



Medical Specialists: Health Care Attorneys' David McFarlane, left, and Ryan Moulder at McFarlane's home in Glendale.

Shot in Arm

LAW: Business booms for attorneys focused on nursing employers through implementation of Obamacare.

By CALE OTTENS Staff Reporter

FOR most business owners, the complexity of Obamacare has been nothing short of a headache. But for a slew of L.A. law firms, that very complexity is proving a moneymaker.

Practices specializing in health care law — especially those where the attorneys have immersed themselves in the intricacies of the Affordable Care Act — are seeing a significant upswing in business. Revenue and staffing are on the rise.

Glendale attorney David McFarlane is among those seeking to profit from the complicated health care law. He launched **Health Care Attorneys** last year to offer counsel to employers facing a list of new laws and regulations.

Though still working from a home office, McFarlane has boosted his client count from

30 to 100 and has brought in a partner, **Ryan Moulder**, to help carry the load.

"For the legal industry, this is an untapped revenue stream and will be for decades to come," he said.

Ben Fenton, a founding partner at West L.A.'s **Fenton Law Group**, which opened in March, said he and his partners came from a broader health care practice and immediately sought to adopt a more distinct focus on the Patient Protection and Affordable Care Act. Five attorneys joined Fenton in the new venture, and each agreed the best investment would be to read and understand the entire act. The investment, at least thus far, has paid off.

Fenton Law Group this month opened its second office, in Oakland. It now has nine attorneys and Ben Fenton said the number of clients has almost doubled since March.

At Century City health care law firm

Hooper Lundy & Bookman, founding partner **Robert Lundy Jr.** said he expected revenue to jump 13 percent this year to \$54 million. That growth mirrors the demand for health care attorneys who can make sense of the several thousand pages of regulations in the Affordable Care Act.

"It has complexity of regulations like you wouldn't believe," Lundy said. "Is there more work to do? Absolutely."

Seeking counsel

Benjamin Tilson, chief operating officer of West L.A. medical group **Visiting Physicians of California**, said it's difficult enough to start a business without trying to understand the Obamacare regulations. **Visiting Physicians** launched last year to provide care to elderly patients and those who have difficulty leaving their homes.

"It would be impossible and potentially

dangerous, from a business standpoint, to not have counsel," Tilson said. "There are elements that need to be understood on a deeper level."

It's that kind of demand that is keeping **Lowell Brown**, a partner in the health care practice at the downtown L.A. office of **Arent Fox**, busy.

"There's a finite number of us," he said. "If you're a health care lawyer, you're in demand."

Despite a strong demand, understanding the ACA is not a quick and easy process.

The Affordable Care Act requires law groups to have expertise in government regulations, mergers and acquisitions, technology and several other practice areas, said Lundy, who founded **Hooper Lundy** 27 years ago.

"It's so complex, you need sub-specialists to really give clients what they need," he said. "There are parts of the law I could never learn, even though I've spent my whole career as a health care lawyer."

What's more, it has become a very competitive market.

"There's an ocean of need out there and there's so much confusion," said **Harry Nelson**, managing partner at West L.A.'s **Nelson Hardiman**. "The question is: Can you structure a firm that can make a profit?"

McFarlane, who keeps overhead down by working from his home, said larger firms can charge \$1,000 an hour or more, but he has opted to stay competitive by charging a more modest \$300 an hour. He believes the strategy is viable because his overhead expenses are minimal.

While clients are clamoring for counsel to help them understand the still-young law, lawyers practicing in the field are mindful that mastering the ACA, which is under seemingly constant challenge, is difficult.

"The dominant part of the Affordable Care Act is uncertainty," Brown said. "If the Republicans control both the Senate and the House (after November's election), who knows what'll happen?"

McFarlane shrugged off the idea that Obamacare might still be repealed. He said he and his partner still get regular complaints from employers about the law, but most have started to accept it's likely not going away.

Even if the law is scaled down or even repealed, many lawyers agreed there will always be a demand for experienced health care counsel.

Hospital mergers, new technological developments — like electronic medical records — and more federal prosecutions against alleged health care fraud mean there will always be a pool of anxious clients. As a result, Lundy said, new subspecialized practices have been developed to address a broader range of potential disputes.

Fenton, on the other hand, said the ambiguity surrounding the law often lurks in the back of his mind.

"It's always something we're thinking about," he said. "You just have to make sure you're not growing too quickly."

Debit-Card Firm Has More in Store for Wal-Mart

FINANCE: Green Dot stock rises after signing exclusive deal with retail giant.

By MATT PRESSBERG Staff Reporter

Prepaid debit-card provider **Green Dot Corp.** relies on **Wal-Mart Stores Inc.** for about half of its revenue. So a deal announced last week that doubles down on that relationship excited the Pasadena company's investors.

Wal-Mart will become the exclusive distributor of GoBank, Green Dot's mobile-based checking account service. Customers will be able to sign up for GoBank and deposit cash in their accounts at 4,200 stores across the United States by the end of next month, according to a Sept. 24 press release.

Investors saw that announcement as a signal that Green Dot is strengthening its ties with Wal-Mart, the main seller of its prepaid cards. The prepaid card agreement between the two companies is up for renewal in May.

Green Dot's stock soared 24 percent to close at \$23.41 during the week ended Sept. 24, making it the biggest gainer on the LBJ Stock Index. (See Page 78.) Nearly all of the movement happened Sept. 24, after the GoBank announcement.

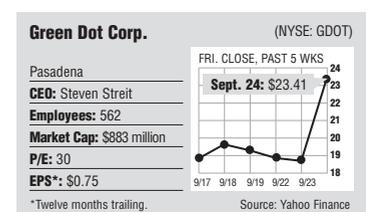
Green Dot officially took GoBank live in June and had advertised heavily on college campuses, but Wednesday's announcement dramatically widened the product's reach.

"Now, people of all income levels who want a better checking account can get one from a store," Green Dot Chief Executive **Steven Streit** said in an email to the *Business Journal*. "Whether they're simply looking for

a better checking account, or looking for their first checking account, GoBank can be their bank."

Tien-tsin Huang, an analyst who covers Green Dot for JPMorgan Chase & Co. in New York, called the program a promising development for Green Dot, whose Wal-Mart-related revenue had dropped in recent quarters. One possible factor behind this was Wal-Mart's decision this year to sell competing prepaid debit cards issued by New York credit card company **American Express Co.** But Huang believes Wednesday's announcement was a step in the right direction in bolstering Green Dot's Wal-Mart business.

"The effort should reinvigorate growth at Wal-Mart while diversifying its dependence on the prepaid program that is up for renewal in May 2015," he wrote in a Sept. 24 research note. **Ashish Sabadra**, an analyst covering



Green Dot for the San Francisco office of German finance giant **Deutsche Bank**, also believes the new deal should help the company extend its relationship with Wal-Mart, though with less favorable terms.

In a Sept. 24 report, Sabadra said he expects a new contract will give Wal-Mart at least a 30 percent commission on Green Dot sales, up from 26 percent under the current contract.