CLINICAL Research

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Squeezing Blood from a Turnip: The KY Doctor Shortage and a Possible Remedy

By Christopher J. Shaughnessy

Deloitte Consulting, a technology firm helping to establish the new Kentucky Health Benefit Exchange mandated by the Affordable Care Act, recently completed a review that paints quite a grim outlook for the future state of health care in the Commonwealth. According to the review, Kentucky needs 3,790 additional physicians (including primary care doctors and specialists), 612 more dentists, 5,635 more registered nurses, 296 more physician assistants, and 269 more optometrists to meet current demand. The numbers are stunning on their own, but in light of health care reform and Medicaid expansion, they are downright staggering.

In August 2008, approximately 80 counties of Kentucky’s 120 were designated as underserved or designated as health professional shortage areas.

Physician shortage in Kentucky is nothing new. In 2007, the Kentucky Institute of Medicine conducted an in-depth study of the state’s needs and demands for physicians in coming years. At that time, Kentucky needed 2,298 more physicians to reach the then-US ratio. Kentucky then had 8,981 active physicians, or 213.5 physicians per 100,000 population; the national physician workforce ratio was 267.9, ranking Kentucky severely below the national average. In August 2008, approximately 80 counties of Kentucky’s 120 were designated as underserved or designated as health professional shortage areas.

Shortages can be linked to numerous factors, including earlier physician retirement age, an aging population, the demand for more elective procedures, and life-prolonging technologies. But Kentucky has been especially hard hit because of its large rural population. As early as 1998, it was recognized that there was a tendency for physicians to practice in affluent urban and suburban areas, creating a problem known as “geographic maldistribution of physicians.” [1] This maldistribution makes it harder for people living in rural areas to obtain the care they need.

Despite this dismal outlook, there are steps being taken now to prepare for the influx of patients that will soon be seeking care in Kentucky. To address the physician shortage, many hospitals and health systems are stepping up their physician recruitment efforts and are recruiting physicians while they are still in residency programs rather than waiting until the physician has completed residency or fellowship training. Early recruitment benefits both the hospital or health system and the medical resident. The hospital or health system obtains a firm commitment from the resident to establish a practice at a definite future date to address the future health care needs of the community, while the resident essentially has a guaranteed position and income upon successful completion of residency or fellowship training.

The recruitment transaction between the hospital or health system is fairly straightforward but generally requires three written agreements between the hospital or health system and the medical resident. The first is a resident stipend agreement in which the hospital or health system pays the resident a stipend to cover educational and living expenses during the residency conditioned upon the resident’s continued satisfactory performance in the residency program and timely completion of the residency program. In exchange, the resident commits to becoming employed by the hospital or health system upon successful completion of the residency program and agrees to remain employed by the hospital or health system for a fixed period of time, usually 3-5 years. A draft employment agreement between the parties is also prepared and referenced in the residency stipend agreement.

The sums advanced to the resident as stipend payments are secured by a promissory note executed by the resident, essentially making the stipend payments a type of forgivable loan. Once the resident completes the residency program and becomes employed by the hospital or health system, the stipend payments are forgiven over the period of the physician’s employment by the hospital or health system.

Hospital or health system settings appeal to up-and-coming physicians in ways that solo practices do not. Substantial educational debt, increased costs of running a practice, and the extensive, wholesale changes to the health care system are all reasons that today’s physicians prefer institutional employment. In addition, the hospital or health system alleviates many of the administrative burdens that accompany private practice — leaving

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usually consists of debridement and the application of a destructive topical agent. Other treatments may be necessary from biopsy of the lesion to excising the lesion; to cautering the base of the lesion. Post treatment will be closely followed by your podiatric physician.

**About the Author**

Chris Nelson Bryant, D.P.M.
Kentucky Foot Professionals
859-278-7313

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the physician more time to be a physician.

Recruiting physicians while they are still in residency is particularly useful to address future community health care needs due to physicians planning to retire from medical practice at a future date. More importantly, however, a hospital or health system must address both the current and future shortage of physicians in order to fulfill its mission in the community it serves, and early physician recruitment is a useful tool to address community needs for health care providers.

**About the Author**

Christopher J. Shaughnessy is an attorney at McBryar, McGinnis, Leslie & Kirkland, PLLC. Mr. Shaughnessy concentrates his practice area in health care law and is located in the firm’s Lexington office. He can be reached at cshaughnessy@mmlk.com or at (859) 231-8780.

This article is intended as a summary of federal and state law activities and does not constitute legal advice.

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"A hospital or health system must address both the current and future shortage of physicians in order to fulfill its mission in the community it serves."

-- Christopher J. Shaughnessy, attorney at McBryar, McGinnis, Leslie & Kirkland, PLLC.

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