

MAR 16 2023

K.B.M.L.

COMMONWEALTH OF KENTUCKY  
BOARD OF MEDICAL LICENSURE  
CASE NO. 2094

IN RE: THE LICENSE TO PRACTICE MEDICINE IN THE COMMONWEALTH OF KENTUCKY HELD BY JOSE WENCESLAO V. ALZADON, M.D., LICENSE NO. 39571, 225 MAIN STREET, PAINTSVILLE, KENTUCKY 41240

**COMPLAINT**

Comes now the Complainant, Chair of the Kentucky Board of Medical Licensure's Inquiry Panel B, and on behalf of the Panel which met on March 16, 2023, states for its Complaint against the licensee, Jose Wenceslao V. Alzadon, M.D., as follows:

1. At all relevant times, Jose Wenceslao V. Alzadon, M.D. ("the licensee"), was licensed by the Board to practice medicine within the Commonwealth of Kentucky.
2. The licensee's medical specialty is General Surgery.
3. On or about April 16, 2009, the licensee entered into an Agreed Order of Indefinite Restriction, Case No. 1131, restricting his performance of general surgeries, pursuant to which he stipulated to the following facts:
  - On September 18, 2006, the Board received correspondence from Highlands Regional Medical Center (HRMC), Prestonsburg, Kentucky, which included its notification to the National Practitioner's Data Bank that, on August 28, 2006, HRMC revoked the licensee's clinical privileges at that facility.
  - Jennie O'Bryan, HRMC Medical Staff Coordinator, provided the following information to the Board's investigator:

The licensee was granted temporary privileges in August 2005, with his specialty being general surgery. Shortly after the licensee began practicing at HRMC, there were 6 surgical cases where there was either a written or verbal occurrence report. After a quality review, which determined that there were multiple errors in technique and judgment by the licensee. His privileges were restricted and the Medical Executive Committee requested that he complete additional hands-on training, or a mini-residency, within 90 days to improve his skills. When he did not meet that deadline, he was granted

additional time, until August 2006, to complete this re-training. When he failed to do so, his privileges were revoked.

- The licensee did not exercise his right to challenge the hospital action through a due process hearing. However, it was his position that there was not an adequate basis for the hospital action.
- The licensee noted that, of the six cases in question, three of them were transferred to the University of Kentucky Medical Center. According to the licensee, HRMC did not review the UK hospital records after transferring these cases and, if they had, they would have learned that the outcome was not as serious or negative as believed.
- The licensee stated that he did not procrastinate on HRMC's demand for re-training. He applied to the University of Kentucky to participate in a mini-residency program and received their denial letter on December 20, 2005. He then pursued other possibilities, including a Louisiana program, but was unsuccessful in finding an appropriate training program. The licensee also noted that completion of such a training program was not part of his contract or employment agreement with HRMC.
- On November 30, 2007, following the issuance of the Complaint in Case No. 1131, the parties entered into an Interim Agreed Order. The primary condition of that Interim Agreed Order provided:

While the licensee is legally authorized to perform any other medical procedures he is qualified to perform by nature of his education and training, the licensee SHALL NOT perform general surgery unless and until approved to do so by the Panel.

The licensee had been subject to that Interim Agreed Order from November 30, 2007 until entering into the Agreed Order of Indefinite Restriction, date April 16, 2009.

4. To date, the licensee is subject to the Agreed Order of Indefinite Restriction, Case No. 1131, dated April 16, 2009.
5. On or about February 2, 2023, in *U.S.A. v. Alzadon, et al.*, Case Number 5:23-CR-009-DCR-MAS (United States District Court for the Eastern District of Kentucky), the licensee was indicted on the following charges:
  - Conspiracy to Commit Health Care Fraud;
  - Eleven counts of Health Care Fraud; and

- Conspiracy to Unlawfully Distribute a Controlled Substance.

6. The facts material to the indictments include:

- The licensee was registered with the DEA to prescribe controlled substances and did prescribe such substances, including Suboxone, through his work at Kentucky Addiction Centers (“KAC”);
- The licensee billed or caused others to bill for health care services that represented that another medical doctor at KAC (“Doctor-1”) had provided services to Medicaid members, when in fact, Doctor-1 had not provided such services;
- The licensee concealed the fraudulent billing in the name of Doctor-1 including by creating or directing the creation of false medical records that represented that Doctor-1 had not provided such services;
- The licensee billed or caused others to bill for medical services to Medicaid, Medicare, and other health care benefit programs that were not provided or were upcoded;
- The licensee knowingly submitted or caused to be submitted, claims for payment to health care benefit programs for medical services that were not medically necessary and were falsely billed in the name of Doctor-1;
- The licensee knowingly and intentionally used or caused others to use the DEA registration issued to Doctor-1 and were in fact only authorized by the licensee; and
- The licensee knowingly and intentionally possessed or caused other KAC personnel to possess electronic tokens that were required to remain in the possession of KAC medical personnel who were prescribing controlled substances. The licensee then allowed or directed KAC personnel who were not authorized to possess the tokens and were prohibited from approving electronic controlled substance prescriptions to use the tokens to electronically authorize such controlled substance prescriptions.


7. On or about February 10, 2023, in accordance with KRS 311.592, the Chair of the Board’s Inquiry Panel B authorized the issuance of an emergency order of suspension pursuant to which licensee became suspended from practicing medicine in the Commonwealth of Kentucky pending resolution of the Complaint.

8. By his conduct, the licensee has violated KRS 311.595(9) [as illustrated by KRS 311.597(4)], (10), (12) and (13).
9. Accordingly, legal grounds exist for disciplinary action against his license to practice medicine in the Commonwealth of Kentucky.
10. The licensee is directed to respond to the allegations delineated in the Complaint within thirty (30) days of service thereof and is further given notice that:
  - (a) His failure to respond may be taken as an admission of the charges; and
  - (b) He may appear alone or with counsel, may cross-examine all prosecution witnesses and offer evidence in his defense.

11. NOTICE IS HEREBY GIVEN that a hearing on this Complaint is scheduled for **July 27, 2023**, at 9:00 a.m., Eastern Standard Time, at the Kentucky Board of Medical Licensure, Hurstbourne Office Park, 310 Whittington Parkway, Suite 1B, Louisville, Kentucky 40222. Said hearing shall be held pursuant to the Rules and Regulations of the Kentucky Board of Medical Licensure and pursuant to KRS Chapter 13B. This hearing shall proceed as scheduled and the hearing date shall only be modified by leave of the Hearing Officer upon a showing of good cause.

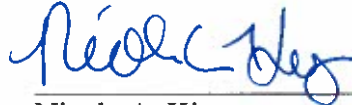
WHEREFORE, Complainant prays that appropriate disciplinary action be taken against the license to practice medicine in the Commonwealth of Kentucky held by Jose Wenceslao V. Alzadon, M.D.

This 16<sup>th</sup> day of March, 2023.

  
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DALE E. TONEY, M.D.  
CHAIR, INQUIRY PANEL B

**CERTIFICATE OF SERVICE**

I certify that the original of this Complaint was delivered to Mr. Michael S. Rodman, Executive Director, Kentucky Board of Medical Licensure, 310 Whittington Parkway, Suite 1B, Louisville, Kentucky 40222; a copy was mailed to Keith Hardison, Esq., Hearing Officer, 2616 Bardstown Road, Louisville, Kentucky 40205 and a copy was mailed via certified mail return-receipt requested to the licensee, Jose Wenceslao V. Alzadon, M.D., License No. 39571, 522 Washington Avenue, Paintsville, Kentucky 41240 on this 16<sup>th</sup> day of March, 2023.



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