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OFFICE OF THE  
**AUDITOR GENERAL**

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DEPUTY AUDITOR GENERAL

April 11, 2014

The Honorable John Allen, Chair  
Joint Legislative Audit Committee

The Honorable Chester Crandell, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Allen and Senator Crandell:

Our Office has recently completed an initial followup of the Arizona Board of Behavioral Health Examiners (Board) regarding the implementation status of the 7 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in August 2012 (Auditor General Report No. 12-03). As the attached grid indicates:

- 2 have been implemented;
- 4 are in the process of being implemented; and
- 1 is no longer applicable.

Our Office will conduct a 30-month followup with the Board on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Dale Chapman, Director  
Performance Audit Division

DC:ss  
Attachment

cc: Tobi Zavala, Interim Executive Director  
Arizona Board of Behavioral Health Examiners

Stephen Lankton, Chair  
Arizona Board of Behavioral Health Examiners

# Arizona Board of Behavioral Health Examiners

## Auditor General Report No. 12-03

### Initial Follow-Up Report

#### Recommendation

#### Status/Additional Explanation

#### Finding 1: Board should improve complaint resolution timeliness

1.1 To ensure that recent changes to the Board's complaint-handling policies and procedures are improving various aspects of the complaint resolution process, the Board should continue the steps it has taken to (1) screen out complaints that do not need to be opened for investigation, (2) better prioritize complaints on the basis of risk, (3) monitor high-priority complaints, and (4) ensure that complaint data accurately reflect the time it takes to resolve complaints. The Board should further revise these procedures, if necessary, to ensure they appropriately accomplish their intended effect.

#### Implementation in process

The Board has continued taking steps to (1) screen out complaints that do not need to be opened for investigation, (2) better prioritize complaints on the basis of risk, (3) monitor high-priority complaints, and (4) ensure that complaint data accurately reflects the time it takes to resolve complaints. These steps have generally helped improve various aspects of the complaint resolution process. For example, board records indicate that the Board screened out several complaints that did not need to be opened because the allegations did not constitute violations of board statutes or rules, or did not involve individuals licensed by the Board. In addition, Laws 2013, Ch. 242, §12, requires the Board to screen out complaints made anonymously and complaints with allegations of unprofessional conduct or other violations that occurred more than 7 years before the Board received the complaint.

However, two aspects of the Board's policies and procedures for screening out complaints may not be consistent with the Board's responsibility to investigate complaints made against the professionals it licenses. Specifically, consistent with its written policies and procedures, board records indicate that board staff screened out all five complaints within the Board's jurisdiction regarding court-appointed licensees or from prison inmates that were received between May 2012 and January 2014. The Board reported that it began screening out these complaints because the specified allegations were low risk, intended to slow court proceedings or to allow a prisoner to avoid counseling, historically had usually been dismissed, and could be handled by a court or prison grievance process. However, by screening out all court-related and prison-related complaints, the Board is at risk for not investigating allegations that constitute violations of board statutes or rules.

## Recommendation

## Status/Additional Explanation

1.2 The Board should develop and implement policies and procedures allowing its credentialing committees to dismiss more complaints, and should establish written guidelines regarding (1) the types of complaints that the credentialing committees can dismiss without forwarding for board review and (2) the types of dismissal recommendations the committees should still forward to the Board for review—for example, dismissal recommendations involving high-risk or complex complaints.

### **No longer applicable**

Although the Board developed and implemented policies and procedures to allow its credentialing committees to dismiss more complaints, the Legislature passed Laws 2013, Ch. 242, which in part eliminated the credentialing committees' involvement in complaint investigations, including the authority to dismiss complaints.

1.3 The Board should conduct analyses to determine investigative staffing needs. Specifically, the Board should:

a. Continue to assess the efficiency of its complaint investigation processes. In addition to some steps it has already taken, the Board should continue to identify ways to streamline investigative processes; eliminate tasks, as appropriate; and assign appropriate administrative investigative tasks to support staff;

### **Implementation in process**

The Board continues to take steps to improve the efficiency of its complaint investigation processes. For example, the Board has hired a staff person to perform administrative investigative tasks that were formerly performed by investigators, which allows the investigators to focus on more substantive investigative tasks. In addition, the Board reported taking two additional steps to streamline its investigative processes, but has not developed associated written policies and procedures. First, the Board indicated that it more quickly resolves low-risk complaints that appear to be straightforward by assigning them to an investigator for quicker processing. Second, the Board reported that it has increased the quality and quantity of its investigations by having a staff member review all new complaints and assigning them to investigators based on their skills and experience levels. Auditors will assess the Board's continued efforts to improve the efficiency of its complaint investigation processes at the 30-month followup.

b. Determine its investigative workload, including an estimate of its future investigative workload, and document the results;

### **Implemented at 18 months**

**Recommendation****Status/Additional Explanation**

- c. Determine investigative staffing needs and document the results. The Board should conduct separate analyses to identify both its staffing needs and how it can better hire and retain qualified investigators. First, based on ensuring the efficiency of its complaint investigation processes and its workload estimate, the Board should determine how many investigators it needs to process complaints in a timely manner. Second, the Board should determine how it can better identify, hire, and retain qualified investigators.
- d. If after completing these analyses and improving its retention of investigative staff the Board determines that additional investigators are needed, the Board may be able to request additional appropriations to use some of its increasing end-of-year fund balance to hire additional staff if needed.

**Implementation in process**

The Board documented an analysis of the number of investigators it needs to process complaints in a timely manner. Additionally, the Board indicated that it has taken steps to better identify, hire, and retain qualified investigators. For example, the Board reported that it continues to hire investigators as temporary contract employees to thoroughly evaluate their abilities and to determine if they have the required skills before they are considered for a permanent staff position. In addition, the Board reported that it has revised its process to assign appropriate complaint investigations to new investigators, and has enhanced its training and supervision of investigators to more quickly identify qualified contract investigators that can be transitioned to full-time staff investigators. During the 30-month followup, auditors will assess the Board's continuing efforts to retain qualified investigators.

**Implemented at 18 months**

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**Sunset factor #2 The extent to which the Board has met its statutory objective and purpose and the efficiency with which it has operated**

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The Board should continue meeting with stakeholders to discuss their concerns and take actions, as appropriate, to address them.

**Implementation in process**

Board staff held several meetings with stakeholders between October 2012 and May 2013 to discuss stakeholder concerns, and began meeting again with stakeholders in February and March 2014. The Board has addressed some of these concerns. For example, the Board developed and implemented a sample clinical supervision form to help applicants submit the appropriate documentation when applying for a license to practice independently. However, according to the Board, it could not address some stakeholder concerns without statutory changes. The Board reported that several stakeholders supported a bill in the 2013 legislative session to modify board statutes, and that the Board participated in all stakeholder meetings to which it was invited. The Legislature passed Laws 2013, Ch. 242, which contained provisions that require the Board to address specific stakeholder concerns by either September 2013 or October 2015, and directs the Board to provide certain legislators and the Auditor General's Office with quarterly progress reports regarding the implementation of these provisions.

*(Continued to next page)*

**Recommendation****Status/Additional Explanation**

The Board provided its first progress report in January 2014, as required, and stated that it had implemented all provisions that were due by September 2013. For example, the Board created application materials for licensing individuals by endorsement if they are licensed in another state, which replaced its reciprocal licensing process. A board official indicated that the Board will implement the remaining provisions of Laws 2013, Ch. 242, by October 2015.

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