. DeShazo's list and shall agree upon a final list of controlled substance
that Dr. DeShazo shall be authorized to prescribe or administer during the period of probation. If
the IBM and Dr. DeShazo cannot agree regarding the final list, then Dr. DeShazo's requested list
shall be presented to the Board at its next regularly scheduled meeting for the Board to determine
the final list.

C. If, during the period of probation, Dr. DeShazo desires to prescribe or administer a
controlled substance not on the final list, he may request in writing to be allowed to add the
controlled substance to his final list. The IBM shall review any such request in a timely fashion
and shall confer with Dr. DeShazo regarding his request. If Dr. DeShazo and the IBM agree that
the addition of the controlled substance is in the best interests of Dr. DeShazo's patients and
presents no unreasonable risk of harm to the public, then the controlled substance will be added
to Dr. DeShazo's final list. If Dr. DeShazo and the IBM cannot agree, then Dr. DeShazo's
requested addition to his final list shall be presented to the Board at its next regularly scheduled
meeting for the Board to determine whether the controlled substance may be added to Dr.
DeShazo's final list.

D. During the period of probation, the Board's staff shall audit Dr. DeShazo's prescribing
and administering of controlled substances to assure compliance with the terms and conditions of
this Paragraph 1 and its various subsections. The audit may include all means necessary,
including but not limited to, obtaining prescriber information from the Nevada Prescription
Controlled Substances Abuse Prevention Task Force and requesting various documents
(including medical records) from Dr. DeShazo. Dr DeShazo shall cooperate with any request for documents from the Board’s staff in furtherance of this subparagraph.

E. During the period of probation, Dr. DeShazo shall not maintain a supply of controlled substances samples and shall not dispense controlled substances samples to his patients.

2. Dr. DeShazo shall pay the Board’s fees and costs of investigation in this matter totaling $4,000.00 which shall be paid by certified check or money order made payable to: “Nevada State Board of Osteopathic Medicine” within 90 days of the effective date of this Stipulation and Order unless Dr. DeShazo makes other payment arrangements with and satisfactory to the Executive Director, which payment arrangements shall not extend beyond twelve months from the effective date of this Amendment.

3. If the Board’s staff determines that Dr. DeShazo has prescribed, dispensed, or administered any controlled substance to any patient in violation of this Stipulation and Order, the Executive Director may immediately suspend Dr. DeShazo’s license by notifying Dr. DeShazo in writing that she has done so. Furthermore, the Executive Director shall set the matter of Dr. DeShazo’s violation of this Stipulation and Order upon the Board’s next regularly scheduled meeting for the Board to determine whether additional disciplinary action is appropriate and, if so, what the additional disciplinary action should be.

The above is stipulated to and agreed upon by the parties this 11th day of June, 2013.

DR. GARY DESHAZO

NEVADA STATE BOARD OF OSTEOPATHIC MEDICINE

ORDER

THE BOARD having reviewed the above Stipulation and Order Amending Settlement Agreement and Order at its regular meeting on June 11, 2013 and finding good cause therefore, hereby orders that the above be approved and made effective this 11th day of June, 2013.
NEVADA STATE BOARD OF OSTEOPATHIC MEDICINE

C. Dean Milne, D.O., Vice President and Presiding Officer
BEFORE THE NEVADA STATE BOARD OF OSTEOPATHIC MEDICINE

IN THE MATTER OF THE COMPLAINT

AGAINST

GARY DESHAZO, D.O., LIC. No. 380

RESPONDENT.

Case No.: AD1011003

CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of June, 2013, I served a copy of the ABOVE Notice with attachment upon the parties to this matter, via U.S. Postal Service, postage thereon prepaid, addressed as follows:

Gary DeShazo, D.O.
8440 W. Lake Mead #103
Las Vegas, NV 89128

Michael Navratil, Esq.
John Cotton & Associates Law Firm
2300 W. Sahara Ave., # 420
Las Vegas, NV 89102
Attorneys for Respondent

[Signature]

An employee of the Nevada State Board of Osteopathic Medicine