



# CASE OF THE QUARTER: MS. JONES V. DR. SMITH

**Written by**  
Claims Department  
Professional Risk Management Services® (PRMS®)

*The “Case of the Quarter” column is a sample case study that highlights best practices in actual scenarios encountered through [PRMS’ extensive experience in litigation and claims management](#). Specific names and references have been altered to protect clients’ interests. This discussion is for informational and education purposes only and should not be relied upon as legal advice.*

## **FACTS:**

Dr. Smith, a 59-year-old male psychiatrist, is treating Mary Jones, a 28-year-old woman, for depression and anxiety. Dr. Smith has been treating her for two years and he thinks that they have a healthy treatment relationship. Ms. Jones starts to experience financial hardship following a divorce. She is eventually evicted from her apartment and tells Dr. Smith she has nowhere to go. Not wanting her to end up on the street, Dr. Smith offers her a guest room at his home after his wife agrees to the temporary arrangement. Six months later, Ms. Jones is still staying at Dr. Smith’s home and he continues to treat her. Due to her continuing financial troubles, he doesn’t charge her for treatment. She is cleaning the house and doing errands for the Smith’s since she isn’t paying rent. All are happy with the situation and have become like family. They share meals and wine together and have started to hug when greeting each other or saying goodnight. One night Ms. Jones goes out to meet her new boyfriend after drinking a significant amount of wine with Dr. and Mrs. Smith. Unfortunately, she is in a car accident and is hospitalized due to a broken leg and possible concussion. Her boyfriend is outraged and expresses his concerns about her drinking and living with her psychiatrist to the physician caring for her at the hospital. He encourages Ms. Jones to move in with him and file suit against Dr. Smith. The hospital physician files a complaint with the Board of Medicine alleging Dr. Smith committed boundary violations.

## **ALLEGATIONS:**

Ms. Jones alleges that Dr. Smith negligently treated her by failing to maintain appropriate professional boundaries and that he negligently provided her with alcohol knowing that drinking was contraindicated with the medication he was prescribing for her anxiety. She alleges Dr. Smith’s negligence caused her car accident and resultant injuries.

## **DEFENSES:**

Because Dr. Smith did violate professional boundaries, an expert could not be found to defend Dr. Smith’s care. His defense centered on finding a way to settle each matter without his license being revoked.

## **OUTCOME:**

Dr. Smith’s insurance carrier paid \$650,000 to settle the lawsuit with Ms. Jones. Dr. Smith entered into a consent agreement with the Board wherein he agreed to take a CME course on avoiding boundary violations and have his practice monitored by another psychiatrist for three years. Dr. Smith bore the cost of paying the practice monitor.

## TAKEAWAY:

Don't let your desire to help patients lead you to cross over the professional boundaries that are necessary for a healthy treatment relationship. If professional boundaries cannot be maintained by you or the patient, you should end the treatment relationship and refer the patient to another provider.

Compliments of:



(800) 245-3333 | [PRMS.com](https://prms.com) | [TheProgram@prms.com](mailto:TheProgram@prms.com)

 [@PRMS](https://twitter.com/PRMS)

 [LinkedIn.com/company/PRMSprograms](https://www.linkedin.com/company/PRMSprograms)

 [Facebook.com/PRMSprograms](https://www.facebook.com/PRMSprograms)

 [@prmsprograms](https://www.instagram.com/prmsprograms)

Professional Risk Management Services ("PRMS") provides the information contained in this article for general use and information. Information provided is intended to improve clarity on issues regarding psychiatry services and insurance coverage, and related issues regarding those services. This information is intended, but not promised or guaranteed, to be current, complete, or up-to-date. PRMS is neither a law firm nor a provider of professional medical services, and the materials in this article do not constitute legal, medical, or regulatory advice. You should not act or rely on any legal or medical information in this article without first seeking the advice of an attorney, physician, or other appropriate professional. PRMS, The Psychiatrists' Program and the PRMS Owl are registered Trademarks of Transatlantic Holdings, Inc., a parent company of Fair American Insurance and Reinsurance Company (FAIRCO).

©2023 Professional Risk Management Services® (PRMS®). All rights reserved.