

FILED OF RECORD

MAR 11 2024

K.B.M.L.

COMMONWEALTH OF KENTUCKY  
BOARD OF MEDICAL LICENSURE  
CASE NO. 2146

IN RE: THE LICENSE TO PRACTICE MEDICINE IN THE COMMONWEALTH OF  
KENTUCKY HELD BY MORGAN D. SCHULZ, M.D., LICENSE NO. 47557,  
483 HIGHWAY 194, PRESTONBURG, KENTUCKY 41653

**AGREED ORDER**

Come now the Kentucky Board of Medical Licensure (hereafter "the Board"), acting by and through its Inquiry Panel A, and Morgan D. Schulz, M.D. (hereafter "the licensee"), and, based upon their mutual desire to resolve the pending investigation, the parties hereby ENTER INTO the following **AGREED ORDER**:

**STIPULATIONS OF FACT**

The parties stipulate the following facts, which serve as the factual bases for this Agreed Order:

1. At all relevant times, Morgan D. Schulz, M.D., was licensed by the Board to practice medicine within the Commonwealth of Kentucky.
2. The licensee's medical specialty is General Medicine.
3. On or about June 5, 2018, the licensee entered into an Agreed Order, Case No. 1865, pursuant to which she stipulated to the following facts:

- On or about February 28, 2018, the licensee filed an application to renew her Kentucky medical license and answered "no" to all questions, including question number 3 which asked,  
Are you currently in default on any student loan repayment obligations payable to the financial aid programs administered by the Kentucky Higher Education Assistance Authority?
- On or about December 20, 2017, the Board was notified by the Commonwealth of Kentucky Finance and Administration Cabinet, Kentucky Higher Education Assistance Authority ("KHEAA") that the licensee was in default on her student loan.

- On March 1, 2018, KHEAA notified the Board that the licensee had not submitted remittance of payment nor entered into a satisfactory repayment agreement.
  - On April 24, 2018, a Board investigator contacted a representative of KHEAA and was notified that as of that date, no arrangements had been made for the licensee to become compliant with her student loan.
  - In a written response dated April 23, 2018, the licensee stated that she checked "no" to the relevant question on her renewal application because she was very behind but not aware that she was in default on her student loan.
4. On or about July 19, 2018, Panel B granted the licensee's request to terminate her Agreed Order in Case No. 1865. In support of her request, she provided proof that she entered into a repayment plan with KHEAA and paid her fine in full.
  5. On or about February 27, 2023, the licensee self-reported an arrest that occurred on October 12, 2022 in Virginia on her Application for Renewal of Kentucky Medical/Osteopathic License for Year 2023. The licensee was arrested and charged with DWI, first offense; assault and battery on law enforcement, two counts; obstruction of justice, and no driver's license.
  6. On or about March 7, 2023, the Board sent a letter to the licensee requesting that she contact the Kentucky Physicians Health Foundation (KPHF) and submit to evaluation(s) as directed. Further, the letter informed her that her application for renewal is pending the evaluation and recommendation from KPHF.
  7. On or about March 15, 2023, Dr. Tina Simpson, Medical Director of KPHF, interviewed the licensee. Based on the information the licensee shared, Dr. Simpson determined a more comprehensive assessment was needed to rule out the possibility of a mental health disorder that could impact her ability to safely practice clinical medicine.

8. On or about April 6, 2023, the licensee completed an evaluation at Florida Recovery Center (FRC). Her evaluating team found that her mental health conditions raised concerns for her ability to safely practice medicine. The evaluation recommended that she refrain from clinical practice until such time as she had successfully completed treatment at a level deemed appropriate for safety-sensitive professionals.
9. On or about May 2, 2023, the licensee returned to FRC and was admitted to its treatment program.
10. On or about August 9, 2023, the licensee was successfully discharged from treatment at FRC with diagnoses including, alcohol use disorder, moderate, sustained remission; cocaine use disorder, severe, sustained remission; cannabis use disorder, mild, early remission; mood disorder, in remission; unspecified anxiety disorder, remission/resolved; and PTSD.
11. Her discharge recommendations from FRC were as follows:
  - Dr. Schulz should be maintained [*sic*] Professional monitoring with Kentucky Physicians Health Foundation (KPHF). Toxicological testing per KPHF monitoring contract.
  - Dr. Schulz should participate in individual therapy. We recommend weekly therapy for three months, then frequency to be determined by provider.
  - Dr. Schulz should follow-up with a psychiatrist for medication management.
  - Dr. Schulz should continue to engage in mutual-aid meetings, minimum of three times per week.
  - Clinically, we would endorse Dr. Schulz to return to the practice of medicine 30 days after discharge, provided she maintains her current level of psychiatric stability and continues to tolerate medication taper, is under contract with KPHF and is cleared by them to do so.
12. On or about August 16, 2023, the licensee entered into a five-year aftercare contract with the KPHF program. The components are as follows:

- Documented attendance at no less than 12 recovery meetings per month;
  - Ongoing relationship with a 12 Step sponsor;
  - Participation in a healthcare professionals aftercare group;
  - Individual therapy; and
  - Professional accountability obtained through interval reports from a contact at his primary worksite.
13. On or about December 21, 2023, the licensee's counsel, Chad Elder, provided a written response to the allegation. He provided notice with supporting documentation that the licensee's criminal charges in *Commonwealth v. Schulz*, Case No. CR23000866-00 (Scott County, Virginia Circuit Court) were resolved on December 15, 2023, with her plea to misdemeanor offenses and violations of DUI, no operator's license on person, and disorderly conduct, three counts. He further advised that the licensee was assessed fines and a 30-day suspended sentence for 12 months of good behavior.
14. By her letter of January 5, 2024, Dr. Simpson explained that the licensee has fully complied with KPHF directives. With the above-noted parameters in place (§ 12), KPHF does not believe she poses an undue threat to her patients or the public. Nor would the practice of medicine place her personal recovery in jeopardy.
15. The licensee agreed to enter into this Agreed Order, in lieu of the issuance of a Complaint.

#### STIPULATED CONCLUSIONS OF LAW

The parties stipulate the following Conclusions of Law, which serve as the legal bases for this Agreed Order:

1. The licensee's Kentucky medical license is subject to regulation and discipline by the Board.
2. Based upon the Stipulations of Fact, the licensee has engaged in conduct which violates the provisions of KRS 311.595(4), (6) and (7). Accordingly, there are legal grounds for the parties to enter into this Agreed Order.
3. Pursuant to KRS 311.591(6) and 201 KAR 9:082, the parties may fully and finally resolve this pending matter without an evidentiary hearing by entering into an informal resolution such as this Agreed Order.

### **AGREED ORDER**

Based upon the foregoing Stipulations of Fact and Stipulated Conclusions of Law, and, based upon their mutual desire to resolve the pending investigation, the parties hereby ENTER INTO the following AGREED ORDER:

1. The license to practice medicine in the Commonwealth of Kentucky held by MORGAN D. SCHULZ, M.D., is hereby PLACED ON PROBATION FOR A PERIOD OF FIVE (5) YEARS, with that period of probation to become effective immediately upon the filing of this Agreed Order.
2. During the effective period of this Agreed Order, the licensee's medical license SHALL BE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- a. The licensee SHALL enter into and maintain a contractual relationship with the Kentucky Physicians Health Foundation and shall fully comply with all requirements of that contractual relationship;
  - i. The licensee SHALL completely abstain from the consumption of mood-altering substances, including alcohol, except as prescribed by a duly licensed practitioner for a documented legitimate medical purpose. The licensee SHALL ensure that any such medical treatment and prescribing is reported directly to the Board in writing by her treating physician within ten (10) days after the date of

treatment. The licensee SHALL inform the treating physician of this responsibility and ensure timely compliance. The licensee's failure to inform the treating physician of this responsibility SHALL be considered a violation of this Agreed Order;

ii. The licensee SHALL be subject to periodic, unannounced breathalyzer, blood and urine alcohol and/or drug analysis as desired by the Board, and under the conditions specified by the Board's testing agent, the purpose being to ensure that the licensee remain drug and/or alcohol-free. The cost of such breathalyzer, blood and urine alcohol and/or drug analyses and reports SHALL be paid by the licensee, and the licensee SHALL pay those costs under the terms fixed by the Board's agent for testing. The licensee's failure to fully reimburse the Board's agent within that time frame SHALL constitute a violation of this Agreed Order;

b. The licensee SHALL NOT violate any provision of KRS 311.595 and/or 311.597.

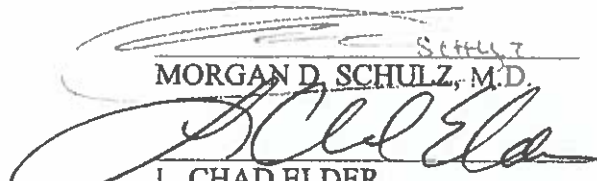
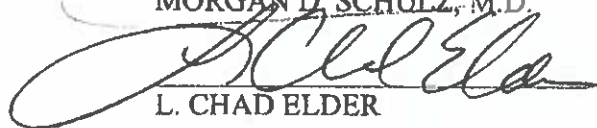
3. The licensee expressly agrees that if she should violate any term or condition of this Agreed Order, the licensee's practice will constitute an immediate danger to the public health, safety, or welfare, as provided in KRS 311.592 and 13B.125. The parties further agree that if the Board should receive information that she has violated any term or condition of this Order, the Panel Chair is authorized by law to enter an Emergency Order of Suspension or Restriction immediately upon a finding of probable cause that a violation has occurred, after an *ex parte* presentation of the relevant facts by the Board's General Counsel or Assistant General Counsel. If the Panel Chair should issue such an Emergency Order, the parties agree and stipulate that a violation of any term or condition of this Agreed Order would render the licensee's practice an immediate danger to the health, welfare and safety of patients and the general public, pursuant to KRS 311.592 and 13B.125; accordingly, the only relevant question for any emergency hearing

conducted pursuant to KRS 13B.125 would be whether the licensee violated a term or condition of this Agreed Order.


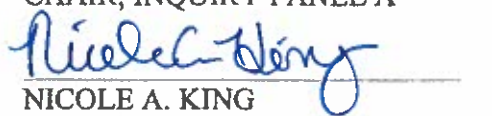
4. The licensee understands and agrees that any violation of the terms of this Agreed Order would provide a legal basis for additional disciplinary action, including revocation, pursuant to KRS 311.595(13).

SO AGREED on this 7<sup>th</sup> day of March, 2024.

FOR THE LICENSEE:

  
MORGAN D. SCHULZ, M.D.  
  
L. CHAD ELDER  
COUNSEL FOR THE LICENSEE

FOR THE BOARD:

  
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