

N E W S L I N E

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DIR and Division of Workers' Compensation Suspend Michael R. Drobot, Steven Howser for Fraud

The Department of Industrial Relations (DIR) and its Division of Workers' Compensation (DWC) have suspended two more medical providers from participating in California's workers' compensation system. DWC Acting Administrative Director George Parisotto issued Orders of Suspension for the following providers, who had not appealed suspension notices issued in mid-April:

- Michael R. Drobot operated California Pharmacy Management and Industrial Pharmacy Management, companies that participated in a scheme to illegally refer patients for spinal surgeries, which led to more than \$580 million in fraudulent bills. He [pled guilty in U.S. District Court](#) last year to conspiracy and illegal kickback charges. He is the son of Michael D. Drobot, the hospital operator who also pled guilty for his part in the kickback scheme. DWC suspended the senior Drobot on April 28.
- Steven Howser, the manager of Post Surgical Rehab Specialists of Santa Fe Springs, was [charged in U.S. District Court for participating in an illegal scheme to refer patients for durable medical equipment](#). He pled guilty to one count of conspiracy to commit health care fraud, honest services mail fraud and to violate the travel act.

AB 1244 (Gray and Daly) requires the DWC Administrative Director to suspend any medical provider, physician or practitioner from participating in the workers' compensation system in cases in which one or more of the following is true:

- The provider has been convicted of a crime involving fraud or abuse of the Medi-Cal or Medicare programs or the workers' compensation system, fraud or abuse of a patient, or related types of misconduct;
- The provider has been suspended due to fraud or abuse from the Medicare or Medicaid (including Medi-Cal) programs; or
- The provider's license or certificate to provide health care has been surrendered or revoked.

There are currently 25 providers suspended from California's workers' compensation system.

DIR's [fraud prevention efforts](#) are posted online, including frequently updated lists for physicians, practitioners and providers who have been issued [notices of suspension](#), and those who have been [suspended pursuant to Labor Code §139.21\(a\)\(1\)](#).

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR's [Division of Workers' Compensation](#) monitors the administration of workers' compensation claims, and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). Non-media inquiries can contact DIR's Communications Call Center at 1-844-LABOR-DIR (1-844-522-6734) for help in locating the appropriate [division or program](#) in our department.