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AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
**AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

June 5, 2002

The Honorable Roberta L. Voss, Chair  
Joint Legislative Audit Committee

The Honorable Ken Bennett, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Voss and Senator Bennett:

Our Office has recently completed a 24-month followup of the Arizona Naturopathic Physicians Board of Medical Examiners regarding the implementation status of the 24 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2000 (Auditor General Report No. 00-9). As the attached grid indicates:

- 21 of the 24 recommendations have been implemented;
- 2 of the 24 recommendations are in the process of being implemented; and
- 1 recommendation has not been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the June 2000 audit report.

Sincerely,

Debbie Davenport  
Auditor General

Attachment

cc:	Dr. Craig Runbeck, Executive Director Naturopathic Physicians Board of Medical Examiners	JLAC Members House Health Members
	Mr. Jason Bezozo Senate Committee Analyst	Senate Health Members
	Mr. Pete Wertheim House Committee Analyst	Ms. Tami Stowe House Research Analyst
		Ms. Nadine Sapien Senate Research Analyst

**ARIZONA NATUROPATHIC PHYSICIANS BOARD OF MEDICAL EXAMINERS**  
**24-Month Follow-Up Report To**  
**Auditor General Report No. 00-09**

**FINDING I: Legislative Clarification of Naturopath’s Scope of Practice May Be Needed**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should consider reviewing A.R.S. §§32-1501(17) and (20) to determine whether the current scope of practice is appropriate and clarify the statutes as needed to more clearly outline acceptable practices.	<b>Implemented at 24 months</b>	
2. The Legislature should consider amending A.R.S. §32-1501 to define “natural substances” and thereby clarify what naturopaths may prescribe.	<b>Implemented at 24 months</b>	
3. The Legislature should consider establishing an oversight committee consisting of naturopaths, pharmacists, medical doctors, and others as the Legislature determines necessary, to develop and/or review any formulary considered for use by Arizona naturopaths.	<b>Implemented at 24 months</b>	
4. The Board should adopt its formulary in rule to allow for public comment and input.	Implementation in Process	

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**FINDING I: Legislative Clarification of Naturopath’s Scope of Practice May Be Needed (Concl’d)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
5. The Board should adopt rules outlining the standards for approving specialty training programs and certifications before accepting and approving applicants for specialty schools, training programs, and certification.	Implementation in Process	

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**FINDING II: Numerous Problems Exist with Licensing Exam**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>1. The Board needs to develop and implement policies and procedures for ensuring that all examination documentation, including such things as test development activities, individual test results, statistical analyses, and rescoring justification, is appropriately maintained.</p>	<p><b>Implemented at 18 months</b></p>	

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**FINDING II: Numerous Problems Exist with Licensing Exam (Cont'd)**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>2. The Board needs to determine whether it will continue to use all or a portion of its own examination and, if so, work with the State Procurement Office to contract with a testing expert to ensure that:</p> <ul style="list-style-type: none"> <li>■ The examination’s content is valid;</li> <li>■ Questions are appropriate and are written by qualified individuals;</li> <li>■ Questions and test construction are reviewed to ensure that questions measure competence in the critical areas, are grammatically correct, are not repeated, and do not provide answers to other examination questions.</li> <li>■ The 75 percent pass point is an accurate division between competent and incompetent practitioners;</li> <li>■ Any rescoring decisions are made appropriately and are documented; and</li> <li>■ Subsequent examinations are revised as appropriate.</li> </ul>	<p><b>Implemented at 18 months</b></p>	

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**FINDING II: Numerous Problems Exist with Licensing Exam (Concl'd)**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>3. If the Board determines it lacks the resources to correct deficiencies in its examination, it should seek a statutory change to eliminate the requirement to examine applicants in subject areas other than jurisprudence that are not included on the national licensing examination, once that examination has been determined to be valid and reliable.</p>	<p><b>Implemented at 12 months<sup>1</sup></b></p>	

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<sup>1</sup> S.B. 1300, effective July 30, 2001, requires the Board to administer a national examination; however, the bill does not change the subject areas that must be examined. The Board is allowed to administer its own examination for those subjects that are not included on a national examination.

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**FINDING III: The Board Needs to Improve Complaint Processing**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
1. The Board should improve its agenda management by developing a procedure to ensure complaints are promptly placed on it, and that those complaints tabled at any meeting reappear on successive agendas until closed.	<b>Implemented at 18 months</b>	
2. The Board should work with the State Procurement Office to contract for an investigator, and hire and train that investigator to perform investigations.	<b>Implemented at 12 months</b>	
3. The Board should maintain complete and accurate logs of all complaints received and their resolutions.	<b>Implemented at 18 months</b>	
4. The Board should ensure that all complaint files contain documentation of the complaint, the resolution, and other pertinent information.	<b>Implemented at 18 months</b>	
5. The Board should ensure that licensure files contain records of any complaints and their resolutions.	<b>Implemented at 24 months</b>	

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**FINDING III: The Board Needs to Improve Complaint Processing (Concl'd)**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>6. The Board should separate its investigative and adjudication functions by:</p> <ul style="list-style-type: none"> <li>a. Using a contract investigator, board member, or staff person to perform investigations, identify potential statutory violations, and make recommendations to the Board; or</li> <li>b. Assigning a board member or staff person to work with an investigator to perform investigations, identify potential statutory violations, and make recommendations to the Board.</li> </ul>	<p><b>Implemented at 6 months</b></p>	
<p>7. If the Board chooses to use a board member to conduct investigations or to work with the investigator, that board member should recuse himself/herself from participating in the adjudication of the case.</p>	<p><b>Implemented at 6 months</b></p>	

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**FINDING IV: Board Needs to Strengthen Operations and Improve Oversight of Executive Director**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Legislature should consider re-establishing a modified lump-sum appropriation for the Board.	<b>Implemented at 12 months</b>	
2. To ensure management problems are corrected, the Board should require the Executive Director to submit a corrective action plan, including a timetable, for addressing records maintenance deficiencies in areas such as: <ul style="list-style-type: none"> <li>■ Complaints</li> <li>■ Examinations</li> <li>■ Contracts</li> <li>■ Meeting Minutes</li> </ul>	<b>Implemented at 18 months</b>	
3. The Board should establish a procedure and regular schedule for reviewing the executive director's progress toward correcting deficiencies.	<b>Implemented at 6 months</b>	

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**FINDING IV: Board Needs to Strengthen Operations and Improve Oversight of Executive Director**  
**(Cont'd)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>4. The Board should establish a procedure and regular schedule for reviewing the executive director's performance in managing the agency. As part of such a review, the Board could consider soliciting feedback from individuals, organizations, or agencies that have regular contact with the agency.</p>	<p><b>Implemented at 6 months</b></p>	
<p>5. The Board should review decisions made between August 1998 and August 1999 to ensure that at least three board members, not including the executive director, were present to conduct business. If not, the Board will need to review the decisions made during those meetings and determine whether to ratify them.</p>	<p><b>Not Implemented</b></p>	<p>The Board has received an informal Attorney General opinion stating that there is no need to ratify decisions because it was not inappropriate for the Board to name its secretary/treasurer to act as its executive director. Auditor General legal counsel, however, disagrees with this opinion since the opinion does not clearly explain how the Board's action does not conflict with a statute prohibiting a board member from also being the executive director.</p>

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**FINDING IV: Board Needs to Strengthen Operations and Improve Oversight of Executive Director**  
**(Concl'd)**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Explanation for Recommendations That Have Not Been Implemented</b>
<p>6. During its semiannual regular meetings, the Board should caution members to avoid participating in decisions where there may be the appearance of a conflict of interest.</p>	<p><b>Implemented at 18 months</b></p>	

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**FINDING V: Sunset Factors**

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The Board should take disciplinary action when naturopaths fail to complete the number of continuing education medical education hours required for license renewal.	<b>Implemented at 18 months</b>	
2. The Legislature should consider modifying A.R.S. §32-1551 to grant the Board authority to subpoena medical records as part of its complaint investigations.	<b>Implemented at 12 months</b>	
3. The Legislature should consider modifying A.R.S. §32-1525 to enable the Board to keep its licensure examination and examinees' scores confidential.	<b>Implemented at 12 months</b>	