





State of Arizona Naturopathic Physicians Medical Board

30-Month Followup of Report 22-104

The June 2022 State of Arizona Naturopathic Physicians Medical Board performance audit and sunset review found that the Board issued licenses/certificates we reviewed to qualified applicants within required time frames but did not resolve some complaints in a timely manner, which may impact patient safety, and did not provide sufficient public information. We made **15** recommendations to the Board.

Board’s status in implementing 15 recommendations

Implementation status	Number of recommendations
 Implemented	8 recommendations
 Partially implemented	1 recommendation
 In process	2 recommendations
 Not implemented	4 recommendations

We will conduct a 42-month followup in calendar year 2026 with the Board on the status of the recommendations that have not yet been implemented.

Recommendations to the Board

Finding 1: Board has not resolved some complaints in a timely manner, which may affect patient safety

1. The Board should investigate and resolve complaints within 180 days.

▶ Status: **Implementation in process.**

Our review of the Board's complaint log found the Board investigated and resolved 28 of 30 closed complaints it received or opened between January 2023 and August 2024 within 180 days. The Board took 203 and 237 days, respectively, to investigate and resolve the remaining 2 complaints. According to Board documentation, the first complaint required more than 180 days to resolve, in part because the Board and licensee took 76 days to develop and sign a consent agreement. For the second complaint, the Board ordered the licensee to undergo a psychiatric evaluation as part of its investigation, which took 91 days to complete and for the Board to review the results. The Board restricted the licensee's practice while awaiting the results of the psychiatric evaluation and eventually resolved the complaint through a consent agreement. Finally, as of October 7, 2024, 2 complaints that the Board also received between January 2023 and August 2024 had been open for 397 and 454 days, respectively.¹ We will continue to assess the Board's implementation of this recommendation during our next followup.

2. The Board should develop and implement time frames for completing all key steps in its complaint-handling process to help ensure it can investigate and resolve complaints within 180 days, including completing the investigation and associated report, placing the complaint on the Board's meeting agenda for its review, and time frames for the Board to review and resolve the complaint.

▶ Status: **Not implemented.**

As reported in our initial followup, the Board developed time frames for some key steps in its complaint-handling process to ensure it can investigate and resolve complaints within 180 days. These include reviewing complaints within 10 days to initiate its investigation and placing complaints on the next Board meeting agenda following the conclusion of Board staff's complaint investigation. However, the Board has not established time frames for completing complaint investigations and the associated investigative report or for the Board to review and resolve complaints. Absent these time frames, the Board potentially may not process all complaints it either receives or opens within 180 days.

¹ These 2 complaints involve the same licensee. The first of these complaints was open for 131 days and the second was open for 189 days before the Board combined these complaints into a single complaint investigation and referred the case to the Office of Administrative Hearings (OAH) for a formal hearing in March 2024. The case was delayed to pursue a settlement agreement, but the Board and licensee could not reach an agreement. As a result, the case has been scheduled for a formal hearing with OAH in January 2025.

Additionally, our review of a sample of 10 complaints found that Board staff reviewed 8 of these complaints within 10 days, consistent with its policy.² However, Board staff took 13 and 16 days, respectively, to review the other 2 complaints. Finally, our review of Board documentation found that it lacked information indicating that 1 of 10 complaints we reviewed was placed on the next Board meeting agenda following completion of the investigation, contrary to Board policy. We will continue to assess the Board's implementation of this recommendation during our next followup.

3. The Board should develop and implement a process that requires the Executive Director to regularly report to the Board on the timeliness of closed complaints and status of open complaints to provide information the Board needs to monitor, review, discuss, and take action to address delays in the timeliness of complaint handling.

▶ Status: **Not implemented.**

Although the Board has not developed a documented process for compiling and presenting an Executive Director report to the Board, our review of Board meeting minutes for 4 meetings the Board held between May and October 2024 found that the Executive Director provided a written and oral report during 3 of these meetings. However, the June and July 2024 Executive Director's reports included various inconsistencies, such as missing complaints and incorrect complaint statuses, and lacked information regarding compliance with time frames for key complaint-handling steps. These inconsistencies likely resulted from the lack of a documented process for developing and presenting these reports. Additionally, Board staff reported not providing a report in the May 2024 meeting due to the expected length of time needed to review the complaints on its agenda and instead provided the report information during the Board's June 2024 meeting. By either not providing reports to the Board or providing inaccurate or incomplete reports to the Board, the Board may not have the information it would need to review the timeliness of complaint handling and address any potential delays.

After making the Board aware of the inconsistencies in the June and July 2024 reports, Board staff reported making applicable corrections to the October 2024 report prior to distributing it to Board members. We will continue to assess the Board's implementation of this recommendation during our next followup.

4. The Board should contract for complaint investigation services on an as-needed basis and develop and implement written policies and procedures for when to use these contracted services.

▶ Status: **Partially implemented at 30 months.**

The Board has established written guidelines for when to use contracted complaint-investigation services, including when the Board specifically requests a complaint be reviewed and reported on by a medical consultant or the Board is unable to complete investigations timely. Further, these guidelines establish minimum qualifications for an applicant, such as holding an active naturopathic medical license for at least 5

² Our sample of 10 complaints comprised 5 randomly selected and 5 judgmentally selected complaints from the 30 closed complaints the Board received or opened and then resolved between January 1, 2023 and August 31, 2024.

years with no disciplinary or nondisciplinary actions and possessing expertise in the area under investigation. As of September 2024, the Board had received 1 application from an applicant who meets the Board’s qualifications to serve as an investigator. According to the Board, it has not hired this applicant to assist with any complaint investigations because it believes it can investigate and resolve most complaints in a timely manner with existing staff.³

Sunset Factor 2: The extent to which the Board has met its statutory objective and purpose and the efficiency with which it has operated.

5. The Board should perform statutorily required inspections or work with the Legislature to modify statute related to these statutory requirements.

▶ Status: **Implemented at 30 months.**

Effective October 30, 2023, Laws 2023, Ch. 9, revised statute to eliminate the requirement for the Board to perform inspections.

6. The Board should develop and implement policies and procedures for periodically reviewing the appropriateness of its fees that direct it to analyze the costs of its regulatory processes, compare these costs to the associated fees, determine the appropriate licensing fees, and then revise its fees as needed.

▶ Status: **Not implemented.**

The Board has not developed policies and procedures for periodically reviewing the appropriateness of its fees, including establishing a schedule for doing so. However, following the removal of the requirement for obtaining a clinical training certificate (see explanation for Recommendation 13), the Board reported that it began working with a budget analyst from the Governor’s Office of Strategic Planning and Budgeting (OSPB) in September 2024 to review the impact of the loss of the associated fees generated by the clinical training certificate on its revenues and determine if changes should be made to its other fees to replace the lost revenues. The Board did not provide an expected date for this review to be completed.

Additionally, in November 2024, the Board reported that it intends to reassess its fees after its new e-licensing software is implemented because of the potential for reduced licensing costs or increased yearly expenses associated with the new software. However, the Board is still awaiting implementation of this software. There have been multiple vendor delays in implementing this software since the original planned implementation date of May 2023 reported in our initial followup, and the Board reported that it now expects the software to be implemented by the end of fiscal year 2025.

Further, effective September 14, 2024, Laws 2024, Ch. 222, §55, does not allow the Board to adopt a license fee increase in fiscal years 2025 or 2026 without submitting an emergency request to the Governor’s Regulatory Review Council for approval to do

³ Although we identified 4 complaints that exceeded the 180-day time frame, as discussed in recommendation 1, hiring a contract investigator may not have impacted the timeliness of resolving those complaints due to the reasons for delays. For example, 2 complaints were referred to OAH, which has extended the resolution time frame for these complaints.

so. Additionally, Laws 2024, Ch. 222, §17, amended statute to adjust the percentage of fees the Board retains to 85 percent of all monies collected rather than 90 percent through the end of fiscal year 2028.⁴ The Board reported that it is aware of these changes and discussed their impact on its budget with a budget analyst from OSPB. We will assess the Board’s implementation of this recommendation during our next followup.

Sunset Factor 3: The extent to which the Board serves the entire State rather than specific interests.

- 7.** The Board should continue to implement its conflict-of-interest procedures to help ensure compliance with State conflict-of-interest requirements, including:
 - a.** Reminding employees/public officers at least annually to update their disclosure form when their circumstances change, including attesting that no conflicts exist, if applicable.
 - ▶ Status: **Implemented at 6 months.**
 - b.** Documenting the details of Board members’ verbal recusals in the official record.
 - ▶ Status: **Implemented at 6 months.**
 - c.** Storing all substantial interest disclosures, including disclosure forms and applicable meeting minutes, in a special file available for public inspection.
 - ▶ Status: **Implemented at 6 months.**

Sunset Factor 4: The extent to which rules adopted by the Board are consistent with the legislative mandate.

- 8.** The Board should proceed with the rulemaking process to adopt rules for naturopathic medical assistant training, and for the labeling, recordkeeping, storage, and packaging of natural substances.
 - ▶ Status: **Implemented at 30 months.**

Effective June 23, 2023, the Board adopted rules related to the labeling, recordkeeping, storage, and packaging of natural substances. Additionally, effective March 31, 2024, the Board adopted rules that all medical assistants must complete an approved medical assistant training program before employment.

⁴ Arizona Revised Statutes §32-1505.

Sunset Factor 5: The extent to which the Board has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

9. The Board should adhere to its goal to post required disciplinary and nondisciplinary orders on its website within 36 days after the order is issued.

▶ Status: **Implemented at 30 months.**

Our review of all 11 complaints the Board received between January 1, 2023 through August 1, 2024, that resulted in a disciplinary or nondisciplinary order found that the Board posted the orders within its 36-day goal, with 1 exception. One order was posted on the Board's website 40 days after the order was issued.

The Board reported that it will use its new electronic licensing software to automatically post disciplinary and nondisciplinary orders to its website; however, the Board reported that the software may not be implemented until the end of fiscal year 2025 (see Recommendation 6 for more information).

10. The Board should post all final disciplinary and allowable nondisciplinary orders and actions on its website for no more than 5 years.

▶ Status: **Not implemented.**

Our September 2024 review of the Board's website identified 3 disciplinary orders imposed by the Board between January 2018 and August 2019 that were still posted on the website, exceeding the 5-year statutory requirement.

The Board reported that its new e-licensing software will automatically remove orders that exceed the 5-year statutory requirement from its website; however, the Board reported that the software may not be implemented until the end of fiscal year 2025 (see Recommendation 6 for more information). We will continue to assess the Board's implementation of this recommendation during our next followup.

11. The Board should comply with its policies and procedures for returning voicemail messages requesting information on licensees and certificate holders within 24 hours.

▶ Status: **Implemented at 30 months.**

We made 3 anonymous phone calls to the Board in August and September 2024 requesting information on licensees and certificate holders and left voicemail messages. Board staff responded to all 3 voicemails within 24 hours.

Sunset Factor 6: The extent to which the Board has been able to investigate and resolve complaints that are within its jurisdiction.

12. The Board should comply with its policies and procedures for providing complaint opening, meeting, and outcome notices to complainants and respondents.

▶ Status: **Implementation in process.**

Our review of a sample of 10 of 30 complaints either received or opened and then closed by the Board between January 2023 to August 2024 found the Board complied

with its complaint-notification requirements for the 2 complaints it opened against a licensee, but did not fully comply with its complaint notification requirements for the 8 complaints it received from the public.⁵ Specifically, the Board received 8 complaints against licensees from 9 public complainants. The Board provided notices of opening an investigation to 5 of 9 complainants and 7 of 8 respondents within its required time frames; notices of all applicable Board meetings to 5 of 9 complainants and 7 of 8 respondents within its required time frames; and notices of complaint outcomes to all 9 complainants and 7 of 8 respondents.⁶ However, the Board lacked documentation demonstrating it provided the required notices to the remaining complainants and respondents. We will continue to assess the Board's implementation of this recommendation during our next followup.

Sunset Factor 11: The extent to which the termination of the Board would significantly affect the public health, safety, or welfare.

13. The Board should, consistent with its reported plans, work with the Legislature to pursue a statutory change to eliminate the clinical training certification requirement.

▶ Status: **Implemented at 30 months.**

Effective October 30, 2023, Laws 2023, Ch. 9, revised statute to eliminate the Board's clinical training requirement.

⁵ See page 3, footnote 2, for an explanation of our sample methodology.

⁶ The Board does not specify a time frame for providing complaint-outcome notifications.