

**BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

**In the Matter of the Accusation
Against:**

Jorge Luis Palacios, M.D.

**Physician's and Surgeon's
Certificate No. A 69353**

Case No.: 800-2021-076830

Respondent.

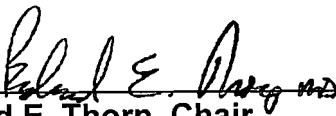
DECISION

The attached Stipulated Settlement and Disciplinary Order is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on November 27, 2024.

IT IS SO ORDERED: November 1, 2024.

MEDICAL BOARD OF CALIFORNIA



**Richard E. Thorp, Chair
Panel B**

1 ROB BONTA
Attorney General of California
2 STEVE DIEHL
Supervising Deputy Attorney General
3 MATTHEW FLEMING
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8
9 **BEFORE THE**
MEDICAL BOARD OF CALIFORNIA
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

13 **JORGE LUIS PALACIOS, M.D.**
14 **5874 E Shepherd Ave.**
Clovis, CA 93611

15 **Physician's and Surgeon's Certificate No. A**
69353

16 Respondent.

Case No. 800-2021-076830

OAH No. 2024050112

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

17
18
19 In the interest of a prompt and speedy settlement of this matter, consistent with the public
20 interest and the responsibility of the Medical Board of California of the Department of Consumer
21 Affairs, the parties hereby agree to the following Stipulated Settlement and Disciplinary Order
22 which will be submitted to the Board for approval and adoption as the final disposition of the
23 Accusation.

24 **PARTIES**

25 1. Reji Varghese (Complainant) is the Executive Director of the Medical Board of
26 California (Board). He brought this action solely in his official capacity and is represented in this
27 matter by Rob Bonta, Attorney General of the State of California, by Matthew Fleming, Deputy
28 Attorney General.

2. Respondent Jorge Luis Palacios, M.D. (Respondent) is represented in this proceeding by attorney Nathan Mubasher, Esq., whose address is: 2621 Green River Road Ste 105 PMB 403 Corona, CA 92882-7454.

3. On or about July 24, 1999, the Board issued Physician's and Surgeon's Certificate No. A 69353 to Jorge Luis Palacios, M.D. (Respondent). The Physician's and Surgeon's Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. 800-2021-076830, and will expire on November 30, 2024, unless renewed.

JURISDICTION

4. Accusation No. 800-2021-076830 was filed before the Board, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on April 2, 2024. Respondent timely filed his Notice of Defense contesting the Accusation.

5. A copy of Accusation No. 800-2021-076830 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 800-2021-076830. Respondent has also carefully read, fully discussed with his counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

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1 **CULPABILITY**

2 9. Respondent understands and agrees that the charges and allegations in Accusation
3 No. 800-2021-076830, if proven at a hearing, constitute cause for imposing discipline upon his
4 Physician's and Surgeon's Certificate.

5 10. Respondent agrees that, at an administrative hearing, complainant could establish a
6 prima facie case or factual basis with respect to the charges and allegations in Accusation No.
7 800-2021-076830, a true and correct copy of which is attached hereto as Exhibit A, and
8 Respondent hereby gives up his right to contest those charges. Respondent agrees that he has
9 thereby subjected his Physician's and Surgeon's Certificate, No. A 69353 to disciplinary action.

10 11. **ACKNOWLEDGMENT.** Respondent acknowledges the Disciplinary Order below,
11 requiring the disclosure of probation pursuant to Business and Professions Code section 2228.1,
12 serves to protect the public interest.

13 12. Respondent agrees that his Physician's and Surgeon's Certificate is subject to
14 discipline and agrees to be bound by the Board's probationary terms as set forth in the
15 Disciplinary Order below.

16 **RESERVATION**

17 13. The admissions made by Respondent herein are only for the purposes of this
18 proceeding, or any other proceedings in which the Medical Board of California or other
19 professional licensing agency is involved, and shall not be admissible in any other criminal or
20 civil proceeding.

21 **CONTINGENCY**

22 14. This stipulation shall be subject to approval by the Medical Board of California.
23 Respondent understands and agrees that counsel for Complainant and the staff of the Medical
24 Board of California may communicate directly with the Board regarding this stipulation and
25 settlement, without notice to or participation by Respondent or his counsel. By signing the
26 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
27 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
28 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary

1 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
2 action between the parties, and the Board shall not be disqualified from further action by having
3 considered this matter.

4 15. This Stipulated Settlement and Disciplinary Order is intended by the parties herein to
5 be an integrated writing representing the complete, final and exclusive embodiment of the
6 agreement of the parties in this above entitled matter.

7 16. Respondent agrees that if he ever petitions for early termination or modification of
8 probation, or if an accusation and/or petition to revoke probation is filed against him before the
9 Board, all of the charges and allegations contained in Accusation No. 800-2021-076830 shall be
10 deemed true, correct and fully admitted by respondent for purposes of any such proceeding or any
11 other licensing proceeding involving Respondent in the State of California.

12 17. The parties understand and agree that Portable Document Format (PDF) and facsimile
13 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
14 signatures thereto, shall have the same force and effect as the originals.

15 18. In consideration of the foregoing admissions and stipulations, the parties agree that
16 the Board may, without further notice or opportunity to be heard by the Respondent, issue and
17 enter the following Disciplinary Order:

18 **DISCIPLINARY ORDER**

19 IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. A 69353 issued
20 to Respondent JORGE LUIS PALACIOS, M.D. is revoked. However, the revocation is stayed
21 and Respondent is placed on probation for seven (7) years on the following terms and conditions:

22 1. **PATIENT DISCLOSURE.** Before a patient's first visit following the effective
23 date of this order and while the respondent is on probation, the respondent must provide all
24 patients, or patient's guardian or health care surrogate, with a separate disclosure that includes the
25 respondent's probation status, the length of the probation, the probation end date, all practice
26 restrictions placed on the respondent by the board, the board's telephone number, and an
27 explanation of how the patient can find further information on the respondent's probation on the
28 respondent's profile page on the board's website. Respondent shall obtain from the patient, or the

1 patient's guardian or health care surrogate, a separate, signed copy of that disclosure. Respondent
2 shall not be required to provide a disclosure if any of the following applies: (1) The patient is
3 unconscious or otherwise unable to comprehend the disclosure and sign the copy of the disclosure
4 and a guardian or health care surrogate is unavailable to comprehend the disclosure and sign the
5 copy; (2) The visit occurs in an emergency room or an urgent care facility or the visit is
6 unscheduled, including consultations in inpatient facilities; (3) Respondent is not known to the
7 patient until immediately prior to the start of the visit; (4) Respondent does not have a direct
8 treatment relationship with the patient.

9 2. CONTROLLED SUBSTANCES - PARTIAL RESTRICTION. Respondent shall
10 not order, prescribe, dispense, administer, furnish, or possess any controlled substances as defined
11 by the California Uniform Controlled Substances Act, except for those drugs listed in Schedule(s)
12 III, IV, and V, of the Act.

13 Respondent shall not issue an oral or written recommendation or approval to a patient or a
14 patient's primary caregiver for the possession or cultivation of marijuana for the personal medical
15 purposes of the patient within the meaning of Health and Safety Code section 11362.5. If
16 Respondent forms the medical opinion, after an appropriate prior examination and medical
17 indication, that a patient's medical condition may benefit from the use of marijuana, Respondent
18 shall so inform the patient and shall refer the patient to another physician who, following an
19 appropriate prior examination and medical indication, may independently issue a medically
20 appropriate recommendation or approval for the possession or cultivation of marijuana for the
21 personal medical purposes of the patient within the meaning of Health and Safety Code section
22 11362.5. In addition, Respondent shall inform the patient or the patient's primary caregiver that
23 Respondent is prohibited from issuing a recommendation or approval for the possession or
24 cultivation of marijuana for the personal medical purposes of the patient and that the patient or
25 the patient's primary caregiver may not rely on Respondent's statements to legally possess or
26 cultivate marijuana for the personal medical purposes of the patient. Respondent shall fully
27 document in the patient's chart that the patient or the patient's primary caregiver was so
28 informed. Nothing in this condition prohibits Respondent from providing the patient or the

1 patient's primary caregiver information about the possible medical benefits resulting from the use
2 of marijuana.

3 Respondent shall immediately surrender Respondent's current DEA permit to the Drug
4 Enforcement Administration for cancellation and reapply for a new DEA permit limited to those
5 Schedules authorized by this order. Within 15 calendar days after the effective date of this
6 Decision, Respondent shall submit proof that Respondent has surrendered Respondent's DEA
7 permit to the Drug Enforcement Administration for cancellation and re-issuance. Within 15
8 calendar days after the effective date of issuance of a new DEA permit, Respondent shall submit a
9 true copy of the permit to the Board or its designee.

10 3. CONTROLLED SUBSTANCES - MAINTAIN RECORDS AND ACCESS TO
11 RECORDS AND INVENTORIES. Respondent shall maintain a record of all controlled
12 substances ordered, prescribed, dispensed, administered, or possessed by Respondent, and any
13 recommendation or approval which enables a patient or patient's primary caregiver to possess or
14 cultivate marijuana for the personal medical purposes of the patient within the meaning of Health
15 and Safety Code section 11362.5, during probation, showing all of the following: 1) the name and
16 address of the patient; 2) the date; 3) the character and quantity of controlled substances involved;
17 and 4) the indications and diagnosis for which the controlled substances were furnished.

18 Respondent shall keep these records in a separate file or ledger, in chronological order. All
19 records and any inventories of controlled substances shall be available for immediate inspection
20 and copying on the premises by the Board or its designee at all times during business hours and
21 shall be retained for the entire term of probation.

22 4. CONTROLLED SUBSTANCES - ABSTAIN FROM USE. Respondent shall
23 abstain completely from the personal use or possession of controlled substances as defined in the
24 California Uniform Controlled Substances Act, dangerous drugs as defined by Business and
25 Professions Code section 4022, and any drugs requiring a prescription. This prohibition does not
26 apply to medications lawfully prescribed to Respondent by another practitioner for a bona fide
27 illness or condition.

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1 Within 15 calendar days of receiving any lawfully prescribed medications, Respondent
2 shall notify the Board or its designee of the: issuing practitioner's name, address, and telephone
3 number; medication name, strength, and quantity; and issuing pharmacy name, address, and
4 telephone number.

5 If Respondent has a confirmed positive biological fluid test for any substance (whether or
6 not legally prescribed) and has not reported the use to the Board or its designee, Respondent shall
7 receive a notification from the Board or its designee to immediately cease the practice of
8 medicine. The Respondent shall not resume the practice of medicine until the final decision on an
9 accusation and/or a petition to revoke probation is effective. An accusation and/or petition to
10 revoke probation shall be filed by the Board within 30 days of the notification to cease practice.
11 If the Respondent requests a hearing on the accusation and/or petition to revoke probation, the
12 Board shall provide the Respondent with a hearing within 30 days of the request, unless the
13 Respondent stipulates to a later hearing. If the case is heard by an Administrative Law Judge
14 alone, he or she shall forward a Proposed Decision to the Board within 15 days of submission of
15 the matter. Within 15 days of receipt by the Board of the Administrative Law Judge's proposed
16 decision, the Board shall issue its Decision, unless good cause can be shown for the delay. If the
17 case is heard by the Board, the Board shall issue its decision within 15 days of submission of the
18 case, unless good cause can be shown for the delay. Good cause includes, but is not limited to,
19 non-adoption of the proposed decision, requests for reconsideration, remands and other
20 interlocutory orders issued by the Board. The cessation of practice shall not apply to the
21 reduction of the probationary time period.

22 If the Board does not file an accusation or petition to revoke probation within 30 days of the
23 issuance of the notification to cease practice or does not provide Respondent with a hearing
24 within 30 days of a such a request, the notification of cease practice shall be dissolved.

25 5. MEDICAL RECORD KEEPING COURSE. Within 60 calendar days of the
26 effective date of this Decision, Respondent shall enroll in a course in medical record keeping
27 approved in advance by the Board or its designee. Respondent shall provide the approved course
28 provider with any information and documents that the approved course provider may deem

1 pertinent. Respondent shall participate in and successfully complete the classroom component of
2 the course not later than six (6) months after Respondent's initial enrollment. Respondent shall
3 successfully complete any other component of the course within one (1) year of enrollment. The
4 medical record keeping course shall be at Respondent's expense and shall be in addition to the
5 Continuing Medical Education (CME) requirements for renewal of licensure.

6 A medical record keeping course taken after the acts that gave rise to the charges in the
7 Accusation, but prior to the effective date of the Decision may, in the sole discretion of the Board
8 or its designee, be accepted towards the fulfillment of this condition if the course would have
9 been approved by the Board or its designee had the course been taken after the effective date of
10 this Decision.

11 Respondent shall submit a certification of successful completion to the Board or its
12 designee not later than 15 calendar days after successfully completing the course, or not later than
13 15 calendar days after the effective date of the Decision, whichever is later.

14 6. PROFESSIONALISM PROGRAM (ETHICS COURSE). Within 60 calendar
15 days of the effective date of this Decision, Respondent shall enroll in a professionalism program,
16 that meets the requirements of Title 16, California Code of Regulations (CCR) section 1358.1.
17 Respondent shall participate in and successfully complete that program. Respondent shall
18 provide any information and documents that the program may deem pertinent. Respondent shall
19 successfully complete the classroom component of the program not later than six (6) months after
20 Respondent's initial enrollment, and the longitudinal component of the program not later than the
21 time specified by the program, but no later than one (1) year after attending the classroom
22 component. The professionalism program shall be at Respondent's expense and shall be in
23 addition to the Continuing Medical Education (CME) requirements for renewal of licensure.

24 A professionalism program taken after the acts that gave rise to the charges in the
25 Accusation, but prior to the effective date of the Decision may, in the sole discretion of the Board
26 or its designee, be accepted towards the fulfillment of this condition if the program would have
27 been approved by the Board or its designee had the program been taken after the effective date of
28 this Decision.

1 Respondent shall submit a certification of successful completion to the Board or its
2 designee not later than 15 calendar days after successfully completing the program or not later
3 than 15 calendar days after the effective date of the Decision, whichever is later.

4 7. PSYCHIATRIC EVALUATION. Within 30 calendar days of the effective date of
5 this Decision, and on whatever periodic basis thereafter may be required by the Board or its
6 designee, Respondent shall undergo and complete a psychiatric evaluation (and psychological
7 testing, if deemed necessary) by a Board-appointed board certified psychiatrist, who shall
8 consider any information provided by the Board or designee and any other information the
9 psychiatrist deems relevant, and shall furnish a written evaluation report to the Board or its
10 designee. Psychiatric evaluations conducted prior to the effective date of the Decision shall not
11 be accepted towards the fulfillment of this requirement. Respondent shall pay the cost of all
12 psychiatric evaluations and psychological testing.

13 Respondent shall comply with all restrictions or conditions recommended by the evaluating
14 psychiatrist within 15 calendar days after being notified by the Board or its designee.

15 8. CLINICAL DIAGNOSTIC EVALUATIONS AND REPORTS: Within thirty (30)
16 calendar days of the effective date of this Decision, and on whatever periodic basis thereafter as
17 may be required by the Board or its designee, Respondent shall undergo and complete a clinical
18 diagnostic evaluation, including any and all testing deemed necessary, by a Board-appointed
19 board certified physician and surgeon. The examiner shall consider any information provided by
20 the Board or its designee and any other information he or she deems relevant, and shall furnish a
21 written evaluation report to the Board or its designee.

22 The clinical diagnostic evaluation shall be conducted by a licensed physician and surgeon
23 who holds a valid, unrestricted license, has three (3) years' experience in providing evaluations of
24 physicians and surgeons with substance abuse disorders, and is approved by the Board or its
25 designee. The clinical diagnostic evaluation shall be conducted in accordance with acceptable
26 professional standards for conducting substance abuse clinical diagnostic evaluations. The
27 evaluator shall not have a current or former financial, personal, or business relationship with
28 Respondent within the last five (5) years. The evaluator shall provide an objective, unbiased, and

1 independent evaluation. The clinical diagnostic evaluation report shall set forth, in the
2 evaluator's opinion, whether Respondent has a substance abuse problem, whether Respondent is a
3 threat to himself or herself or others, and recommendations for substance abuse treatment,
4 practice restrictions, or other recommendations related to Respondent's rehabilitation and ability
5 to practice safely. If the evaluator determines during the evaluation process that Respondent is a
6 threat to himself or herself or others, the evaluator shall notify the Board within twenty-four (24)
7 hours of such a determination.

8 In formulating his or her opinion as to whether Respondent is safe to return to either part-
9 time or full-time practice and what restrictions or recommendations should be imposed, including
10 participation in an inpatient or outpatient treatment program, the evaluator shall consider the
11 following factors: Respondent's license type; Respondent's history; Respondent's documented
12 length of sobriety (i.e., length of time that has elapsed since Respondent's last substance use);
13 Respondent's scope and pattern of substance abuse; Respondent's treatment history, medical
14 history and current medical condition; the nature, duration and severity of Respondent's
15 substance abuse problem or problems; and whether Respondent is a threat to himself or herself or
16 the public.

17 For all clinical diagnostic evaluations, a final written report shall be provided to the Board
18 no later than ten (10) days from the date the evaluator is assigned the matter. If the evaluator
19 requests additional information or time to complete the evaluation and report, an extension may
20 be granted, but shall not exceed thirty (30) days from the date the evaluator was originally
21 assigned the matter.

22 The Board shall review the clinical diagnostic evaluation report within five (5) business
23 days of receipt to determine whether Respondent is safe to return to either part-time or full-time
24 practice and what restrictions or recommendations shall be imposed on Respondent based on the
25 recommendations made by the evaluator. Respondent shall not be returned to practice until he or
26 she has at least thirty (30) days of negative biological fluid tests or biological fluid tests indicating
27 that he or she has not used, consumed, ingested, or administered to himself or herself a prohibited

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1 substance, as defined in section 1361.51, subdivision (e), of Title 16 of the California Code of
2 Regulations.

3 Clinical diagnostic evaluations conducted prior to the effective date of this Decision shall
4 not be accepted towards the fulfillment of this requirement. The cost of the clinical diagnostic
5 evaluation, including any and all testing deemed necessary by the examiner, the Board or its
6 designee, shall be borne by the licensee.

7 Respondent shall not engage in the practice of medicine until notified by the Board or its
8 designee that he or she is fit to practice medicine safely. The period of time that Respondent is
9 not practicing medicine shall not be counted toward completion of the term of probation.

10 Respondent shall undergo biological fluid testing as required in this Decision at least two (2)
11 times per week while awaiting the notification from the Board if he or she is fit to practice
12 medicine safely.

13 Respondent shall comply with all restrictions or conditions recommended by the examiner
14 conducting the clinical diagnostic evaluation within fifteen (15) calendar days after being notified
15 by the Board or its designee.

16 9. NOTICE OF EMPLOYER OR SUPERVISOR INFORMATION. Within seven
17 (7) days of the effective date of this Decision, Respondent shall provide to the Board the names,
18 physical addresses, mailing addresses, and telephone numbers of any and all employers and
19 supervisors. Respondent shall also provide specific, written consent for the Board, Respondent's
20 worksite monitor, and Respondent's employers and supervisors to communicate regarding
21 Respondent's work status, performance, and monitoring.

22 For purposes of this section, "supervisors" shall include the Chief of Staff and Health or
23 Well Being Committee Chair, or equivalent, if applicable, when the Respondent has medical staff
24 privileges.

25 10. BIOLOGICAL FLUID TESTING. Respondent shall immediately submit to
26 biological fluid testing, at Respondent's expense, upon request of the Board or its designee.
27 "Biological fluid testing" may include, but is not limited to, urine, blood, breathalyzer, hair
28 follicle testing, or similar drug screening approved by the Board or its designee. Respondent shall

1 make daily contact with the Board or its designee to determine whether biological fluid testing is
2 required. Respondent shall be tested on the date of the notification as directed by the Board or its
3 designee. The Board may order a Respondent to undergo a biological fluid test on any day, at
4 any time, including weekends and holidays. Except when testing on a specific date as ordered by
5 the Board or its designee, the scheduling of biological fluid testing shall be done on a random
6 basis. The cost of biological fluid testing shall be borne by the Respondent.

7 During the first year of probation, Respondent shall be subject to 52 to 104 random tests.
8 During the second year of probation and for the duration of the probationary term, up to five (5)
9 years, Respondent shall be subject to 36 to 104 random tests per year. Only if there has been no
10 positive biological fluid tests in the previous five (5) consecutive years of probation, may testing
11 be reduced to one (1) time per month. Nothing precludes the Board from increasing the number
12 of random tests to the first-year level of frequency for any reason.

13 Prior to practicing medicine, Respondent shall contract with a laboratory or service,
14 approved in advance by the Board or its designee, that will conduct random, unannounced,
15 observed, biological fluid testing and meets all of the following standards:

16 (a) Its specimen collectors are either certified by the Drug and Alcohol Testing Industry
17 Association or have completed the training required to serve as a collector for the United
18 States Department of Transportation.

19 (b) Its specimen collectors conform to the current United States Department of
20 Transportation Specimen Collection Guidelines.

21 (c) Its testing locations comply with the Urine Specimen Collection Guidelines published
22 by the United States Department of Transportation without regard to the type of test
23 administered.

24 (d) Its specimen collectors observe the collection of testing specimens.

25 (e) Its laboratories are certified and accredited by the United States Department of Health
26 and Human Services.

27 (f) Its testing locations shall submit a specimen to a laboratory within one (1) business day
28 of receipt and all specimens collected shall be handled pursuant to chain of custody

1 procedures. The laboratory shall process and analyze the specimens and provide legally
2 defensible test results to the Board within seven (7) business days of receipt of the
3 specimen. The Board will be notified of non-negative results within one (1) business day
4 and will be notified of negative test results within seven (7) business days.

5 (g) Its testing locations possess all the materials, equipment, and technical expertise
6 necessary in order to test Respondent on any day of the week.

7 (h) Its testing locations are able to scientifically test for urine, blood, and hair specimens
8 for the detection of alcohol and illegal and controlled substances.

9 (i) It maintains testing sites located throughout California.

10 (j) It maintains an automated 24-hour toll-free telephone system and/or a secure on-line
11 computer database that allows the Respondent to check in daily for testing.

12 (k) It maintains a secure, HIPAA-compliant website or computer system that allows staff
13 access to drug test results and compliance reporting information that is available 24 hours a
14 day.

15 (l) It employs or contracts with toxicologists that are licensed physicians and have
16 knowledge of substance abuse disorders and the appropriate medical training to interpret
17 and evaluate laboratory biological fluid test results, medical histories, and any other
18 information relevant to biomedical information.

19 (m) It will not consider a toxicology screen to be negative if a positive result is obtained
20 while practicing, even if the Respondent holds a valid prescription for the substance.

21 Prior to changing testing locations for any reason, including during vacation or other travel,
22 alternative testing locations must be approved by the Board and meet the requirements above.

23 The contract shall require that the laboratory directly notify the Board or its designee of
24 non-negative results within one (1) business day and negative test results within seven (7)
25 business days of the results becoming available. Respondent shall maintain this laboratory or
26 service contract during the period of probation.

27 A certified copy of any laboratory test result may be received in evidence in any
28 proceedings between the Board and Respondent.

1 If a biological fluid test result indicates Respondent has used, consumed, ingested, or
2 administered to himself or herself a prohibited substance, the Board shall order Respondent to
3 cease practice and instruct Respondent to leave any place of work where Respondent is practicing
4 medicine or providing medical services. The Board shall immediately notify all of Respondent's
5 employers, supervisors and work monitors, if any, that Respondent may not practice medicine or
6 provide medical services while the cease-practice order is in effect.

7 A biological fluid test will not be considered negative if a positive result is obtained while
8 practicing, even if the practitioner holds a valid prescription for the substance. If no prohibited
9 substance use exists, the Board shall lift the cease-practice order within one (1) business day.

10 After the issuance of a cease-practice order, the Board shall determine whether the positive
11 biological fluid test is in fact evidence of prohibited substance use by consulting with the
12 specimen collector and the laboratory, communicating with the licensee, his or her treating
13 physician(s), other health care provider, or group facilitator, as applicable.

14 For purposes of this condition, the terms "biological fluid testing" and "testing" mean the
15 acquisition and chemical analysis of a Respondent's urine, blood, breath, or hair.

16 For purposes of this condition, the term "prohibited substance" means an illegal drug, a
17 lawful drug not prescribed or ordered by an appropriately licensed health care provider for use by
18 Respondent and approved by the Board, alcohol, or any other substance the Respondent has been
19 instructed by the Board not to use, consume, ingest, or administer to himself or herself.

20 If the Board confirms that a positive biological fluid test is evidence of use of a prohibited
21 substance, Respondent has committed a major violation, as defined in section 1361.52(a), and the
22 Board shall impose any or all of the consequences set forth in section 1361.52(b), in addition to
23 any other terms or conditions the Board determines are necessary for public protection or to
24 enhance Respondent's rehabilitation.

25 11. SUBSTANCE ABUSE SUPPORT GROUP MEETINGS. Within thirty (30) days
26 of the effective date of this Decision, Respondent shall submit to the Board or its designee, for its
27 prior approval, the name of a substance abuse support group which he or she shall attend for the
28 duration of probation. Respondent shall attend substance abuse support group meetings at least

1 once per week, or as ordered by the Board or its designee. Respondent shall pay all substance
2 abuse support group meeting costs.

3 The facilitator of the substance abuse support group meeting shall have a minimum of three
4 (3) years experience in the treatment and rehabilitation of substance abuse, and shall be licensed
5 or certified by the state or nationally certified organizations. The facilitator shall not have a
6 current or former financial, personal, or business relationship with Respondent within the last five
7 (5) years. Respondent's previous participation in a substance abuse group support meeting led by
8 the same facilitator does not constitute a prohibited current or former financial, personal, or
9 business relationship.

10 The facilitator shall provide a signed document to the Board or its designee showing
11 Respondent's name, the group name, the date and location of the meeting, Respondent's
12 attendance, and Respondent's level of participation and progress. The facilitator shall report any
13 unexcused absence by Respondent from any substance abuse support group meeting to the Board,
14 or its designee, within twenty-four (24) hours of the unexcused absence.

15 12. WORKSITE MONITOR FOR SUBSTANCE-ABUSING LICENSEE. Within
16 thirty (30) calendar days of the effective date of this Decision, Respondent shall submit to the
17 Board or its designee for prior approval as a worksite monitor, the name and qualifications of one
18 or more licensed physician and surgeon, other licensed health care professional if no physician
19 and surgeon is available, or, as approved by the Board or its designee, a person in a position of
20 authority who is capable of monitoring the Respondent at work.

21 The worksite monitor shall not have a current or former financial, personal, or familial
22 relationship with Respondent, or any other relationship that could reasonably be expected to
23 compromise the ability of the monitor to render impartial and unbiased reports to the Board or its
24 designee. If it is impractical for anyone but Respondent's employer to serve as the worksite
25 monitor, this requirement may be waived by the Board or its designee, however, under no
26 circumstances shall Respondent's worksite monitor be an employee or supervisee of the licensee.

27 The worksite monitor shall have an active unrestricted license with no disciplinary action
28 within the last five (5) years, and shall sign an affirmation that he or she has reviewed the terms

1 and conditions of Respondent's disciplinary order and agrees to monitor Respondent as set forth
2 by the Board or its designee.

3 Respondent shall pay all worksite monitoring costs.

4 The worksite monitor shall have face-to-face contact with Respondent in the work
5 environment on as frequent a basis as determined by the Board or its designee, but not less than
6 once per week; interview other staff in the office regarding Respondent's behavior, if requested
7 by the Board or its designee; and review Respondent's work attendance.

8 The worksite monitor shall verbally report any suspected substance abuse to the Board and
9 Respondent's employer or supervisor within one (1) business day of occurrence. If the suspected
10 substance abuse does not occur during the Board's normal business hours, the verbal report shall
11 be made to the Board or its designee within one (1) hour of the next business day. A written
12 report that includes the date, time, and location of the suspected abuse; Respondent's actions; and
13 any other information deemed important by the worksite monitor shall be submitted to the Board
14 or its designee within 48 hours of the occurrence.

15 The worksite monitor shall complete and submit a written report monthly or as directed by
16 the Board or its designee which shall include the following: (1) Respondent's name and
17 Physician's and Surgeon's Certificate number; (2) the worksite monitor's name and signature; (3)
18 the worksite monitor's license number, if applicable; (4) the location or location(s) of the
19 worksite; (5) the dates Respondent had face-to-face contact with the worksite monitor; (6) the
20 names of worksite staff interviewed, if applicable; (7) a report of Respondent's work attendance;
21 (8) any change in Respondent's behavior and/or personal habits; and (9) any indicators that can
22 lead to suspected substance abuse by Respondent. Respondent shall complete any required
23 consent forms and execute agreements with the approved worksite monitor and the Board, or its
24 designee, authorizing the Board, or its designee, and worksite monitor to exchange information.

25 If the worksite monitor resigns or is no longer available, Respondent shall, within five (5)
26 calendar days of such resignation or unavailability, submit to the Board or its designee, for prior
27 approval, the name and qualifications of a replacement monitor who will be assuming that
28 responsibility within fifteen (15) calendar days. If Respondent fails to obtain approval of a

1 replacement monitor within sixty (60) calendar days of the resignation or unavailability of the
2 monitor, Respondent shall receive a notification from the Board or its designee to cease the
3 practice of medicine within three (3) calendar days after being so notified. Respondent shall
4 cease the practice of medicine until a replacement monitor is approved and assumes monitoring
5 responsibility.

6 13. VIOLATION OF PROBATION CONDITION FOR SUBSTANCE ABUSING
7 LICENSEES. Failure to fully comply with any term or condition of probation is a violation of
8 probation.

9 A. If Respondent commits a major violation of probation as defined by section
10 1361.52, subdivision (a), of Title 16 of the California Code of Regulations, the Board shall take
11 one or more of the following actions:

12 (1) Issue an immediate cease-practice order and order Respondent to undergo a clinical
13 diagnostic evaluation to be conducted in accordance with section 1361.5, subdivision (c)(1), of
14 Title 16 of the California Code of Regulations, at Respondent's expense. The cease-practice
15 order issued by the Board or its designee shall state that Respondent must test negative for at least
16 a month of continuous biological fluid testing before being allowed to resume practice. For
17 purposes of determining the length of time a Respondent must test negative while undergoing
18 continuous biological fluid testing following issuance of a cease-practice order, a month is
19 defined as thirty calendar (30) days. Respondent may not resume the practice of medicine until
20 notified in writing by the Board or its designee that he or she may do so.

21 (2) Increase the frequency of biological fluid testing.

22 (3) Refer Respondent for further disciplinary action, such as suspension, revocation, or
23 other action as determined by the Board or its designee.

24 B. If Respondent commits a minor violation of probation as defined by section
25 1361.52, subdivision (c), of Title 16 of the California Code of Regulations, the Board shall take
26 one or more of the following actions:

27 (1) Issue a cease-practice order;

28 (2) Order practice limitations;

- 1 (3) Order or increase supervision of Respondent;
2 (4) Order increased documentation;
3 (5) Issue a citation and fine, or a warning letter;
4 (6) Order Respondent to undergo a clinical diagnostic evaluation to be conducted in
5 accordance with section 1361.5, subdivision (c)(1), of Title 16 of the California Code of
6 Regulations, at Respondent's expense;
7 (7) Take any other action as determined by the Board or its designee.

8 C. Nothing in this Decision shall be considered a limitation on the Board's authority
9 to revoke Respondent's probation if he or she has violated any term or condition of probation. If
10 Respondent violates probation in any respect, the Board, after giving Respondent notice and the
11 opportunity to be heard, may revoke probation and carry out the disciplinary order that was
12 stayed. If an Accusation, or Petition to Revoke Probation, or an Interim Suspension Order is filed
13 against Respondent during probation, the Board shall have continuing jurisdiction until the matter
14 is final, and the period of probation shall be extended until the matter is final.

15 14. NOTIFICATION. Within seven (7) days of the effective date of this Decision, the
16 Respondent shall provide a true copy of this Decision and Accusation to the Chief of Staff or the
17 Chief Executive Officer at every hospital where privileges or membership are extended to
18 Respondent, at any other facility where Respondent engages in the practice of medicine,
19 including all physician and locum tenens registries or other similar agencies, and to the Chief
20 Executive Officer at every insurance carrier which extends malpractice insurance coverage to
21 Respondent. Respondent shall submit proof of compliance to the Board or its designee within 15
22 calendar days.

23 This condition shall apply to any change(s) in hospitals, other facilities or insurance carrier.

24 15. SUPERVISION OF PHYSICIAN ASSISTANTS AND ADVANCED PRACTICE
25 NURSES. During probation, Respondent is prohibited from supervising physician assistants and
26 advanced practice nurses.

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1 16. OBEY ALL LAWS. Respondent shall obey all federal, state and local laws, all
2 rules governing the practice of medicine in California and remain in full compliance with any
3 court ordered criminal probation, payments, and other orders.

4 17. INVESTIGATION/ENFORCEMENT COST RECOVERY. Respondent is hereby
5 ordered to reimburse the Board its costs of investigation and enforcement, including, but not
6 limited to, expert review, amended accusations, legal reviews, investigation(s), and subpoena
7 enforcement, as applicable, in the amount of \$53,990.75 (fifty-three thousand, nine hundred
8 ninety dollars, and seventy-five cents). Costs shall be payable to the Medical Board of California.
9 Failure to pay such costs shall be considered a violation of probation.

10 Payment must be made in full within 90 calendar days of the effective date of the Order, or
11 by a payment plan approved by the Medical Board of California. Any and all requests for a
12 payment plan shall be submitted in writing by respondent to the Board. Failure to comply with
13 the payment plan shall be considered a violation of probation.

14 The filing of bankruptcy by respondent shall not relieve respondent of the responsibility to
15 repay investigation and enforcement costs, including expert review costs (if applicable).

16 18. QUARTERLY DECLARATIONS. Respondent shall submit quarterly
17 declarations under penalty of perjury on forms provided by the Board, stating whether there has
18 been compliance with all the conditions of probation.

19 Respondent shall submit quarterly declarations not later than 10 calendar days after the end
20 of the preceding quarter.

21 19. GENERAL PROBATION REQUIREMENTS.

22 Compliance with Probation Unit

23 Respondent shall comply with the Board's probation unit.

24 Address Changes

25 Respondent shall, at all times, keep the Board informed of Respondent's business and
26 residence addresses, email address (if available), and telephone number. Changes of such
27 addresses shall be immediately communicated in writing to the Board or its designee. Under no
28 circumstances shall a post office box serve as an address of record, except as allowed by Business

1 and Professions Code section 2021, subdivision (b).

2 Place of Practice

3 Respondent shall not engage in the practice of medicine in Respondent's or patient's place
4 of residence, unless the patient resides in a skilled nursing facility or other similar licensed
5 facility.

6 License Renewal

7 Respondent shall maintain a current and renewed California physician's and surgeon's
8 license.

9 Travel or Residence Outside California

10 Respondent shall immediately inform the Board or its designee, in writing, of travel to any
11 areas outside the jurisdiction of California which lasts, or is contemplated to last, more than thirty
12 (30) calendar days.

13 In the event Respondent should leave the State of California to reside or to practice
14 Respondent shall notify the Board or its designee in writing 30 calendar days prior to the dates of
15 departure and return.

16 20. INTERVIEW WITH THE BOARD OR ITS DESIGNEE. Respondent shall be
17 available in person upon request for interviews either at Respondent's place of business or at the
18 probation unit office, with or without prior notice throughout the term of probation.

19 21. NON-PRACTICE WHILE ON PROBATION. Respondent shall notify the Board
20 or its designee in writing within 15 calendar days of any periods of non-practice lasting more than
21 30 calendar days and within 15 calendar days of Respondent's return to practice. Non-practice is
22 defined as any period of time Respondent is not practicing medicine as defined in Business and
23 Professions Code sections 2051 and 2052 for at least 40 hours in a calendar month in direct
24 patient care, clinical activity or teaching, or other activity as approved by the Board. If
25 Respondent resides in California and is considered to be in non-practice, Respondent shall
26 comply with all terms and conditions of probation. All time spent in an intensive training
27 program which has been approved by the Board or its designee shall not be considered non-
28 practice and does not relieve Respondent from complying with all the terms and conditions of

1 probation. Practicing medicine in another state of the United States or Federal jurisdiction while
2 on probation with the medical licensing authority of that state or jurisdiction shall not be
3 considered non-practice. A Board-ordered suspension of practice shall not be considered as a
4 period of non-practice.

5 In the event Respondent's period of non-practice while on probation exceeds 18 calendar
6 months, Respondent shall successfully complete the Federation of State Medical Boards's Special
7 Purpose Examination, or, at the Board's discretion, a clinical competence assessment program
8 that meets the criteria of Condition 18 of the current version of the Board's "Manual of Model
9 Disciplinary Orders and Disciplinary Guidelines" prior to resuming the practice of medicine.

10 Respondent's period of non-practice while on probation shall not exceed two (2) years.

11 Periods of non-practice will not apply to the reduction of the probationary term.

12 Periods of non-practice for a Respondent residing outside of California will relieve
13 Respondent of the responsibility to comply with the probationary terms and conditions with the
14 exception of this condition and the following terms and conditions of probation: Obey All Laws;
15 General Probation Requirements; Quarterly Declarations; Abstain from the Use of Alcohol and/or
16 Controlled Substances; and Biological Fluid Testing..

17 22. COMPLETION OF PROBATION. Respondent shall comply with all financial
18 obligations (e.g., restitution, probation costs) not later than 120 calendar days prior to the
19 completion of probation. This term does not include cost recovery, which is due within 30
20 calendar days of the effective date of the Order, or by a payment plan approved by the Medical
21 Board and timely satisfied. Upon successful completion of probation, Respondent's certificate
22 shall be fully restored.

23 23. VIOLATION OF PROBATION. Failure to fully comply with any term or
24 condition of probation is a violation of probation. If Respondent violates probation in any
25 respect, the Board, after giving Respondent notice and the opportunity to be heard, may revoke
26 probation and carry out the disciplinary order that was stayed. If an Accusation, or Petition to
27 Revoke Probation, or an Interim Suspension Order is filed against Respondent during probation,
28 ///

1 the Board shall have continuing jurisdiction until the matter is final, and the period of probation
2 shall be extended until the matter is final.

3 24. LICENSE SURRENDER. Following the effective date of this Decision, if
4 Respondent ceases practicing due to retirement or health reasons or is otherwise unable to satisfy
5 the terms and conditions of probation, Respondent may request to surrender his or her license.
6 The Board reserves the right to evaluate Respondent's request and to exercise its discretion in
7 determining whether or not to grant the request, or to take any other action deemed appropriate
8 and reasonable under the circumstances. Upon formal acceptance of the surrender, Respondent
9 shall within 15 calendar days deliver Respondent's wallet and wall certificate to the Board or its
10 designee and Respondent shall no longer practice medicine. Respondent will no longer be subject
11 to the terms and conditions of probation. If Respondent re-applies for a medical license, the
12 application shall be treated as a petition for reinstatement of a revoked certificate.

13 25. PROBATION MONITORING COSTS. Respondent shall pay the costs associated
14 with probation monitoring each and every year of probation, as designated by the Board, which
15 may be adjusted on an annual basis. Such costs shall be payable to the Medical Board of
16 California and delivered to the Board or its designee no later than January 31 of each calendar
17 year.

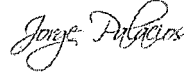
18 26. FUTURE ADMISSIONS CLAUSE. If Respondent should ever apply or reapply
19 for a new license or certification, or petition for reinstatement of a license, by any other health
20 care licensing action agency in the State of California, all of the charges and allegations contained
21 in Accusation No. 800-2021-076830 shall be deemed to be true, correct, and admitted by
22 Respondent for the purpose of any Statement of Issues or any other proceeding seeking to deny or
23 restrict license.

24 ACCEPTANCE

25 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
26 discussed it with my attorney, Nathan Mubasher, Esq. I understand the stipulation and the effect
27 it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Settlement
28 ///

1 and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
2 Decision and Order of the Medical Board of California.

3
4 DATED: 10/04/2024



JORGE LUIS PALACIOS, M.D.
Respondent

6 I have read and fully discussed with Respondent Jorge Luis Palacios, M.D. the terms and
7 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
8 I approve its form and content.

9
10 DATED: 10/04/2024



NATHAN MUBASHER, ESQ.
Attorney for Respondent

12
13 **ENDORSEMENT**

14 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
15 submitted for consideration by the Medical Board of California.

16
17 DATED: October 4, 2024

Respectfully submitted,
ROB BONTA
Attorney General of California
STEVE DIEHL
Supervising Deputy Attorney General

20 **Matthew**

21 **Fleming**

MATTHEW FLEMING
Deputy Attorney General
Attorneys for Complainant

Digitally signed by Matthew
Fleming
Date: 2024.10.04 09:44:08 -07'00'

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7 *Attorneys for Complainant*

8
9 **BEFORE THE**
MEDICAL BOARD OF CALIFORNIA
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. 800-2021-076830

13 **Jorge Luis Palacios, M.D.**
14 **5874 E Shepherd Ave.**
Clovis, CA 93611

A C C U S A T I O N

15 **Physician's and Surgeon's Certificate**
16 **No. A 69353,**

17 Respondent.

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19
20 **PARTIES**

21 1. Reji Varghese (Complainant) brings this Accusation solely in his official capacity as
22 the Executive Director of the Medical Board of California, Department of Consumer Affairs
23 (Board).

24 2. On or about July 24, 1999, the Medical Board issued Physician's and Surgeon's
25 Certificate Number A 69353 to Jorge Luis Palacios, M.D. (Respondent). The Physician's and
26 Surgeon's Certificate was in full force and effect at all times relevant to the charges brought
27 herein and will expire on November 30, 2024, unless renewed.

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1 **JURISDICTION**

2 3. This Accusation is brought before the Board, under the authority of the following
3 laws. All section references are to the Business and Professions Code (Code) unless otherwise
4 indicated.

5 4. Section 2227 of the Code states:

6 (a) A licensee whose matter has been heard by an administrative law judge of
7 the Medical Quality Hearing Panel as designated in Section 11371 of the Government
8 Code, or whose default has been entered, and who is found guilty, or who has entered
into a stipulation for disciplinary action with the board, may, in accordance with the
provisions of this chapter:

9 (1) Have his or her license revoked upon order of the board.

10 (2) Have his or her right to practice suspended for a period not to exceed one
11 year upon order of the board.

12 (3) Be placed on probation and be required to pay the costs of probation
monitoring upon order of the board.

13 (4) Be publicly reprimanded by the board. The public reprimand may include a
14 requirement that the licensee complete relevant educational courses approved by the
board.

15 (5) Have any other action taken in relation to discipline as part of an order of
16 probation, as the board or an administrative law judge may deem proper.

17 (b) Any matter heard pursuant to subdivision (a), except for warning letters,
18 medical review or advisory conferences, professional competency examinations,
19 continuing education activities, and cost reimbursement associated therewith that are
agreed to with the board and successfully completed by the licensee, or other matters
made confidential or privileged by existing law, is deemed public, and shall be made
available to the public by the board pursuant to Section 803.1.

20 **STATUTORY PROVISIONS**

21 5. Section 2234 of the Code, states:

22 The board shall take action against any licensee who is charged with
23 unprofessional conduct. In addition to other provisions of this article, unprofessional
conduct includes, but is not limited to, the following:

24 (a) Violating or attempting to violate, directly or indirectly, assisting in or
25 abetting the violation of, or conspiring to violate any provision of this chapter.

26 (b) Gross negligence.

27 (c) Repeated negligent acts. To be repeated, there must be two or more
28 negligent acts or omissions. An initial negligent act or omission followed by a
separate and distinct departure from the applicable standard of care shall constitute
repeated negligent acts.

1 (1) An initial negligent diagnosis followed by an act or omission medically
2 appropriate for that negligent diagnosis of the patient shall constitute a single
3 negligent act.

4 (2) When the standard of care requires a change in the diagnosis, act, or
5 omission that constitutes the negligent act described in paragraph (1), including, but
6 not limited to, a reevaluation of the diagnosis or a change in treatment, and the
7 licensee's conduct departs from the applicable standard of care, each departure
8 constitutes a separate and distinct breach of the standard of care.

9 (d) Incompetence.

10 (e) The commission of any act involving dishonesty or corruption that is
11 substantially related to the qualifications, functions, or duties of a physician and
12 surgeon.

13 (f) Any action or conduct that would have warranted the denial of a certificate.

14 (g) The failure by a certificate holder, in the absence of good cause, to attend
15 and participate in an interview by the board. This subdivision shall only apply to a
16 certificate holder who is the subject of an investigation by the board.

17 6. Section 2238 of the Code states:

18 A violation of any federal statute or federal regulation or any of the statutes or
19 regulations of this state regulating dangerous drugs or controlled substances
20 constitutes unprofessional conduct.

21 7. Section 2239 of the Code states, in pertinent part:

22 (a) The use or prescribing for or administering to himself or herself, of any
23 controlled substance; or the use of any of the dangerous drugs specified in Section
24 4022, or of alcoholic beverages, to the extent, or in such a manner as to be dangerous
25 or injurious to the licensee, or to any other person or to the public, or to the extent that
26 such use impairs the ability of the licensee to practice medicine safely or more than
27 one misdemeanor or any felony involving the use, consumption, or
28 self-administration of any of the substances referred to in this section, or any
combination thereof, constitutes unprofessional conduct. The record of the
conviction is conclusive evidence of such unprofessional conduct.

...

8. Section 2262 of the Code states, in pertinent part: Altering or modifying the medical
record of any person, with fraudulent intent, or creating any false medical record, with fraudulent
intent, constitutes unprofessional conduct.

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1 9. Section 2266 of the Code states: The failure of a physician and surgeon to maintain
2 adequate and accurate records relating to the provision of services to their patients constitutes
3 unprofessional conduct.

4 10. Section 11170 of the Health and Safety Code states: No person shall prescribe,
5 administer, or furnish a controlled substance for himself.

6 **COST RECOVERY**

7 11. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
8 administrative law judge to direct a licensee found to have committed a violation or violations of
9 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
10 enforcement of the case, with failure of the licensee to comply subjecting the license to not being
11 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
12 included in a stipulated settlement.

13 **FACTUAL ALLEGATIONS**

14 12. At all times pertinent to this Accusation, Respondent was a practicing
15 anesthesiologist at Kaweah Delta Health Care District in Visalia, CA ("Kaweah Delta").

16 13. Beginning in or about March of 2020, and culminating in or about January, 2021,
17 Respondent engaged in a pattern of practice by which he illicitly diverted fentanyl from
18 anesthesia cases during patient care in order to procure the substance for his personal use.

19 14. During the aforementioned time period, Respondent removed fentanyl from vials
20 allocated to patients in his care. Respondent replaced the amount of fentanyl he removed with
21 saline or another solution in order to avoid being discovered. For example, Respondent would
22 assess a patient as requiring 5 Cubic Centimeters (CC) of fentanyl, but then only administer 4 CC
23 to the patient during anesthesia. Respondent would remove the remaining 1 CC of fentanyl for
24 personal use. Respondent engaged in the diversion either during, or at the conclusion of,
25 anesthesia cases.

26 15. Respondent excused participating resident physicians from patient cases specifically
27 so he could engage in the diversion of fentanyl from his anesthetized patients without being
28

1 discovered. Respondent documented the quantities of fentanyl that he procured for himself as
2 either being administered to the patient, or as "wasteage."

3 16. Respondent self-administered the fentanyl he illicitly procured intravenously.
4 Initially, Respondent's usage of fentanyl was limited to two or three CC at a time. By the end of
5 December, 2020 he was using four or five CC on a daily basis. In addition to fentanyl,
6 Respondent illicitly procured supplies in order to intravenously self-administer the narcotic,
7 including needles and syringes from Kaweah Delta. By the end of the aforementioned time
8 period, Respondent diverted fentanyl from patients in his care as often as four or five times per
9 day.

10 17. During two recorded interviews dated August 22, 2022 and July 23, 2023,
11 Respondent admitted to the factual allegations alleged herein. Respondent estimated that he
12 diverted fentanyl from 200 patients during the months-long period he engaged in this behavior.

13 **FIRST CAUSE FOR DISCIPLINE**

14 **(Unprofessional Conduct – Dishonesty or Corrupt Acts)**

15 18. Respondent is subject to discipline under section 2234, subdivision (e), of the Code,
16 in that Respondent engaged in acts involving dishonesty or corruption that are substantially
17 related to the qualifications, functions, or duties of a physician and surgeon, as more specifically
18 alleged in paragraphs 12-17, which are incorporated here by reference.

19 **SECOND CAUSE FOR DISCIPLINE**

20 **(Self-Administration of a Controlled Substance)**

21 19. Respondent is subject to discipline under section 2339 of the Code, in that
22 Respondent administered a controlled substance to himself, or used a dangerous drug specified in
23 Section 4022 of the Code, to the extent or in such a manner as to be dangerous or injurious to
24 himself or to any other person or to the public, or to the extent that such use impaired his ability
25 to practice medicine safely, as more specifically alleged in paragraphs 12-17, which are
26 incorporated here by reference.

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1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Violation of State Laws Regulating Dangerous Drugs and/or Controlled Substances)**

3 20. Respondent is subject to discipline under section 2238 of the Code, and section 11170
4 of the Health and Safety Code, in that Respondent violated a state law or laws regulating
5 dangerous drugs and/or controlled substances, as more specifically alleged in paragraphs 12-17,
6 which are incorporated here by reference.

7 **FOURTH CAUSE FOR DISCIPLINE**

8 **(Alteration of Medical Records)**

9 21. Respondent is subject to discipline under section 2262 of the Code, in that
10 Respondent altered or modified the medical record of any person, with fraudulent intent, or
11 created a false medical record, with fraudulent intent, as more specifically alleged in paragraphs
12 12-17, which are incorporated here by reference.

13 **FIFTH CAUSE FOR DISCIPLINE**

14 **(Failure to Maintain Adequate and Accurate Records)**

15 22. Respondent is further subject to discipline under section 2266 of the Code, in that
16 Respondent failed to maintain adequate and accurate records relating to the provision of services
17 to patients, as more specifically alleged in paragraphs 12-17, which are incorporated here by
18 reference.

19 **PRAYER**

20 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
21 and that following the hearing, the Medical Board of California issue a decision:

- 22 1. Revoking or suspending Physician's and Surgeon's Certificate Number A 69353,
23 issued to Respondent Jorge Luis Palacios, M.D.;
- 24 2. Revoking, suspending or denying approval of Respondent Jorge Luis Palacios, M.D.'s
25 authority to supervise physician assistants and advanced practice nurses;
- 26 3. Ordering Respondent Jorge Luis Palacios, M.D., to pay the Board the costs of the
27 investigation and enforcement of this case, and if placed on probation, the costs of probation
28 monitoring; and,

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4. Taking such other and further action as deemed necessary and proper.

DATED: APR 02 2024



REJI VARGHESE
Executive Director
Medical Board of California
Department of Consumer Affairs
State of California
Complainant

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