



California Medical Association v. UCLA, 79 Cal. App. 4th 542 (Cal. App. 2000)

Topics Covered: Corporate Practice of Medicine, Hospitals

Outcome: Very Unfavorable

The California Medical Association (CMA) charged that UCLA was hiring physicians in violation of the corporate practice of medicine doctrine. According to the complaint, this policy violated California law and could lead to inferior patient care. CMA alleged "that UCLA MEDICAL ENTERPRISES has gone far beyond its praiseworthy teaching and research activities...and has commenced an aggressive business plan designed to enable the unlicensed practice of medicine by UCLA, to force community based physicians into an unlawful fee-splitting and referral scheme which jeopardizes the quality of patient care, disrupts the continuity of patient care in the community, and forces private physicians out of practice, under the guise of teaching and research activities." The Litigation Center contributed to CMA's litigation fund.

On March 29, 2000, the California Court of Appeals reversed a preliminary injunction that had been entered in favor of CMA, because CMA would be unlikely to prevail at trial. It found that the California statute banning the corporate practice of medicine does not apply to teaching institutions such as UCLA. The California Supreme Court refused CMA's request for further review.