ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

August 20, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Executive Director Bohall
Arizona Board of Osteopathic Examiners in Medicine and Surgery

We have issued an 18-month followup report regarding the implementation statuses of the recommendations from the September 2024 *Performance Audit and Sunset Review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery* report (see report 24-112) conducted by the independent firm Walker and Armstrong, 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 13 recommendations to the Arizona Board of Osteopathic Examiners in Medicine and Surgery (Board). My Office contracted with Walker and Armstrong, LLP to conduct an 18-month followup with the Board and as of this 18-month followup report, 7 recommendations have been implemented, 2 recommendations are in process, 1 recommendation is not yet applicable, and 3 recommendations have not been implemented.

During its work to assess the Board's efforts to implement the recommendations from the September 2024 performance audit and sunset review, Walker & Armstrong, LLP identified additional deficiencies with the Board's complaint handling process that may be impacting its ability to investigate and resolve complaints within 180 days. Therefore, Walker & Armstrong, LLP made an additional recommendation to the Board that it assess why complaints are not being resolved within 180 days and address the causes it identifies in its assessment.

My Office has contracted with Walker and Armstrong, LLP to follow up with the Board again at 30 months to assess its progress in implementing the 7 outstanding recommendations.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Walker & Armstrong
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Arizona Board of Osteopathic Examiners in Medicine and Surgery

18-Month Follow-Up of Sunset Review Report 24-112

The September 2024 Arizona Board of Osteopathic Examiners in Medicine and Surgery (Board) performance audit and sunset review found that the Board timely issued initial and renewal licenses, but did not timely resolve complaints, consistently suspend licenses for violations involving imminent public health, safety, or welfare concerns, or verify some applicants met all initial license and permit requirements, potentially affecting patient safety. We made **13** recommendations to the Board. Our August 2025 Initial Follow-Up Report found the Board had implemented 5 of these recommendations at 6 months.

Board's status in implementing 13 recommendations

Implementation status	Number of recommendations
✓ Implemented	7 recommendations
↻ In process	2 recommendations
📅 Not yet applicable	1 recommendations
⊘ Not implemented	3 recommendations

During our work to assess the Board's efforts to implement the recommendations from our September 2024 performance audit and sunset review, we identified additional deficiencies with the Board's complaint-handling process that may be impacting its ability to investigate and resolve complaints within 180 days. Therefore, we made an additional recommendation to the Board that it assess why complaints are not being resolved within 180 days and address the causes it identifies in its assessment. We will conduct another follow-up with the Board at 30-months on the status of the 6 recommendations from the September 2024 performance audit and sunset review that have not yet been implemented and the additional recommendation we made during this 18-month follow-up.

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: Not implemented

During our 6-month follow-up in March 2025, we found that the Board had not resolved 53% of complaints it closed between October 2024 and February 2025 within 180 days, and the Board was in the process of hiring additional investigative staff to help decrease its complaints backlog and it expected to fully implement this recommendation by the end of December 2025. However, as of March 2026, our review of all 127 complaints the Board closed between March 2025 and February 2026, found that the Board took more than 180 days to resolve 81 complaints, or 64%. This represented an increase in cases taking longer than 180 days from our 6-month follow-up.

Our March 2026 review of the Board's processes identified several issues that may have contributed to delays in resolving complaints, including:

- Although the Board worked with its database vendor to develop reports showing the progress and status of complaint investigations, the Board did not use reports that included all complaints the Board received, limiting the Board's ability to identify delays, prioritize work, and make decisions that could improve the timeliness of complaint resolution. However, during our March 2026 review, the Board demonstrated that it could generate reports containing the information needed to monitor complaints that were not captured in the reports the Board was using.

- The Board has not established time frames for key steps or a process to track and monitor those steps in the complaint-handling process. For example, the Board's policies and procedures lacked time frames for completing key steps in a complaint investigation, including how long it should take to send initial requests to licensees for a response to a complaint, issue subpoenas, allow licensees to respond to complaint allegations or outside medical consultants to accept cases for review, and complete investigative reports. Additionally, although the Board's staff reviewed whether complaints were resolved within 180 days, they did not track or monitor whether staff completed key steps of the complaint investigation in a timely manner. Without tracking these interim steps, the Board may be unable to identify where delays are occurring, process inefficiencies that exist, or determine what changes are needed to help ensure complaints are resolved timely and hold staff accountable for completing key steps timely.

- Further, our review of templates used to provide information to Board members during Board meetings, as well as the Board's digital recordings for its January and March 2026 meetings, found that the Board was not consistently provided the information needed to oversee the timeliness of outstanding complaint investigations. Although the Board receives information on the number of open and closed complaints, it lacks key details such as how long complaints have been open, the reasons for delays, or the steps staff plan to take to resolve and prevent similar delays in the future. Although the Board is not required to review this information, it would be better positioned to understand the scope and causes of delays and make more informed decisions for setting policies and evaluating performance.

- Although the Board received an appropriation to fund and hired 1 additional staff member to help work through its complaint backlog, the Board's executive director reported that there were no systemic delays in the complaint-handling process, rather the Board continued to need additional staffing, but was unable to provide documentation supporting that delays were caused due to a staffing shortages and not process delays. However, our inquiries with the Board's executive director found that the Board did not conduct an employee workload analysis to determine whether additional staffing was necessary. Instead, the executive director assessed staffing needs based on the average complaints closed in the previous year per employee without considering whether those levels were appropriate or reasonable.

Based on the issues we identified in the Board's complaint-handling process above, we are making an additional recommendation for the Board:

- Assess why complaints are not being resolved within 180 days and address the causes it identifies in its assessment.

  Potential areas the Board could consider are:

  - Whether the Board needs to establish time frames for completing key steps in a complaint investigation, such as how long it should take to send initial requests to licensees for a response to a complaint, issue subpoenas, time the Board may grant licensees to respond to complaint allegations or outside medical consultants to accept cases for review, and issue dismissal and closure.

  - Whether the Board appropriately tracks and monitors complaint handling, including whether staff should review additional reports to ensure all complaints are reviewed and whether the Board should track completion of key complaint-handling steps to identify and address reasons for delays.

  - Whether the Board provides sufficient oversight of complaint handling and whether additional oversight measures are necessary to help ensure complaints are resolved timely such as requiring staff to regularly report to the Board on the current complaint backlog, the range of time complaints have remained open, the reasons for any delays, and the steps planned to resolve existing delays and prevent similar delays in future complaints.

  - Whether the Board has adequately evaluated its staff's workload and productivity levels, including both quantitative and qualitative factors, such as complaint resolution timeliness, workload volume, case complexity, and quality standards.

2. The Board should use its statutory authority such as issuing subpoenas to third parties.

Status: Implemented at 6 months

The Board has implemented a process to issue subpoenas to third parties at the same time as issuing subpoenas to licensees under investigation. Our review of all 3 complaints with allegations related to the licensee's fitness to practice and quality of care that the Board closed between October 2024 and February 2025 found that the Board issued subpoenas to third parties consistent with its statutory authority and newly implemented process.

3. The Board should request the Superior Court of Arizona enforce subpoenas when licensees and/or third parties miss deadlines for providing information.

   Status: Implementation in process

   As of March 2025, the Board developed a policy outlining procedures for determining when to request that the Superior Court of Arizona enforce subpoenas if licensees or third parties fail to meet deadlines for providing requested information. Under this policy, Board staff are required to make a second request to the licensee or third party 30 days after the initial request if they have not yet complied with the request. If the licensee or third party does not comply with the second request within 30 days, the policy requires the Board's Executive Director or Deputy Director to work with the Board's Assistant Attorney General to seek enforcement of the subpoena through the Superior Court of Arizona.

   The Board's policy took effect on March 19, 2025. At that time, Board staff reported that they contacted all licensees who had not provided the subpoenaed information and gave them a final opportunity to submit it before the Board would ask the Superior Court of Arizona to enforce the subpoena, consistent with its new policy. Staff reported that this communication was effective in obtaining the requested information and that the Board did not need to seek court enforcement of any subpoenas. However, because the communication was verbal, we were unable to review documentation to verify the Board's outreach or the licensees' subsequent compliance. Additionally, since the Board reported that it had not requested Superior Court enforcement of any subpoenas, we were unable to confirm whether the Board's policy was fully implemented.

4. The Board should continue to develop a list of outside medical consultants with varying specialties to more timely resolve complaints requiring these services.

   Status: Implemented at 6 months

   As of October 2024, the Board revised its license renewal application form to include a question asking licensees if they would be interested in serving as an outside medical consultant. The update to the Board's license renewal form generated a list of over 300 physicians expressing willingness to assist the Board in this capacity. As a result, between October 2024 and March 2025, the Board added 49 outside medical consultants with varying specialties to its list of individuals who are available to review complaint documentation to assess whether licensees potentially violated the standard of care.

5. The Board should, after opening a complaint, determine whether an outside medical consultant may be needed, based on the allegations of a complaint, and begin searching for a suitable consultant, if the Board does not already have a consultant available on its list.

   Status: Implemented at 6 months

   As of October 2024, the Board developed and implemented written policies and procedures to review the allegations after opening a complaint to determine if the Board's list of available outside medical consultants includes a suitable individual who could assist with reviewing the complaint. If the Board determines that it does not have an outside medical consultant with the necessary qualifications or specialization to review the complaint, it will begin searching for a suitable consultant.

Our review of a random sample of 3 of 22 complaints the Board closed between October 2024 and February 2025 that required an outside medical consultant, found that the Board assigned the 3 complaints to an outside medical consultant within 4, 15, and 21 days, respectively, of receiving responses and documentation for its complaint investigations. This represents an improvement from the Board's September 2024 performance audit and sunset review where we found that the Board did not begin determining the need for an outside medical consultant until after it received all information requested for the investigation, resulting in it taking more than 2 months after receiving this information to identify an outside medical consultant for 1 complaint we reviewed.

6. The Board should ensure its database system can produce reports on the progress/status of open complaints.

Status: Implemented at 6 months

Our review of reports generated from the Board's complaint database in March 2025 found that the Board was able to produce reports that contained information to identify complaints that were still open and the status of the complaints, such as whether they were awaiting requested records or were being investigated. This represents an improvement from our finding in the Board's performance audit and sunset review in which we found that the Board reported delays because its database system conversion made it difficult for Board staff to track complaint progress/status because staff were unable to produce reports. Board staff indicated that these reports have been used to track and monitor open complaints and address delays in the Board's complaint-handling process.

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

7. The Board should develop and implement policies and procedures for permit applications received through medical schools to review reports from the National Practitioner Data Bank, American Osteopathic Association, and Federation of State Medical Boards to verify that permit applicants have not engaged in unprofessional conduct.

Status: Implemented at 18 months

As of March 2025, the Board developed a policy to require Board staff to review reports from the National Practitioner Database, American Osteopathic Association, and Federation of State Medical Boards to verify that permit applicants have not engaged in unprofessional conduct. The Board reported that it implemented procedures for its staff to generate the reports and include them in permit applicants' profiles in the Board's database beginning in April 2025.

Our March 2026 review of 3 of 250 randomly selected permit applications the Board approved between April 1, 2025 and February 17, 2026, found that the Board's staff obtained reports from the National Practitioner Data Bank, American Osteopathic Association, and Federation of State Medical Boards to verify that permit applicants have not engaged in unprofessional conduct.

8. The Board should use its statutory authority consistently to temporarily suspend a license timely and when necessary to protect the public.

Status: Not implemented

As of March 2025, the Board developed a policy and related procedures for identifying instances where public safety is at risk due to sexual misconduct allegations, but was still developing additional criteria to be able to more easily identify other allegations—beyond those related to sexual misconduct—that pose a risk to public safety such as severe standard of care violations. During our 6-month follow-up, Board staff reported that they were working to include additional functionality in the Board's complaint database that would allow its staff to more readily assess the factors that led the Board to take previous actions against licensees, including temporarily suspending licenses. Although the Board reported that it intended to fully implement these policies and procedures and database functionality by December 2025, it had not made progress to accomplish this as of March 2026.

During our March 2026 review, Board staff indicated that the Board had not developed additional criteria, beyond sexual misconduct allegations, to identify allegations that pose a risk to public safety and may warrant timely license suspension to protect the public. However, by not establishing a process to identify allegations that may pose a risk to public safety, the Board may continue to allow physicians who present a potential risk to the public to practice without restriction. For example, we reviewed 1 licensee who had 5 complaints filed between April 2025 and February 2026 that included allegations from other licensed physicians and members of the public that the licensee practiced as an uncertified anesthesiologist; administered anesthesia and placed pillows over patients' faces when patients showed signs of distress under anesthesia; failed to timely release records to specialists; made serious errors during procedures, including damaging major blood vessels and failing to address the resulting damage; performed unnecessary procedures; and falsified patient symptoms in patients' official health records. Despite receiving multiple egregious allegations, the Board allowed the licensee to continue practicing without restriction for more than 336 days. Board staff reported that the Board had not summarily suspended the licensee because it had not established criteria for identifying complaints that pose a risk to the public, except for complaints involving allegations of sexual misconduct. In addition, our inquiries with Board staff and review of database reports found that the Board had not added database functionality to assess the factors that led to Board actions, such as temporary license suspensions. Board staff reported that they were continuing to assess which allegations pose a risk to public safety and to explore database options for evaluating factors that led to Board actions, but they could not provide details about the procedures the Board would implement to help ensure it uses its statutory authority consistently to suspend licenses in a timely manner or an expected implementation date.

9. The Board should work with its Assistant Attorney General to determine whether conducting continuing education audits of license renewal applicants requires a change to its rules or statute, and as applicable, resume conducting continuing education audits, revise and implement its rules to include a continuing education audit process, or work with the Legislature to revise Board statutes to require the Board to conduct continuing education audits and implement the statutory revisions.

Status: Implementation in process

As of March 2025, the Board determined that it has the statutory authority to conduct continuing medical education (CME) audits, but that updates to the Board's rules would be necessary to formalize the audit process. As a result, the Board initiated the rulemaking process in July 2025 and Board staff expect to have the rulemaking finalized by December 2026.

Our March 2025 review of the Board's draft rules found that they outline the CME audit process and key procedural elements for auditing licensees' CME, including notifying licensees of an audit and the time frame in which licensees must provide required documentation. In March 2026, the Board's executive director reported that they were evaluating the appropriate percentage of audits to be performed, but anticipate randomly auditing 10% of its renewal applications each year, which would result in audits of approximately 20% of the Board's licensees, since the Board operates on a biennial renewal cycle. The Board's executive director reported that the Board will be developing policies and procedures for the auditing process once the Board has finalized its rulemaking.

10. The Board should conduct continuing education audits if the Board changes its rules or the Legislature passes legislation requiring the Board to do so.

Status: Not yet applicable

The Board reported it will begin conducting continuing education audits once it has finalized its rulemaking explained in recommendation 9.

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.

11. The Board should comply with State open meeting law by posting its meeting agenda in a public place at least 24 hours in advance of the meeting and an audio recording of the minutes within 5 working days.

Status: Implemented at 18 months

Our review of the meeting agenda and audio recording for the Board's March 15, 2025, and March 27, 2026, meetings found that the Board complied with the statutory requirements for posting the meeting agenda and audio recording.

12. The Board should publish required information on its website, including 5 years of licensee disciplinary histories, such as final nondisciplinary and disciplinary actions.

Status: Not implemented

Board staff reported that as of October 2024, the Board had implemented a process for publishing nondisciplinary and disciplinary actions on its website for 5 years as statutorily required. Our review of Board minutes and the Board's website for all nondisciplinary and disciplinary actions the Board took between March 24, 2021 and March 24, 2026, found that the Board generally posted these actions as statutorily required.

However, we identified 2 instances in which Board actions were not published in accordance with statute. Specifically, we found that:

In one instance the Board issued a nondisciplinary action requiring continuing medical education in August 2020, that was required to remain on its website for 5 years and should have been removed in August 2025. However, our May 2026 review—nearly 8 months after the action should have been

removed—found that it remained on the Board's website. Our review of the Board's process found that the Board lacked a formal process to ensure timely removal of Board actions as required by statute. Instead, Board staff informally reviewed posted actions and removed them when they identify that 5 years has passed. Although the Board's database automatically posts Board actions to the licensees' profiles, Board staff reported opting to also manually post Board actions, so the actions are located on both the Board actions page and the licensee's profile page of their website.[1] Posting Board actions in more than one location may provide added transparency, but automating posting and removal of Board actions would improve efficiency and compliance with State law, and allow staff to focus on other priorities, such as resolving complaints.

In another instance, the Board issued disciplinary action in May 2025, but our March 2026 review of the Board's website found that the action was not publicly available. Board staff reported that the action was removed from the website because it was under appeal and staff had received legal advice to do so. However, at the time of our inquiry, the Board had not yet received an official action from the Arizona Superior Court requiring it to remove the action from its website. As a result, the action likely should have remained publicly available until the Board was legally required to remove it.

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

13. 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 annual conflict-of-interest training for all staff and Board members. Additionally, as of March 2025, our review of Board meeting minutes, training materials, and training attendance attestations found that the Board provided its conflict-of-interest training to all staff and Board members.

[1] Arizona Revised Statutes §32-3214 requires health profession regulatory boards to make all disciplinary actions available on its website for not more than 5 years, but does not require boards to post actions in more than one section of their websites.