

LBA Performance Audit Report Summary:

Board of Medicine Performance Audit Report – April 2008

This audit addresses how efficiently and effectively the Board of Medicine administered its operations and regulatory responsibilities. The audit period encompasses State fiscal years (SFY) 2002 through 2006.

The Legislature created the Board to ensure physicians possessed the training and skills necessary to practice safe and effective medicine. The Board regulates allopathic (Doctor of Medicine or MD) and osteopathic (Doctor of Osteopathy or DO) physicians and physician assistants (PA). The Board's major functions include licensing qualified applicants, denying licenses to unqualified applicants, monitoring licensee competency, investigating complaints against licensees, imposing disciplinary sanctions against licensees not meeting established standards, and assessing and collecting civil penalties against persons engaged in the unauthorized practice of medicine. In SFY 2006, the first year the Board implemented biennial physician license renewal, the Board reported reinstating 14 licenses and issuing 2,339 physician license renewals, 371 new physician licenses, 250 temporary physician licenses, and 139 training licenses. Three hundred thirty-one physician assistants were licensed in SFY 2006.

Results In Brief

Fourteen of the 34 observations we issued (41 percent), identify inadequate or questionable compliance with statutory requirements, including requirements to file statements of financial interests, term limits and residency requirements for members, and quorum requirements. We found weak or nonexistent management controls in many of the Board's regulatory and administrative operations and the relationship between the Board, the Medical Review Subcommittee, and the Department of Justice is not defined in writing. We found inadequacies in Board organizational rules and rules of practice, rules were inconsistently followed, were expired for part of the audit period, and the Board conducted informal rule making.

We found inconsistencies in license processing and no provisions for issuing administrative licenses to physicians not providing patient care. The Board did not always adhere to statute and rules in licensing and relicensing physicians. Statute allows the physician continuing medical education program to be administered by a third party with no Board oversight. Unless the Board obtains information from other sources of disciplinary information, relying on biennial physician renewal may result in the Board not receiving potentially negative information about licensees for two years. Our analysis of Board files and data demonstrated 21 percent of cases during the audit period were not investigated and no final action was taken. The time taken for final Board action on investigated complaints increased during the audit period and the number of cases lasting 180 days or more also increased. The Board has not established time standards for case processing. Sanctions are meted out based on institutional memory, not on written guidelines or data. The Board issued confidential systems letters to administrators of healthcare facilities in the

State without statutory authority; effectively extending the scope of the Board's responsibilities into an area regulated by another agency.

The Board's business operations are compromised by inefficiencies and problematic practices. Cash and checks were not deposited daily as required by statute. Revenues in excess of the statutory limit of 125 percent of its program costs during the audit period amounted to \$854,000, while nearly \$53,000 was collected for publications without a fee structure adopted in administrative rule. The Board procured over \$73,100 in expert medical review services, other personal services, and technology services during the audit period using procurement practices inconsistent with State policy and procedure. The Physician Health Program was expanded without concurrent expansion of statutory fees to support the program. The Board exercised inadequate oversight of the Physician Effectiveness Program Fund, did not generate a required biennial Fund report, and did not implement policies and procedures to ensure proper Fund deposits. In total, the Fund was under-funded by \$183,000 during the audit period. A comprehensive information management program is lacking, information technology controls are inadequate, and databases do not provide the Board needed management information. Information security is inadequate and the Board has not prepared a business continuity and contingency plan to minimize disruption of essential operations.