



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

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May 29, 2025

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Executive Director Zavala
Arizona Board of Behavioral Health Examiners

We have issued an initial followup report regarding the implementation statuses of the recommendations from the September 2024 *Performance Audit and Sunset Review of the Arizona Board of Behavioral Health Examiners* report (see report 24-108) conducted by the independent firm Walker & Armstong, LLP under contract with the Arizona Auditor General. This audit was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee and was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

The September 2024 report made 9 recommendations to the Arizona Board of Behavioral Health Examiners and 1 recommendation to the Legislature. My Office contracted with Walker & Armstrong, LLP to conduct initial followup work with the Arizona Board of Behavioral Health Examiners, and as of this initial followup report, 3 recommendations have been implemented, 6 recommendations are in process, and 1 legislative recommendation has not been implemented.

My Office has contracted with Walker & Armstrong, LLP to follow up with the Arizona Board of Behavioral Health Examiners at 18 months to assess its progress in implementing the recommendations.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Arizona Board of Behavioral Health Examiners

Initial Follow-Up of Report 24-108

The September 2024 Arizona Board of Behavioral Health Examiners (Board) performance audit and sunset review found that the Board complied with statutory and rule requirements related to its objective and purposes for 3 areas we reviewed but did not timely resolve complaints, potentially affecting patient safety, and charged fees that exceeded its operational costs. We made **9** recommendations to the Board and **1** recommendation to the legislature.

Board's status in implementing 9 recommendations

Implementation status	Number of recommendations
✓ Implemented	3 recommendations
🔄 In process	6 recommendations

Legislature's status in implementing 1 recommendation

Implementation status	Number of recommendations
⊘ Not implemented	1 recommendation

We will conduct an 18-month follow-up with the Board in spring 2026 on the status of the recommendations that have not yet been implemented.

Recommendations

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

As of March 2025, the Board has implemented or is in process of implementing recommendations 2 through 4 (see below) related to improving its ability to investigate and resolve complaints within 180 days. However, our review of all 121 complaints the Board closed between October 2024 and February 2025, found that the Board took more than 180 days to resolve 53 or 44%. This represents an improvement from our finding in the Board's performance audit and sunset review in which we found that the Board took more than 180 days to resolve 58% percent of the complaints we reviewed. Although the Board has made progress on the timeliness of complaint resolution, the Board reported that it is working through its backlog of complaints with its newly hired investigators and re-prioritization process, discussed in recommendations 2 and 4, respectively, and the Board expects to fully implement this recommendation by the end of March 2026. We will further assess the Board's implementation of this recommendation during our next follow-up.

2. The Board should hire additional investigators for which it received funding in fiscal year 2025.

Status: Implemented at 6 months

As of March 2025, and using the additional appropriations it received for fiscal year 2025, the Board had hired 4 additional investigators.

3. The Board should develop a process, supported by written policies and procedures, for annually assessing whether its staffing level is sufficient to handle its workload, and work with the Legislature to obtain additional staffing resources as appropriate.

Status: Implementation in process

As of March 2025, the Board had developed and began implementing written policies and procedures to assess whether its staffing is adequate to manage its current and projected workloads. Specifically, the Board's policies and procedures outline that it will perform ongoing workload analysis by monitoring complaint volumes, tracking investigator progress through weekly reports, and comparing its investigators' caseload capacity to the number of complaints received. The policies and procedures also indicate that the Board will use weekly reports and monthly database metrics to assess whether investigators are handling expected caseloads and if complaints are being resolved timely. Finally, the policies and procedures further require that the Board perform an annual assessment using the database metrics to evaluate trends, measure actual workload capacity, and along with future complaint volume projections, determine if it should work with the Legislature to obtain additional staffing resources.

We found that the Board had begun the process of requiring its investigators to submit weekly reports, but had not yet fully implemented other aspects of its policies and procedures because the Board had recently adopted the policies and procedures at the time of our review. As a result, we will further assess the Board's implementation of this recommendation during our next follow-up.

4. The Board should discontinue its practice of prioritizing complaints it opens related to licensing investigations over lower-priority public complaints.

Status: Implementation in process

In March 2025, the Board revised its policy for prioritizing public complaints to require prioritizing public complaints for investigation over complaints it opens related to licensing. Because the Board had recently adopted the revised policy at the time of our review, we will further assess the Board's implementation of its complaint prioritization policy during our next follow-up.

Sunset Factor 2: The Board's effectiveness and efficiency in fulfilling its key statutory objectives and purposes

5. The Board should establish fees that align with its operating costs as required by statute.

Status: Implementation in process

The Board has begun evaluating options to align its fees with operating costs. Specifically, at its February 2025 meeting, the Board authorized its Executive Director to conduct research to identify possible fee adjustment strategies. The Executive Director subsequently reviewed Board statutes and information from other boards regarding temporary and permanent fee adjustments, and received guidance from the Board's legal counsel on allowable actions. Additionally, the Board reported that it plans to evaluate its costs to determine whether fee adjustments are necessary in conjunction with preparing its fiscal year 2027 budget, which it expects to begin in May 2025. We will further evaluate the Board's implementation of this recommendation during our next follow-up.

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

6. The Board should finalize its proposed rulemakings to be consistent with statutory changes for the number of hours of experience required for each license.

Status: Implementation in process

In March 2025, the Board filed a Notice of Proposed Rulemaking with the Office of the Secretary of State. The proposed rulemaking published in the Arizona Administrative Register included revisions to correct the number of hours of experience required for each license. Additionally, our review of the status of the rulemaking found that the Board solicited public feedback and held oral proceedings on the proposed rulemaking on May 6, 2025. At its May 9, 2025, meeting, the Board reviewed the public comments and approved revisions to the proposed rulemaking. The Board subsequently submitted the Board-approved changes to its rule writer to revise the rulemaking and plans to submit it to the Governor's Office for approval once the revisions are completed. We will further assess the Board's progress with its proposed rulemaking during our next follow-up.

7. The Board should update Arizona Administrative Code (AAC) R4-6-304 to be consistent with current practices for processing applications for licensure by endorsement.

Status: Implementation in process

Our review of the Board's Notice of Proposed Rulemaking discussed in recommendation 6 found that it includes a proposed change to AAC R4-6-304 to make this rule consistent with its current practice. We will further assess the Board's progress with its proposed rulemaking during our next follow-up.

Sunset Factor 5: The extent to which the Board has provided appropriate public access to records, meetings, and rulemakings, including soliciting public input in making rules and decisions

8. The Board should develop and implement procedures to ensure that it removes disciplinary actions, both stored on the Board's website server and available directly from its website, after 5 years as required by statute.

Status: Implemented at 6 months

In October 2024, the Board developed a policy, and implemented a procedure, to automate the process of removing Board disciplinary actions from its website after 5 years. Specifically, the Board's database has been configured with a scheduled removal date to automatically remove Board disciplinary actions from its website and server 5 years after the Board action date that is entered into its database.

Our review of a random sample of 3 of 63 Board disciplinary actions taken between October 2019 and February 2020, which should have been removed from the Board's website between October 2024 and February 2025, found that these disciplinary actions were no longer available on the Board's website or accessible from the Board's website server.

Sunset Factor 8: The extent to which the Board has established safeguards against possible conflicts of interest

9. The Board should provide periodic training on conflicts-of-interest for staff and Board members.

Status: Implemented at 6 months

The Board developed a policy requiring semi-annual conflict-of-interest training for all staff and Board members. Additionally, as of February 2025, our review of Board meeting minutes, training materials, and training attendance attestations found that the Board provided its initial conflict-of-interest training to all Board members and staff.

Sunset Factor 9: The extent to which changes are necessary for the Board to more efficiently and effectively fulfill its key statutory objectives and purposes or to eliminate statutory responsibilities that are no longer necessary

1. The Legislature should consider revising Arizona Revised Statutes (A.R.S.) §32-3303(A) to remove the requirement for associate counselor license applicants to obtain supervised experience prior to licensure.

Status: Not implemented

As of April 3, 2025, our review of enacted and proposed legislation during the Fifty-Seventh Legislature, First Regular Session, did not identify any legislation that would revise A.R.S. §32-3303(A). We will further assess the implementation of this recommendation during our 18-month follow-up.