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‘One-Stop Shop’

Health care firm Nelson Hardiman handles everything from transactions to litigation.

By Matthew Sanderson
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LOS ANGELES — The exclusive focus on health care law and life sciences of Westwood-based Nelson Hardiman LLP has it poised for steady growth in the coming years, according to founder and managing partner Harry Nelson.

“While different sectors of health care and life sciences-related legal work tend to go through

Firm Profile

cycles of expansion and contraction, our strong sense is that the market is taking much more notice of Nelson Hardiman as a resource for important cases and transactions and emerging issues,” he said.

The biggest challenge, Nelson said, is for the firm to not grow too quickly in a way that endangers its culture.

“We have been under pressure from clients to open some satellite offices regionally, but have deliberately taken a go-slow approach to make sure we don’t get too far out over our skis,” he added.

Nelson Hardiman handles government investigations, including advising national and local health care providers on criminal investigations and charges, civil False Claims Act and fraud lawsuits and violations. The firm also provides legal services in administrative overpayment, disciplinary proceedings and regulatory compliance issues, including internal investigations, the federal anti-kickback statute and the Stark Law, which aims to curb physician self-referral.

On the litigation side, the firm



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From left, back row are partners Hope Levy-Biehl, Harry Nelson and Rob Fuller. From left, front row are Stacie Neroni, Mark Hardiman and John Mills, all of Nelson Hardiman LLP.

defends health care providers sued by whistleblowers and/or the federal government for False Claims Act violations and against accusations of fraud and abuse. Nelson Hardiman also litigates on complex business issues that financially impact health care facility operations, including precedent-setting decisions that clarify industry-wide standards of practice.

On regulatory compliance, the firm defends health care providers in investigations and actions before the widest range of federal and state regulatory agencies.

On transactions, the firm counsels national health care organizations and advises on compliance with California-specific requirements, such as corporate practice of medicine and the Knox-Keene Act, which regulates health care service plans, including health maintenance organizations within the state.

The firm executes mergers and acquisitions, negotiates distressed financings and workouts and advises on the formation, purchase, sale and licensing of health care businesses. Its purview on securities matters includes private placements, early round capital raising for startups, bond issuance and registration compliance.

Earlier this year, the firm added health care lawyers Hope R. Levy-Biehl and Stacie K. Neroni as partners, both coming from Hooper, Lundy & Bookman PC. Neroni focuses on complex regulatory and business issues impacting health care providers, bringing knowledge of the strategic and business challenges inherent in the industry.

Levy-Biehl helps address the complex regulatory issues that arise connected to mergers, acquisitions, reorganizations and related corporate transactions.

Her experience includes complex Medicare disputes and health care payment and fraud and abuse matters.

Just in the last month, the firm added three more health care attorneys — Regina Trainor, Christine Parkins Johnson and Jonathan Stieglitz — who specialize in negotiating complex business health care transactions.

Neroni said the attorneys were attracted to the firm’s newer, entrepreneurial philosophy and team spirit, which feels different compared to larger and more traditional health care law firms in Los Angeles.

“It wasn’t just a department of a larger firm,” she said. “We can do the work at more competitive rates and we don’t throw as many bodies on a project as big law. Clients can utilize all our services, we are a one-stop shop.”

In the last week, Neroni had a client, a pharmaceutical company, come into the office to discuss its restructuring issues with a large private equity company, which was using counsel from a big New York firm.

“The staff running this company has been really uncomfortable with the advice they have gotten from the big firm and were concerned the big firm wasn’t getting it right on the licensing issues, they convinced the ownership that they actually needed health care-specific legal advice,” she said. “There were a lot of issues we needed to address and fix.”

When counseling a provider, one intricacy in health care can affect something else, Neroni added. Neroni and Levy-Biehl’s specialization requires “day in,

day out deep dives” into a provider’s business, she said.

“We know the clients. We know their business,” she added.

For Nelson, the firm’s growth has been a redemptive experience, from having built a firm before and watched it struggle because it lacked a shared vision and a strong culture while growing “without a lot of thought.”

Bringing in Mark Hardiman in 2014 helped form a commitment to evolving and being transparent to other partners.

“Not only to our attorneys but our entire team, and we wanted to build a team that valued people,” Nelson said. “It’s gratifying to see as it’s grown to where we are today.”

He added tumultuous change in the field has affected the clients the firm serves.

“Back in 2014, if you looked at us, we had many more medical and physician practices that were smaller in size,” Nelson said. “Our firm has significant insti-

tutional presence, like Hope and Stacie have brought, and we have spent a number of hours developing people in behavioral health.”

Nelson Hardiman quietly added its cannabis business practice in 2011 after seeing that medical provider clients needed legal advice on how to prescribe medical marijuana to patients without risking their licenses.

On advising dispensaries, Hardiman said he liked how the firm looked ahead on the issue because today legitimate investor money and big business are entering the field.

Partner Rob Fuller came on board early on, coming as a former hospital chief operating officer and chief restructuring officer, and helped the firm expand out of middle-market clients to offer institutional service at a transactional level. Partner John A. Mills helps the firm navigate between regulatory compliance and litigation. His range of clients includes hospitals, addiction treatment

centers, medical billing companies and pharmacies.

“We truly are a one-stop shop for health care,” he said.

Hardiman said the reason health care law exists as a specialty is a difference between proficiency and fluency in the language.

“A big transactional lawyer says he’ll just learn the language,” Hardiman said. “At some extent they can, but health care is so complicated, especially in California, and fluency takes years of doing it. The combined expertise we have is probably 100 years’ worth.”

In one recent deal, Nelson Hardiman performed the regulatory due diligence, licensing and enrollment work for a pharmacy acquisition involving six brick-and-mortar pharmacies licensed in 50 states.

According to Neroni, the pharmacies were acquired for approximately \$60 million and required the preparation and submission of more than 100 state licensing, Medicaid, Medicare, Drug

Enforcement Administration and National Council for Prescription Drug Programs applications.

The large acquisition not only dealt with complex timing and strategy based on differing rules and regulations in each state but also had to achieve a smooth close that would not interrupt the pharmacies’ operations or reimbursement flows.

A. Joel Richlin, deputy general counsel of Prime Healthcare, based in Ontario, has been a client of the firm for years, specifically working with Hardiman.

He said Hardiman left Hooper Lundy to work on a case that was in conflict. “I’ve worked with them ever since,” he said. “I’ve worked with every person on the litigation side and transactional side.” Richlin added that with Fuller on the compliance side, and hiring Neroni and Levy-Biehl, the firm’s regulatory practice is exploding. “They’re provider-focused instead of payer-focused,” he said.