

COMMONWEALTH OF KENTUCKY
BOARD OF MEDICAL LICENSURE
CASE NO. 2168

SEP 30 2024

K.B.M.L.

IN RE: THE LICENSE TO PRACTICE MEDICINE IN THE COMMONWEALTH OF KENTUCKY HELD BY LAWRENCE H. PETERS, M.D., LICENSE NO. 31716, 4402 CHURCHMAN AVENUE, #404, LOUISVILLE, KENTUCKY 40215

AMENDED EMERGENCY ORDER OF RESTRICTION

The Kentucky Board of Medical Licensure (“the Board”), acting by and through the Chair of its Inquiry Panel A, considered a memorandum from Board counsel, dated June 28, 2024; Information, *USA v. Peters*, Case No. 3:24-CR-00075-DJH, United States District Court, Western District of Kentucky, dated June 18, 2024; WNKY News Report, “6 Kentuckians, including a Glasgow woman, charged following nationwide healthcare fraud operation,” received June 27, 2024; and Agreed Order, Case No. 2036, filed of record June 16, 2022. On or about June 28, 2024, having considered this information and being sufficiently advised, the Chair of Inquiry Panel A issued an Emergency Order of Restriction. On or about August 15, 2024, the Inquiry Panel A ratified the Emergency Order of Restriction, issued a Complaint, and directed that both the emergency order and complaint be amended accordingly as the underlying criminal case proceeds. On or about September 30, 2024, the Chair of Inquiry Panel A considered a Plea Agreement entered in *USA v. Peters*, Case No. 3:24-CR-00075-DJH, United States District Court, Western District of Kentucky, dated September 16, 2024. Having considered this information and being sufficiently advised, the Chair of Inquiry Panel A enters the following AMENDED EMERGENCY ORDER OF RESTRICTION, in accordance with KRS 311.592(1) and 13B.125(1):

FINDINGS OF FACT

Pursuant to KRS 13B.125(2) and based upon the information available to him, the Chair of Inquiry Panel A concludes there is probable cause to make the following Findings of Fact, which support this Amended Emergency Order of Restriction:

1. At all relevant times, Lawrence H. Peters, M.D., was licensed by the Board to practice medicine within the Commonwealth of Kentucky.
2. The licensee's medical specialty is pain medicine.
3. On or about June 16, 2022, the licensee entered into an Agreed Order, Case No. 2036, in which he stipulated, in part, the following:
 - The licensee has owned and operated a pain management facility for the past twenty-two (22) years;
 - Beginning September 1, 2012 and continuing on September 1 of each succeeding year through 2021, the licensee failed to annually register his pain management facility with the Board.
 - On April 21, 2022, the hearing officer rendered a Recommended Order Granting Motion for Default Ruling, finding the licensee in violation of KRS 311.595(12) by failing to file the required annual registration as required by the Board's regulation. ...
4. On or about April 26, 2024, after the licensee completed the terms of the Agreed Order (being the completion of the *Medical Ethics and Professionalism (ME-15)* course offered through PBI Education and reimbursement of the Board's costs in the amount of \$2,218.75), the Agreed Order was terminated.
5. On or about June 18, 2024, in *USA v. Peters*, Case No. 3:24-CR-00075-DJH (U.S. District Court, Western District of Kentucky), the licensee was charged with violation of Title 21, United States Code, Sections 843(a)(2) and 846, by information as follows:

Beginning on or about December 20, 2018, and continuing through on or about January 7, 2019, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, LAWRENCE PETERS,

did knowingly and intentionally combine, conspire, confederate and agree with other persons, known and unknown, to use a registration number belonging to another person in the course of dispensing and distributing Schedule II controlled substances, to wit: LAWRENCE PETERS conspired with his staff to issue pre-signed and unsigned prescriptions for Schedule II controlled substances and further directed his staff to fill the prescriptions at his physician's owned pharmacy.

6. On or about June 27, 2024, the Board received notice of a WNKY news report titled “6 Kentuckians, including a Glasgow woman, charged following nationwide healthcare fraud operation,” in which it was reported that

[The licensee] was charged by information with conspiracy to illegally use a Drug Enforcement Administration registration number issued to another. According to the information, [the licensee] allegedly conspired with others in his medical practice to issue pre-signed and unsigned prescriptions for Schedule II controlled substances and further directed his staff to fill the prescriptions at his physician's owned pharmacy. ...

7. On or about June 28, 2024, an Emergency Order of Restriction was issued against the licensee's license to practice medicine in the Commonwealth of Kentucky.
8. On or about August 30, 2024, upon the licensee's request, a hearing on the Emergency Order of Restriction was held.
9. On or about September 6, 2024, the Emergency Order of Restriction was affirmed.
10. On or about September 16, 2024, the licensee agreed to waive Indictment by grand jury and to plead guilty to felony Information, charging him with violations of Title 21, United States Code, Sections 843 and 846.
11. On or about September 16, 2024, the licensee entered a plea of guilty to the charge, because he is in fact guilty, and agreed to the following factual basis for this plea:

Beginning on or about December 20, 2018, and continuing through on or about January 7, 2019, in the Western District of Kentucky, Dr. Lawrence Peters knowingly and intentionally conspired with others in his medical practice to issue pre-signed and unsigned prescriptions for Schedule II controlled substances and further

directed his staff to fill the prescriptions at his physician's owned pharmacy.

12. The charge to which the licensee entered a plea of guilty carries a maximum term of imprisonment of four (4) years, a maximum fine of \$250,000, and a three (3)-year term of supervised release.

CONCLUSIONS OF LAW

Pursuant to KRS 13B.125(2) and based upon the information available to him, the Chair of Inquiry Panel A finds there is probable cause to support the following Conclusions of Law, which serve as the legal bases for this Amended Emergency Order of Restriction:

1. The licensee's Kentucky medical license is subject to regulation and discipline by this Board.
2. KRS 311.592(1) provides that the Board may issue an emergency order suspending, limiting, or restricting a physician's license at any time an inquiry panel has probable cause to believe that a) the physician has violated the terms of an order placing him on probation; or b) a physician's practice constitutes a danger to the health, welfare and safety of his patients or the general public.
3. There is probable cause to believe that the licensee has violated KRS 311.595(4), (9) [as illustrated by KRS 311.597(4)] and KRS 311.595(10) and (12).
4. 201 KAR 9:240 §1 provides,
 - (1) An inquiry panel or the panel's chair, acting on behalf of the inquiry panel, may issue an emergency order restricting or suspending a physician's license to practice medicine or osteopathy within the Commonwealth of Kentucky in accordance with KRS 311.592 and 13B.125.
 - (2) ...
 - (3) (a) An inquiry panel's chair may act on behalf of the inquiry panel and issue an emergency order restricting or suspending a physician's license to practice medicine or osteopathy within the Commonwealth of Kentucky if the panel chair determines that a basis for an emergency order as established in subsection (1) of this section exists and the circumstances of the specific

case warrant emergency action prior to the next regularly scheduled meeting of the inquiry panel.

5. 201 KAR 9:240 §3 provides
 - (1) If a licensee is indicted in any state for a crime classified as a felony in that state and the conduct charged relates to a controlled substance, that licensee's practice shall be considered an immediate danger to the public health, safety or welfare, pursuant to KRS 311.592 and 13B.125.
 - (2) If the Board receives verifiable information that a licensee has been indicted in any state for a crime classified as a felony in the state of indictment and the conduct charged relates to a controlled substance, the inquiry panel or panel chair, acting on behalf of the inquiry panel, shall immediately issue an emergency order suspending or restricting that licensee's Kentucky license....
6. The Inquiry Panel Chair concludes there is probable cause to believe this licensee's practice constitutes a danger to the health, welfare and safety of his patients or the general public.
7. The Board may draw logical and reasonable inferences about a licensee's practice by considering certain facts about a licensee's practice. If there is proof that a licensee has violated a provision of the Kentucky Medical Practice Act in one set of circumstances, the Board may infer that the licensee will similarly violate the Medical Practice Act when presented with a similar set of circumstances. Similarly, the Board concludes that proof of a set of facts about a licensee's practice presents representative proof of the nature of that licensee's practice in general. Accordingly, probable cause to believe that the licensee has committed certain violations in the recent past presents probable cause to believe that the licensee will commit similar violations in the near future, during the course of the licensee's medical practice.

8. The United States Supreme Court has ruled that it is no violation of the federal Due Process Clause for a state agency to temporarily suspend a license, without a prior evidentiary hearing, so long as 1) the immediate action is based upon a probable cause finding that there is a present danger to the public safety; and, 2) the statute provides for a prompt post-deprivation hearing. Barry v. Barchi, 443 U.S. 55, 61 L.Ed.2d 365, 99 S.Ct. 2642 (1979); FDIC v. Mallen, 486 U.S. 230, 100 L.Ed.2d 265, 108 S.Ct. 1780 (1988) and Gilbert v. Homar, 520 U.S. 924 (1997), 117 S.Ct. 1807 (1997). Cf. KRS 13B.125(1).

KRS 13B.125(3) provides that the Board shall conduct an emergency hearing on this emergency order within ten (10) working days of a request for such a hearing by the licensee. The licensee has been advised of his right to a prompt post-deprivation hearing under this statute.

AMENDED EMERGENCY ORDER OF RESTRICTION

Based upon the foregoing Findings of Fact and Conclusions of Law, the Chair of Inquiry Panel A hereby ORDERS that the license to practice medicine in the Commonwealth of Kentucky held by Lawrence H. Peters, M.D., is RESTRICTED and Dr. Peters is prohibited from prescribing, administering, dispensing, or otherwise professionally utilizing controlled substances until the Board's Hearing Panel has finally resolved the Amended Complaint, after receipt of the court documents resolving the federal criminal charges discussed in this pleading, or until such further Order of the Board.

The Chair of Inquiry Panel A further declares that this is an AMENDED EMERGENCY ORDER, effective upon receipt by the licensee.


SO ORDERED this 30th day of September, 2024.



WAQAR A. SALEEM, M.D.
CHAIR, INQUIRY PANEL A

CERTIFICATE OF SERVICE

I certify that the original of this Amended Emergency Order of Restriction was delivered to Mr. Michael S. Rodman, Executive Director, Kentucky Board of Medical Licensure, 310 Whittington Parkway, Suite 1B, Louisville, Kentucky 40222 and a copy was mailed via certified mail return-receipt requested to the licensee, Lawrence H. Peters, M.D., License No. 31716, at his mailing address of record, 4402 Churchman Avenue, #404, Louisville, Kentucky 40215, and via e-mail at his e-mail address of record, l.petersmd@yahoo.com, and to the licensee's counsel, J. Fox DeMoisey, Esq., 7241 Fox Harbor Road, Prospect, Kentucky 40059 fox@demoiseylaw.com, on this 30th day of September, 2024.



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