

THE STRESSFUL SIDE OF SPAS Spa Claims, Operational Considerations, Compliance

David A. Samuels, Esq.
Dana A. Kravetz, Esq.
Michelman & Robinson, LLP
www.mrllp.com

Los Angeles I Orange County I San Francisco I Sacramento I New York I New Jersey



PRESENTERS



- Dana A. Kravetz, Firm Managing Partner
- Chair, Labor & Employment Department
- Practice focuses on employment litigation and counseling
- Counsels and represents management in various employment matters including discrimination, sexual harassment, wrongful termination, wage and hour, FEHA, EEOC, and DLSE claims and other employment related claims



- David Samuels, Senior Litigation Partner
- Member of the Firm's Commercial & Litigation Department, Executive Committee, and Recruiting Partner
- Practices focuses on hospitality litigation. Represents hotels and resorts with respect to a wide variety of general and premises liability matters, contract disputes, and special investigations.
- Defends high exposure/catastrophic injury cases involving commercial premises liability and products liability. His legal practice also involves representing licensees of state agencies in administrative hearings.

SPA-RELATED GENERAL LIABILITY CLAIMS

- Inappropriate Touching or Draping
- Allergic Reactions & Burns
- Equipment Failures
- Premises Liability







GENERAL LOSS CONTROL

- What Types of Services Offered
- Employee Screening/Hiring/Training
- Client Intake Forms/Process
- Client Interview
- Client Exit Questionnaires





INAPROPRIATE TOUCHING OR DRAPING

- Touching:
 - Always a "He Said vs. She Said"
 - Almost always a male spa tech
 - Client's willingness to call police at the time
 - Client calls the police after the fact
- Draping:
 - "He Peeked..."





ALLERGIC REACTIONS & BURNS

Usually Manifest Quickly

True Product Allergy is Rare

Retinol

Hot Stones



EQUIPMENT FAILURES

- Frequent Equipment Inspections
- Protocols for Staff to Report Equipment Problems
- Protocols for Removing Faulty Equipment
- Risks of Leaving a Faulty Piece of Equipment in Service
- Securing a Faulty Piece of Equipment as Evidence





PREMISES LIABILITY

- Traditional Issues re: Inspection and Maintenance
- Special Issues Created by the Spa Environment
- ADA Issues

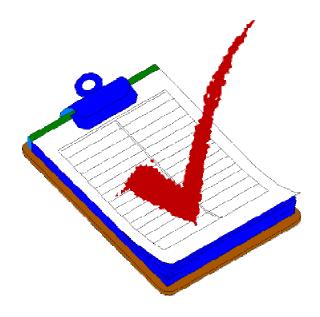






DOCUMENTATION

- Screening and Training Re: Techs
- Client Intake Sheets and Release Forms
- Client Exit Questionnaires
- Equipment Inspections
- Premises Inspections
- Incident Reports







SPA-RELATED OPERATIONAL ISSUES

Are You A "Medical" Spa?

Does Your Advertising Cross the Line?

Independent Contractor vs. Employee?

Overtime, Meal Breaks & Rest Breaks





Most States –

- Corporate Practice of Medicine Not Allowed
- Laypersons or lay entities may not own any part
 - of a medical practice.
- Physicians must either own the practice, or must be employed or contracted by a physician-owned practice or a medical corporation.





Physician Responsibility

 A physician may consult with unlicensed persons in making "business" or "management" decisions.







- The following types of medical practice ownership and operating structures are usually prohibited:
 - Non-physicians operating in a business for which physician ownership and operation are required
 - Physician(s) operating a medical practice as a limited liability company
 - Management Service Organizations arranging for, advertising, or providing medical services rather than only providing administrative staff and services
 - A physician acting as "medical director" when the physician does not own the practice



Physician Delegation

- Lasers must only be utilized by licensed registered nurses, nurse practitioners, or physician assistants.
- Delegation to improperly licensed personnel, such as estheticians, is prohibited.





Advertising

- Most states have very specific laws prohibiting many of the advertising practices currently being used to promote cosmetic treatments.
- The use of models, without stating that they are models, the use of touched-up or refined photos, and claiming superiority of the facility or procedures with no objective scientific evidence is prohibited.





INDEPENDENT CONTRACTOR V. EMPLOYEE

- Employers often times improperly classify their employees as independent contractors to avoid:
 - Paying payroll taxes
 - Minimum wage or overtime
 - Complying with other wage and hour law requirements
 - Meal periods and rest breaks
 - Reimburse their workers for business expenses incurred for performing their jobs





OVERTIME

General overtime provisions are that a non-exempt employee shall not be employed more than 8 hours in any workday or more than 40 hours in any work week unless he or she receives one and one-half times his or her regular rate of pay for all hours worked over 8 hours in any workday and over 40 hours in the work week.



MEAL BREAKS

• An employer many not employ an employee for a work period of more than 5 hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.



REST BREAKS

Employers must authorize and permit nonexempt employees to take a rest period that must, insofar as practicable, be taken in the middle of each work period. The rest period is based on the total hours worked daily and must be at the minimum rate of a net ten consecutive minutes for each four hour work period, or major fraction thereof.



