



MARCH 7, 1995

OIG REPORT 95-20(H)

MEMORANDUM FOR The Federal Co-Chairman
 ARC General Counsel

SUBJECT: J-1 Waiver Program--Vaughn Chilton Regional Medical Center,
 Clanton, Alabama

A limited review was undertaken as part of a survey of J-1 Waiver program operation in the Appalachian region to determine physician and employer compliance with ARC J-1 policies requiring that physicians practice primary care for 40 hours per week in an Appalachian Health Professional Shortage Area (HPSA).

Our limited testing, which included a review of program records and discussions with J-1 physicians and the employer, disclosed that, although at least one J-1 physician practiced a subspecialty to some degree, there did not appear to be sufficient subspecialty practice to preclude compliance with the primary care requirements of the J-1 program.


The medical center employed four J-1 physicians at the time of our visit, three of whom had subspecialties--gastroenterology, oncology, and cardiology. One of the J-1s was assigned to the Health Access Clinic adjacent to the hospital, one was assigned to a hospital clinic, and two worked primarily in the emergency room.

Since the hospital did not perform cardiology-related procedures and most patients requiring oncologist services were treated at other facilities, the opportunities for J-1s with cardiology and oncology subspecialties to perform subspecialty work was limited.

The J-1 with a gastroenterology subspecialty utilized hospital facilities to perform gastroenterology-related procedures. There were no other physicians performing these tests according to a J-1 physician. The employer and J-1 physician said that 70-80 percent of this physician's time was devoted to primary care practice. The J-1 also said that he was often on duty more than 40 hours per week and met the J-1 program requirements. A comment from another source indicating that gastroenterology procedures were performed at the medical center two or three mornings per week by a J-1 appeared consistent with the percentages of practice noted.

Since there was no indication of serious violations of ARC J-1 requirements, we did not pursue the degree to which a subspecialty was being practiced. We emphasized program requirements to the J-1 physician and employer, including the need for the practice of primary care.

On a related J-1 issue, we noted that employment contracts prohibited work within a 50-mile radius of the Vaughn Chilton Medical Center if employment was terminated during the 2-year contract period; but the contract did not include any noncompete clauses restricting employment after contract completion.


Hubert N. Sparks
Inspector General