




State of Arizona Naturopathic Physicians Medical Board

42-Month Followup of Sunset Review Report 22-104

The June 2022 State of Arizona Naturopathic Physicians Medical Board (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	10 recommendations
 Partially implemented	2 recommendations
 Not implemented	3 recommendations

As shown above, we determined that the Board has implemented or partially implemented 12 of 15 recommendations; however, the Board has not implemented the remaining 3 recommendations. Specifically, despite developing a policy and procedures for providing complaint notifications as we recommended, it has not adhered to these policies and procedures. Additionally, for the other 2 recommendations, we made 3 requests for information, and the Board provided limited or, in some cases, no information or documentation in response to our requests to demonstrate its progress in implementing them. Only after we concluded our followup work and while we were finalizing our report did the Board’s executive director develop and provide draft policies and procedures related to these 2 recommendations for our review (see recommendations 3 and 6 for the results of our review of these draft policies and

procedures).¹ Because we were not provided or timely provided this information/documentation during this or our previous followups, we are unable to fully and independently report on the Board's implementation of these recommendations.

By not implementing these recommendations, the Board cannot ensure that accurate information regarding complaint handling is reported to Board members, that all complainants and respondents are updated throughout the complaint-handling process as required by Board policy and statute, and that the Board's fees are appropriate to support its regulatory costs. Further, 1 of 3 outstanding recommendations was also included in our September 2014 performance audit and sunset review (Arizona Auditor General Report 14-106 *State of Arizona Naturopathic Physicians Medical Board*). Although the Board approved a policy and procedures to address this recommendation in May 2026, it had yet to fully implement this recommendation after 11 years.

The Board has had sufficient time to implement all the recommendations from our June 2022 and September 2014 performance audit reports. As a result, we do not see further benefit in continuing to follow up with the Board. The Board's next sunset review is due October 1, 2028, and we will assess the Board's implementation of the unimplemented recommendations during that review if the Joint Legislative Audit Committee assigns it to our Office. Therefore, unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our followup work on the Board's efforts to implement the recommendations from the June 2022 report.

¹ The Board reviewed and approved these draft policies and procedures in May 2026.

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: **Partially implemented at 42 months.**

Our February 2026 review of the Board's complaint log found the Board investigated and resolved 28 of 31 complaints it received or opened between September 2024 and January 2026 within 180 days. According to the Board's complaint log, it closed 3 additional complaints it received during this time frame, but we were unable to assess whether the Board did so within 180 days because the Board's complaint log had missing or inaccurate dates related to these 3 complaints. For example, for 1 of 3 complaints, the complaint log indicated a completion date that was 266 days before the complaint-received date, while the complaint log did not include complaint-received dates for the other 2 complaints.² The Board attributed this missing and inaccurate information to staff error. This missing and/or inaccurate complaint-handling information potentially negatively impacts the Board's timely processing of complaints because it would lack critical information to help ensure complaints are adequately progressing and resolved within 180 days.

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: **Partially implemented at 42 months.**

As reported in our previous followups, the Board developed time frames for some key steps in its complaint-handling process, such as initiating complaint investigations within 15 days of receipt and placing complaints on the next Board meeting agenda following the conclusion of an investigation. However, until April 2026, the Board had not established time frames for completing complaint investigations and the associated investigative report or for the Board to review and resolve complaints. Only after we concluded our followup work and were finalizing this report in April 2026 did the Board's executive director establish time frames for these steps in its complaint-handling policies and procedures. The Board reviewed and approved the revised policies and

² Our review of a judgmental sample of 5 of 31 complaints to verify the accuracy of information recorded on the Board's complaint log found that the complaint-processing dates were accurately reflected in the log for 3 complaints. These dates were inaccurately reflected for 1 complaint, and the Board lacked the information needed to verify the accuracy of the received date for 1 complaint—the complaint noted as being completed 266 days prior to the complaint-received date reflected on the complaint log. However, our review found that despite inaccurate dates in the complaint log for the 1 complaint, the Board resolved this complaint within 180 days. Following our review, the Board provided the accurate and missing information for the 3 complaints noted above. Based on this information, the Board also resolved these 3 complaints within 180 days.

procedures at its May 2026 Board meeting. Because the Board fully developed the recommended time frames for completing all key steps in its complaint-handling process after we concluded our followup work and as we were finalizing this report, we were unable to assess the Board's full implementation of the complaint-handling time frames. Therefore, we will assess the Board's implementation of its complaint-handling time frames during its next sunset review, which is due on October 1, 2028, if the Joint Legislative Audit Committee assigns our Office to conduct the review.

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's executive director provides reports to the Board regarding the timeliness of complaint handling, until April 2026, the Board lacked a documented process for doing so even though we made this recommendation in our September 2014 performance audit and sunset review of the Board.³ Only after we concluded our followup work and were finalizing this report in April 2026 did the Board's executive director develop a draft executive director reporting policy and procedures, which the Board reviewed and approved at its May 2026 Board meeting. The policy and procedures require the Board's executive director to prepare a report prior to each Board meeting and submit the report to Board members 3 to 5 days prior to the meeting that includes the recommended complaint-handling information and other items.

However, the procedures do not include any steps to help ensure the accuracy and completeness of information included in the reports, which could help address issues we identified during this followup.

Specifically, our review of the executive director's October 2025, November 2025, December 2025, and January 2026 reports to the Board identified complaint-handling inaccuracies or omissions in each report, including:

- Incorrect or missing complaint-received and complaint-closed dates.
- Lack of information on the number of days taken to process/investigate some complaints.
- Incorrect information on the number of days taken to resolve some complaints.
- Lack of information on complaint investigations that had been opened and/or closed since the previous report.

³ Our 2014 performance audit and sunset review of the Board (Arizona Auditor General Report 14-106 *State of Arizona Naturopathic Physicians Medical Board*) also recommended that the Board develop and implement policies and procedures that require its staff to submit reports to the Board at defined intervals regarding the status of open complaints and the timeliness of closed complaints.

These inaccuracies and omissions likely resulted from the lack of a documented process for developing and presenting these reports, and as a result, the Board may not have the information it would need to fully review the timeliness of complaint handling and take necessary action to address delays. This concludes our followup work on this recommendation, but we will assess the Board's implementation of its executive director policy and procedures during its next sunset review, which is due on October 1, 2028, if the Joint Legislative Audit Committee assigns our Office to conduct the review.

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: **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 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.⁴

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.

⁴ Although we identified 4 complaints that exceeded the 180-day time frame in our 30-month followup, hiring a contract investigator may not have impacted the timeliness of resolving those complaints because of the reasons for delays. For example, 2 complaints were referred to the Office of Administrative Hearings, which extended the resolution time frame for those complaints.

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.**

Following the conclusion of our followup work and while we were finalizing this report in April 2026, the Board's executive director provided a draft fee-review policy and procedures for our review. The Board reviewed and approved this policy and procedures at its May 2026 Board meeting. The policy and procedures require the Board to annually perform a comprehensive fee review consisting of a full review of the Board's direct and indirect costs, a comparison of existing fees against these costs, and recommendations for potential fee changes. The Board reported not previously developing a policy and procedures and not performing a cost analysis to assess the appropriateness of its fees because it was awaiting the implementation of new e-licensing software, which may impact the operating costs of its regulatory processes. However, the Board previously implemented new e-licensing software in May 2025 but did not develop fee-review policies and procedures or conduct a cost and fee analysis after doing so. The Board reported it did not do so because it identified problems with the software that required replacing it. The Board reported it expects new e-licensing software to be implemented in July 2026.

Although the Board has now developed a fee review policy and procedures nearly 4 years after we made this recommendation, it was not precluded from doing so and conducting a cost and fee analysis much sooner. Periodically conducting such a review and analysis should let the Board consider its operating costs at the time of the analysis and ensure the appropriateness of its fees given those costs, which may change over time and again be reviewed when it conducts another periodic cost and fee analysis. By not doing so, the Board cannot ensure it is collecting appropriate revenues relative to its operating costs and may be collecting more fee revenue than necessary and risks increasing its fund balance beyond what is needed to cover its operating costs. According to the Joint Legislative Budget Committee's FY 2027 Baseline Book, the Board's fiscal year 2026 year-end fund balance is estimated to be \$929,000, representing a potential increase of \$166,500 from its fiscal year 2025 ending fund balance of \$762,500. This concludes our followup work on this recommendation, but we will assess the Board's implementation of its fee review policy and procedures during its next sunset review, which is due October 1, 2028, if the Joint Legislative Audit Committee assigns our Office to conduct the review.

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, storing, 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.

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—1 order was posted on the Board's website 40 days after the order was issued.

The Board reported that it will use its new e-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 2025.⁵

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

▶ Status: **Implemented at 42 months.**

Our January 2026 review of the Board's website found all 51 posted disciplinary and nondisciplinary actions had not exceeded the 5-year statutory requirement for removal.

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: **Not implemented.**

Our review of a sample of 4 of 29 complaints the Board either received or opened and then closed between September 2024 and January 2026 found that the Board complied with its complaint-outcome-notification requirements for all 4 complaints but did not comply with its complaint-opening and Board meeting notification requirements for all 4 complaints. These 4 complaints included 1 anonymously filed complaint and 1 licensee-self-reported complaint, and the Board provided outcome notifications to the 2 named complainants and all 4 respondents, and notices of opening a complaint to all 4 respondents.

However, the Board did not provide:

- Notices of opening a complaint investigation to 1 named complainant and did not provide notice to 1 named complainant within 5 days of complaint receipt, contrary to Board policy. This notice was sent 8 days after complaint receipt.
- Notices of all applicable Board meetings to 1 of 2 complainants, contrary to Board policy.

⁵ The Board received its e-licensing software in May 2025 and reported it automatically posts disciplinary and nondisciplinary actions/orders to its website.

- Notification of all applicable Board meetings at least 10 business days prior to the meeting to 1 of 4 respondents, as required by statute.⁶

Although the Board has established notification policies and procedures, it continues to not fully comply with its policies and procedures and reported this noncompliance with its policies as an oversight. However, the Board's continued failure to provide the required complaint notifications may result in both complainants and respondents not being aware of the complaint's investigation and adjudication status and progress. Because of the Board's lack of progress in implementing this recommendation, this report concludes our followup work on this recommendation.

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.

⁶ A.R.S. §32-3206(A).