BEFORE THE ARIZONA MEDICAL BOARD

In the Matter of

MURALI D. TALLURI, M.D.

Case No. MD-15-1390A
MD-16-0479A

FINDINGS OF FACT, CONCLUSIONS
OF LAW AND ORDER FOR LETTER
OF REPRIMAND, CIVIL PENALTY,
AND PROBATION

The Arizona Medical Board ("Board") considered this matter at its public meeting on
June 7, 2017. Murali D. Talluri, M.D. ("Respondent"), appeared before the Board for a
Formal Interview pursuant to the authority vested in the Board by A.R.S. § 32-1451(H).
The Board voted to issue Findings of Fact, Conclusions of Law and Order after due
consideration of the facts and law applicable to this matter.

FINDINGS OF FACT

1. The Board is the duly constituted authority for the regulation and control of
the practice of allopathic medicine in the State of Arizona.

2. Respondent is the holder of license number 19237 for the practice of
allopathic medicine in the State of Arizona.

3. The Board initiated case number MD-15-1390A after receiving a complaint
regarding Respondent's care and treatment of a 43 year-old male patient ("TN") alleging
failure to properly treat and examine the patient, and issuing prescriptions containing
insufficient or incorrect information.

4. TN was treated by Respondent on November 20, 2015. Respondent's
records show that he evaluated TN for chronic pain of bilateral shoulders and low back.
Respondent provided TN with a prescription for oxycodone 30mg #120. Respondent
reviewed the Controlled Substance Prescription Monitoring Program ("CSPMP") and
ordered a urine toxicology screen. Respondent also requested medical records and
ordered nerve conduction studies and an MRI. TN was to return for follow up in two to four weeks.

5. The Board’s Medical Consultant ("MC") noted that an appropriate review of the CSPMP would have identified “red flags” regarding TN’s controlled substance prescribing pattern, including high doses of short acting opioids, concomitant use of benzodiazepines and multiple prescribers and pharmacies. The MC also commented that Respondent’s record lacks evidence that he used any standardized tools for assessing risk of abuse or diversion before prescribing TN an opioid medication.

6. The standard of care required Respondent to perform a thorough history and physical, review past medical records, perform a risk assessment, review the CSPMP data, obtain a urine toxicology screen and develop a plan including comprehensive approaches to pain management. A specific medication agreement should also be signed. Respondent deviated from this standard of care by being insufficiently diligent in prescribing controlled substances to TN.

7. There was the potential for patient harm in that TN was at risk for overdose or diversion as well as unnecessary long term dependence on controlled substances.

**MD-16-0479A**

8. The Board initiated case number MD-16-0479A after receiving a complaint regarding Respondent’s care and treatment of two patients who are husband and wife (ZB and TB) alleging that beginning in 2015, Respondent billed services to their health insurance while charging the couple $150.00 per visit.

9. Respondent treated ZB and TB beginning in 2010. Respondent’s treatment included prescribing Subutex to both patients. For each date of service reviewed (2 for patient ZB and 6 for patient TB), the patient paid $150.00 out of pocket at the time of the appointment as well as an additional fee of $50.00 for a urine drug screen (2 for patient ZB
and 1 for patient TB) on the dates that such a screen was performed. Subsequently, for all these dates of service, Respondent billed the patients’ insurance company $200.00 for each visit, except one date of service for TB that Respondent billed the insurer $150.00. For each visit, the insurer paid Respondent between $96.90 and $111.13.

10. In his response to the Board’s investigation, Respondent asserted that his standard practice would be to charge his patients the full amount due at the time of the visit, and then credit their account if the insurance company subsequently covered the resulting claim. Respondent did not provide any record of reimbursement to TB or ZB after their insurance paid Respondent for the dates of service reviewed in this matter.

11. Respondent saw TB and ZB on October 28, 2015 for a refill of Subutex. Respondent provided TB with a refill of Subutex but did not conduct a physical examination or perform a urine drug screen. Respondent’s records for that date indicate that a physical examination and urine drug screen were both performed.

12. During a Formal Interview on this matter, Respondent testified that for patient TN, he did not have access to prior medical records at the time of treatment, and TN was not identified as a new patient. Respondent noted that the owner of the clinic, who was not a practitioner, confirmed that the amount of medication he prescribed was consistent with prior prescriptions for TN. Respondent also stated that the practice was disorganized, and that he quit after working there for a short period of time.

13. With regard to TB and ZB, Respondent stated that he wished to accept responsibility for the administrative mistakes that were made regarding the billing for their care. Respondent also testified that he now sends all urine drug screens to an outside laboratory for testing. Respondent stated that he up-coded to insurance companies because he felt that the companies were paying very little for the complex patients that he
1. The Board possesses jurisdiction over the subject matter hereof and over
   Respondent.

2. The conduct and circumstances described above in MD 15-1390A and MD-16-0479A
   constitute unprofessional conduct pursuant to A.R.S. § 32-1401(27)(e) ("Failing or
   refusing to maintain adequate records on a patient.").

3. The conduct and circumstances described above in MD 15-1390A constitute
   unprofessional conduct pursuant to A.R.S. § 32-1401(27)(q) ("Any conduct or practice that
   is or might be harmful or dangerous to the health of the patient or the public.").

4. The conduct and circumstances described above in MD-16-0479A constitute
   unprofessional conduct pursuant to A.R.S. § 32-1401(27)(u) ("Charging a fee for services
not rendered or dividing a professional fee for patient referrals among health care
providers or health care institutions or between these providers and institutions or a
contractual arrangement that has the same effect. This subdivision does not apply to
payments from a medical researcher to a physician in connection with identifying and
monitoring patients for a clinical trial regulated by the United States food and drug
administration.

5. The conduct and circumstances described above in MD-16-0479A constitute
unprofessional conduct pursuant to A.R.S. § 32-1401(27)(v) ("Obtaining a fee by fraud,
deceit or misrepresentation.")

ORDER

IT IS HEREBY ORDERED THAT:

1. Respondent is issued a Letter of Reprimand.

2. Respondent is placed on Probation for a period of 30 months with the following
terms and conditions:

   a. Civil Penalty

   Respondent is assessed a $1500.00 Civil Penalty. The Civil Penalty shall be paid,
   by certified funds, within 90 days of the effective date of this Order.

   b. Continuing Medical Education

   Respondent shall within 6 months of the effective date of this Order obtain no less
   than 10 hours of Board staff pre-approved Category I Continuing Medical Education
   ("CME") in an intensive, in-person course regarding opioid prescribing. Respondent shall
   within thirty days of the effective date of this Order submit his request for CME to the
   Board for pre-approval. Upon completion of the CME, Respondent shall provide Board
   staff with satisfactory proof of attendance. The CME hours shall be in addition to the hours
   required for the renewal of licensure.
c. **ProBE**

Within 6 months of the effective date of this Order, Respondent shall complete the Professional/Problem-Based Ethics ("ProBE") program offered by the Center for Personalized Education for Physicians ("CPEP") for Ethics and Boundaries. The CME hours shall be in addition to the hours required for the renewal of licensure. Respondent shall obtain an unconditional or conditionally passing grade.

In the event that Respondent does not receive an unconditional or conditionally passing grade, Respondent shall follow any and all recommendations made for further education and/or remediation, subject to approval by the Board or its staff.

Respondent shall sign any and all consents or releases necessary to allow CPEP to communicate to the Board directly. Respondent shall not revoke any releases prior to successful completion of ProBE. Respondent shall be responsible for the expenses of participation in ProBE and shall notify Board staff immediately upon scheduling the ProBE course.

d. **Chart Reviews**

Board staff or its agents (a Board approved monitoring company) shall conduct periodic chart reviews. Respondent shall bear all costs associated with the chart reviews. Based upon the chart review, the Board retains jurisdiction to take additional disciplinary or remedial action. The chart reviews shall commence upon proof of Respondent’s successful completion of the Board ordered CME, and shall involve current patients’ charts.
e. **Obey all Laws**

Respondent shall obey all state, federal and local laws, all rules governing the practice of medicine in Arizona, and remain in full compliance with any court ordered criminal probation, payments and other orders.

f. **Tolling**

In the event Respondent should leave Arizona to reside or practice outside the State or for any reason should Respondent stop practicing medicine in Arizona, Respondent shall notify the Executive Director in writing within ten days of departure and return or the dates of non-practice within Arizona. Non-practice is defined as any period of time exceeding thirty days during which Respondent is not engaging in the practice of medicine. Periods of temporary or permanent residence or practice outside Arizona or of non-practice within Arizona, will not apply to the reduction of the probationary period.

g. **Probation Termination**

Prior to the termination of Probation, Respondent must submit a written request to the Board for release from the terms of this Order. Respondent’s request for release will be placed on the next pending Board agenda, provided a complete submission is received by Board staff no less than 14 days prior to the Board meeting. Respondent’s request for release must provide the Board with evidence establishing that he has successfully satisfied all of the terms and conditions of this Order. The Board has the sole discretion to determine whether all of the terms and conditions of this Order have been met or whether to take any other action that is consistent with its statutory and regulatory authority.

3. The Board retains jurisdiction and may initiate new action against Respondent based upon any violation of this Order. A.R.S. § 32-1401(27)(r).
RIGHT TO PETITION FOR REHEARING OR REVIEW

Respondent is hereby notified that he has the right to petition for a rehearing or review. The petition for rehearing or review must be filed with the Board's Executive Director within thirty (30) days after service of this Order. A.R.S. § 41-1092.09(B). The petition for rehearing or review must set forth legally sufficient reasons for granting a rehearing or review. A.A.C. R4-16-103. Service of this order is effective five (5) days after date of mailing. A.R.S. § 41-1092.09(C). If a petition for rehearing or review is not filed, the Board's Order becomes effective thirty-five (35) days after it is mailed to Respondent.

Respondent is further notified that the filing of a motion for rehearing or review is required to preserve any rights of appeal to the Superior Court.

DATED AND EFFECTIVE this 3rd day of August, 2017.

ARIZONA MEDICAL BOARD

By

Patricia E. McSorley
Executive Director

EXECUTED COPY of the foregoing mailed this 3rd day of August, 2017 to:

Murali D. Talluri, M.D.
Address of Record

ORIGINAL of the foregoing filed this 3rd day of August, 2017 with:

Arizona Medical Board
9545 E. Doubletree Ranch Road
Scottsdale, AZ 85258

Board Staff