

**OIG REPORT 08-01**

**APPENDICES A AND B WERE REMOVED DUE TO  
PRIVACY ACT CONCERNS**



**APPALACHIAN  
REGIONAL  
COMMISSION**

*A Proud Past,  
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*Office of Inspector General*

October 29, 2007

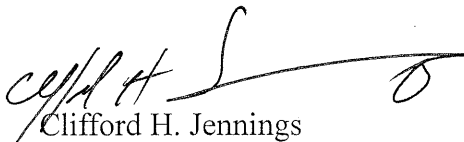
Memorandum for: The Federal Co-Chair  
ARC Executive Director

Subject: OIG Report 08-01  
Review of Selected Health Providers  
And J-1 Visa Waiver Physicians  
In Kentucky

Attached is the report dealing with the review of compliance with the ARC J-1 Visa Waiver program requirements by providers and J-1 physicians.

The report contains two recommendations both of which have been responded to sufficiently for the report to be closed.

The attached reports include two appendices' that include the names of the physicians and sponsors. As this information may be considered privacy act information, please do not release this report without clearance from the General Counsel.

  
Clifford H. Jennings  
Inspector General

Attachment

cc: General Counsel

# TICHENOR & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS and MANAGEMENT CONSULTANTS

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October 18, 2007

Mr. Clifford H. Jennings, Inspector General  
Appalachian Regional Commission  
1666 Connecticut Avenue, NW  
Washington DC, 20009-1068

RE: 1. Final Report – Review of Selected Health Providers and J-1 Visa Waiver  
Physicians in Kentucky

Dear Mr. Jennings:

Enclosed, please find five copies (four bound and one unbound) of our final reports of the above listed reviews. The report numbers have been included. It has been our pleasure working with you and your staff on this project. If we can be of further assistance, please call (502) 245-0775.

Sincerely,



William R. Tichenor, CPA, CGFM  
Tichenor & Associates, LLP

Enclosures

**MEMORANDUM REPORT ON REVIEW OF  
APPALACHIAN REGIONAL COMMISSION  
J-1 VISA WAIVER PROGRAM**

**REVIEW OF SELECTED HEALTH PROVIDERS  
AND J-1 VISA WAIVER PHYSICIANS IN KENTUCKY**

**Period of Random Site Visits: August 27, 2007 through September 11, 2007**

**CAUTION:** *Certain information contained herein is subject to disclosure restrictions under the Freedom of Information Act, 5 U.S.C. 522 (b) (4). Distribution of this report should be limited to Appalachian Regional Commission and other pertinent parties.*

**Report Number: 08-01**

**Date: October 19, 2007**

**MEMORANDUM REPORT ON REVIEW OF  
APPALACHIAN REGIONAL COMMISSION  
J-1 VISA WAIVER PROGRAM**

**REVIEW OF SELECTED HEALTH PROVIDERS  
AND J-1 VISA WAIVER PHYSICIANS IN KENTUCKY**

**Period of Random Site Visits: August 27, 2007 through September 11, 2007**

**Prepared By:**

**Tichenor & Associates, LLP  
Certified Public Accountants  
304 Middletown Park Place, Suite C  
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TO: Appalachian Regional Commission (ARC)  
Office of Inspector General (OIG)

FROM: Tichenor & Associates, LLP  
Louisville, Kentucky

REPORT FOR: The Federal Co-Chairman  
ARC Executive Director  
OIG Report Number: 08-01

SUBJECT: Memorandum Review Report on Appalachian Regional  
Commission (ARC) J-1 Visa Waiver Program – Review of  
Selected Health Providers and J-1 Visa Waiver Physicians in  
Kentucky.

PURPOSE: The purpose of our review was to determine the compliance with ARC J-1 Visa Waiver program requirements and that J-1 physicians perform primary care services in an Appalachian Health Profession Shortage Area (HPSA) for 40 hours per week.

BACKGROUND: This review was undertaken as part of a review of J-1 Visa Waiver program operations in the Appalachian Region.

The J-1 Visa Waiver program provides a waiver of the requirement for a foreign physician to return to his/her home country after completion of medical training in the United States. The ARC participates as a Federal Entity sponsor to assist Appalachian Region communities in providing health care services to medically underserved areas. The applicable ARC policies and procedures require J-1 physicians to practice 40 hours of primary care per week in a designated HPSA in the Appalachian Region. The ARC program requires the physician to serve at least 3 years (unless the state has a longer period). There is no prohibition on J-1 physicians working extra hours or practicing subspecialties after fulfilling primary care requirements

Although preliminary responsibilities for reviewing J-1 Visa Waiver requests, including supporting documentation, justifications of need, program oversight, and reporting have been delegated to the state health agencies, ARC retains the authority to act on waiver requests and to ensure compliance with program objectives and requirements.

SCOPE: We performed a review of the program as described in the Purpose above. Our review was based on the terms of the ARC Federal Co-Chair's J-1 Visa Waiver Policy and on the application of certain agreed-upon procedures previously discussed with the ARC OIG. Specifically, we determined if the physicians were providing medical care in accordance with the approved practices. Our results and recommendations are based upon those procedures. These review procedures were performed in accordance with applicable Government Auditing Standards.

RESULTS: During the period August 27, 2007 through September 11, 2007, unannounced visits to 19 physicians located in Kentucky were performed. The purpose of the visits was to verify the practices and locations of the physicians with J-1 Visa Waivers. The results of the visits were as follows:

1. Physician not Providing Approximately 40 Hours of Primary Care Per Week

The ARC Federal Co-Chair's J-1 Visa Waiver Policy states that the physician must agree to provide primary medical care for at least forty hours per week in a designated HPSA in the Appalachian Region. The Policy further states that travel or on-call time may not be included in the forty hours; however, in appropriate cases the state may make exceptions to allow travel or on-call time for obstetricians.

At one of the locations we visited, the physician, an obstetrician/gynecologist, works a two week rotation with one week on-call and the other week with regular office hours, except for one day a week for scheduled surgeries. (See Appendix B – Summary of Findings)

Although the physician is an obstetrician/gynecologist, the alternating week on-call does not appear to be in accordance with the ARC Federal Co-Chair's J-1 Visa Waiver Policy.

Recommendation:

We recommend that ARC, in conjunction with Kentucky state officials, review the current status of the physician and determine if the physician is in compliance with the ARC Federal Co-Chair's J-1 Visa Waiver Policy.

ARC's Response:

In conjunction with Kentucky state officials, ARC obtained a current work schedule for the physician and determined that the physician is in compliance with ARC policy. (See Appendix C – ARC's Response)

Auditor's Comment:

*ARC has determined that the physician is in compliance with the ARC Federal Co-Chair's J-1 Visa Waiver Policy. As a result, the recommendation is considered closed.*

## 2. Lack of Notice Posted in Patient Waiting Area of Availability of Service to Medicare, Medicaid, and Medically Indigent Patients

The ARC Federal Co-Chair's J-1 Visa Waiver Policy states that the facility or practice sponsoring the physician must agree to provide health services to individuals without discriminating against them because (a) they are unable to pay for those services or (b) payment for those services will be made under Medicare or Medicaid; and, a notice must be posted in a conspicuous location in the patient waiting area at the practice site notifying patients of the charges for services as required in this policy.

Of the 19 locations we visited, all of the employers had sliding fee scales for indigent patients; however, 14 of the locations did not have proper notices posted in the patient waiting area notifying patients of the charges for services, as required. In seven of the locations there was no notice posted whatsoever, in three of the locations the posted notices only mentioned the availability of treatment for Medicare and Medicaid patients, in another three locations the posted notices only mentioned the availability of treatment for Medicaid patients, and in one location the notice only mentioned the availability of treatment for medically indigent patients. (See Appendix B – Summary of Findings)

### Recommendation:

We recommend that ARC, in conjunction with Kentucky state officials, ensure that the above employers properly post notices of the availability of treatment to Medicare, Medicaid, and medically indigent patients in a conspicuous location in the patient waiting area in compliance with the ARC Federal Co-Chair's J-1 Visa Waiver Policy.

### ARC's Response:

In response to our recommendation ARC contacted state officials in Kentucky. As a result, the State has issued a letter to all J-1 Visa Waiver sponsors in Kentucky to ensure that they properly post notices that the facility or practice sponsoring the physician must agree to provide health services to individuals without discriminating against them because (a) they are unable to pay for those services or (b) payment for those health services will be made under Medicare and Medicaid. (See Appendix C- ARC's Response)

### Auditor's Comment:

*ARC, in conjunction with Kentucky state officials, has taken steps to ensure that all J-1 Visa Waiver sponsors in Kentucky properly post notices of the availability of treatment to Medicare, Medicaid, and medically indigent patients in a conspicuous location in the patient waiting area in compliance with the ARC Federal Co-Chair's J-1 Visa Waiver Policy. As a result, the recommendation is considered closed.*



CONCLUSION: Of the 19 physicians we contacted, most were satisfied with the program and practices and they generally expressed interest in staying in the area upon completion of their waiver period. (See Appendix A – J-1 Physician Visits in Kentucky)

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP

Louisville, Kentucky

September 11, 2007

**APPENDIX C**  
**ARC'S RESPONSE**



APPALACHIAN  
REGIONAL  
COMMISSION

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## MEMORANDUM

**DATE:** October 11, 2007

**TO:** Jack Somerville, CPA, Tichenor & Associates, LLP  
Cliff Jennings, IG, Office of the Inspector General

**THROUGH:** Charles S. Howard, General Counsel *CSH*

**FROM:** Deann Reed Fairfax, J-1 Program Specialist, Office of General Counsel *DRF*

**CC:** Gary Williams, J-1 Visa Waiver Program Administrator, Kentucky  
Department for Public Health

**SUBJECT:** Review of Selected Employers and J-1 Visa Waiver Physicians in  
Kentucky

In response to the recommendations in the *Review of Selected Health Providers and J-1 Visa Waiver Physicians in Kentucky*, we contacted state officials in Kentucky. As a result, the State has issued a letter to all J-1 Visa Waiver sponsors in Kentucky to ensure that they properly post notices that the facility or practice sponsoring the physician must agree to provide health services to individuals without discriminating against them because (a) they are unable to pay for those services or (b) payment for those health services will be made under Medicare and Medicaid.

In conjunction with Kentucky state officials we have obtained a current work schedule for Dr. Cristiane Guberman de Andrade and have determined that she is in compliance with ARC policy.

We appreciate your review and accept your recommendations. If you have any questions, please do not hesitate to contact me at 202-884-7786 or [dfairfax@arc.gov](mailto:dfairfax@arc.gov).