

ARIZONA

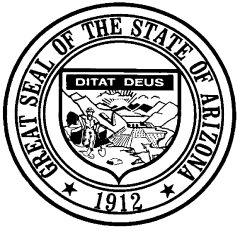
OSTEOPATHIC BOARD

Arizona Board of Osteopathic Examiners In Medicine and Surgery

Fiscal Year 2027

Budget Request





Governor
Katie Hobbs

**ARIZONA BOARD OF OSTEOPATHIC EXAMINERS
IN MEDICINE AND SURGERY**

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Executive Director
Justin Bohall

Tuesday, September 2, 2025

The Honorable Katie Hobbs
Office of the Governor
1700 W. Washington – 9th Floor
Phoenix, AZ 85007

Re: Budget Proposal Fiscal Year 2027

Dear Governor Hobbs,

On behalf of the Arizona Board of Osteopathic Examiners in Medicine and Surgery, I am pleased to present the enclosed budget plan for Fiscal Year 2027.

The Board remains committed to the Arizona Management System's LEAN principles, striving to protect public health and remove barriers for osteopathic physicians who choose to live and work in Arizona. Our dedication to these principles is more critical than ever as the osteopathic profession continues to grow rapidly in Arizona. Since 2000, our licensee base has increased by 300%, from 1,500 to over 5,500 in July 2025 and nearly 1,000 postgraduate training permittees. Application numbers continue to rise by about 20% annually, a trend further bolstered by our participation in the Interstate Medical Licensure Compact. With two additional states (North Carolina, and Arkansas) on-boarding, we anticipate a significant increase in compact applications, further emphasizing the need for enhanced resources.

This fiscal year, we seek your approval to use \$466,500 from the Osteopathic Examiners Board Fund (OS2048) which has no impact on the General Fund or General Fund Revenue to support critical initiatives, including:

- **Increased Staffing:** To manage the growing volume of applications, complaints, and to ensure timely licensure and complaint resolution as noted in our 2024 Sunset Audit Report, we are requesting funds to hire additional licensing and investigative staff.
- **Increases to Interagency Agreements for Contracted Services:** The Board must maintain interagency service agreements with the Attorney General's Office for legal services, the Department of Administration's Central Services Bureau (CSB) for accounting, and ADOA-ASET for IT support. These agreements are essential to fulfilling the Board's statutory mission of licensing and regulating osteopathic physicians to protect public safety.

We have received support for these funding requests from our stakeholders and licensees including letters of support from the Arizona Osteopathic Medical Association and The Maricopa County Medical Society.

We are proud to provide exceptional service to the citizens of Arizona and look forward to continuing our work as the state's medical profession expands. Your support will enable us to meet the demands of this rapidly growing field without raising licensing fees.

If you have any questions, please do not hesitate to contact me at 602.771.2522 or at Justin.Bohall@azdo.gov.

Kind Regards,


Justin Bohall
Executive Director

Revenue Schedule

Agency: Board of Osteopathic Examiners

Fund: AA1000 General Fund

AFIS Code	Category of Receipt and Description	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
4372	Publications & Reproductions	1.4	1.5	1.7
4417	Regulatory Licenses	231.0	252.7	276.5
4439	Other Permits	43.7	47.8	52.3
4449	Other Fees	208.9	228.5	250.0
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	12.2	13.3	14.6
General Fund Total:		497.2	543.8	595.1

Forecast Methodology

The methodology is a forecast of 10 year averages. The Board notes a 5% increase in General Fund Revenue beginning in September of FY25 in response to HB2910. This increase will continue until the end of FY28 at which time that revenue will return to the 90/10 split. Publications (4372) shows a moderate projection based on historical trends and adjusted growth factors. Regulatory Licenses (4417), Other Permits (4439), Other Fees (4449), and Other Fines (4519) exhibit substantial growth due to the anticipated increase in the licensee base and the addition of several new states (including Florida and North Carolina) to the Interstate Medical Licensure Compact as well as the projected 2026 opening of a new Osteopathic Medical School in Arizona.

Fund: OS2048 Osteopathic Examiners Board Fund

AFIS Code	Category of Receipt and Description	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
4372	Publications & Reproductions	8.4	9.2	10.1
4417	Regulatory Licenses	1,310.0	1,433.1	1,567.8
4439	Other Permits	43.7	47.8	52.3
4449	Other Fees	208.9	228.5	250.0
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	12.2	13.3	14.6
Osteopathic Examiners Board Fund Total:		1,583.2	1,731.9	1,894.8

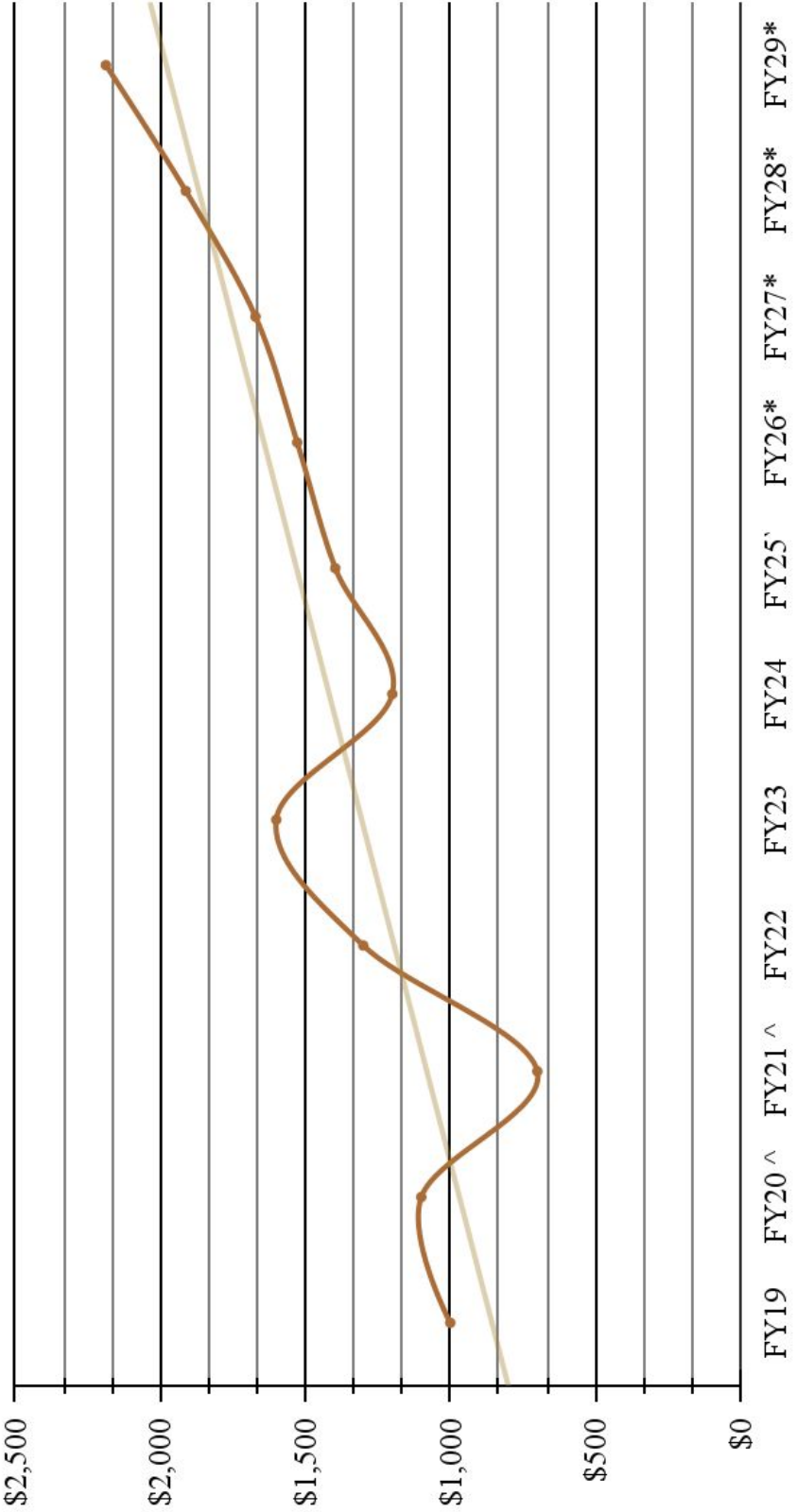
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Revenue Schedule

Agency: Board of Osteopathic Examiners

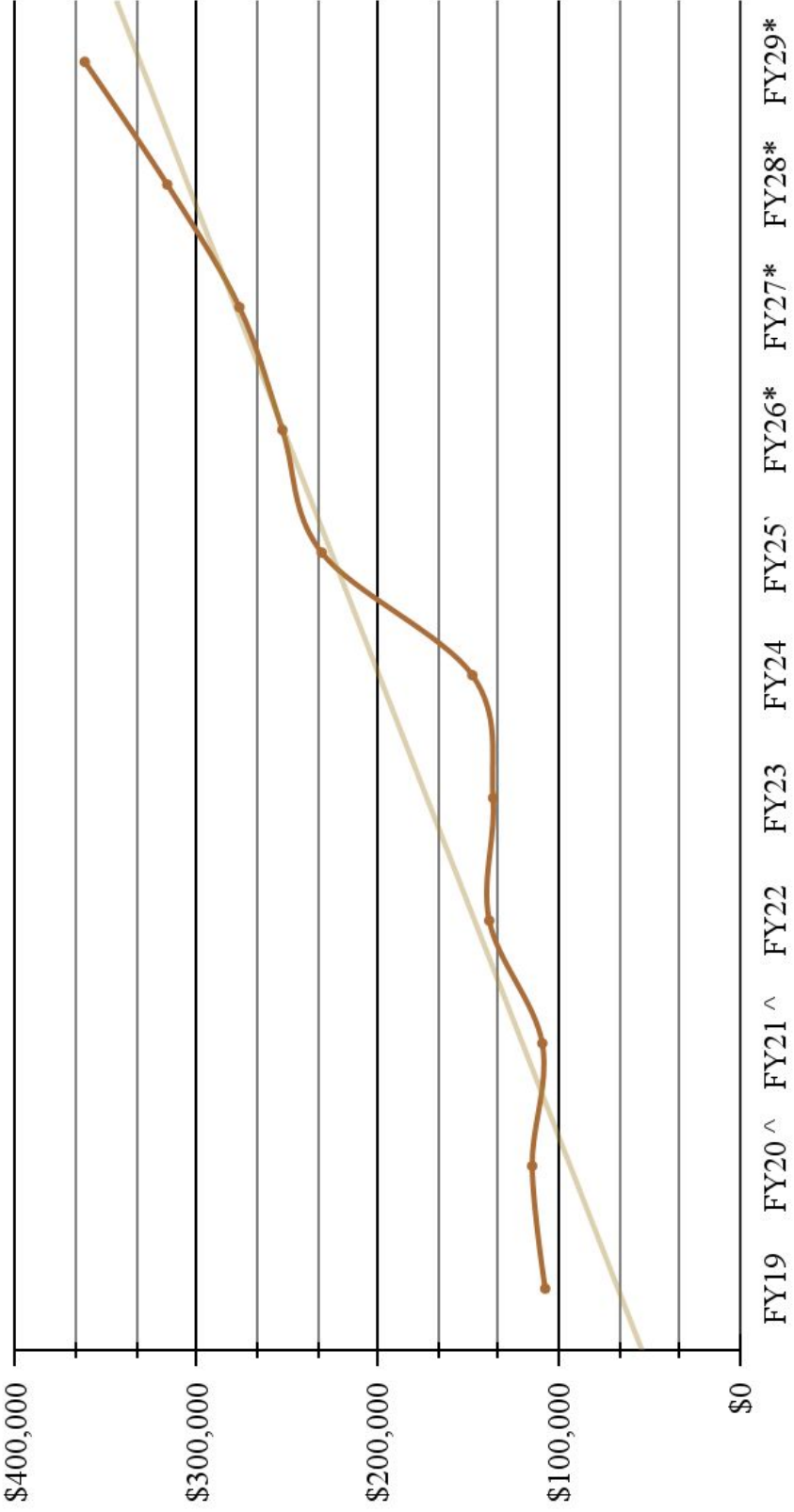
GF Fund 1000 Revenue - 4372 Publications



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

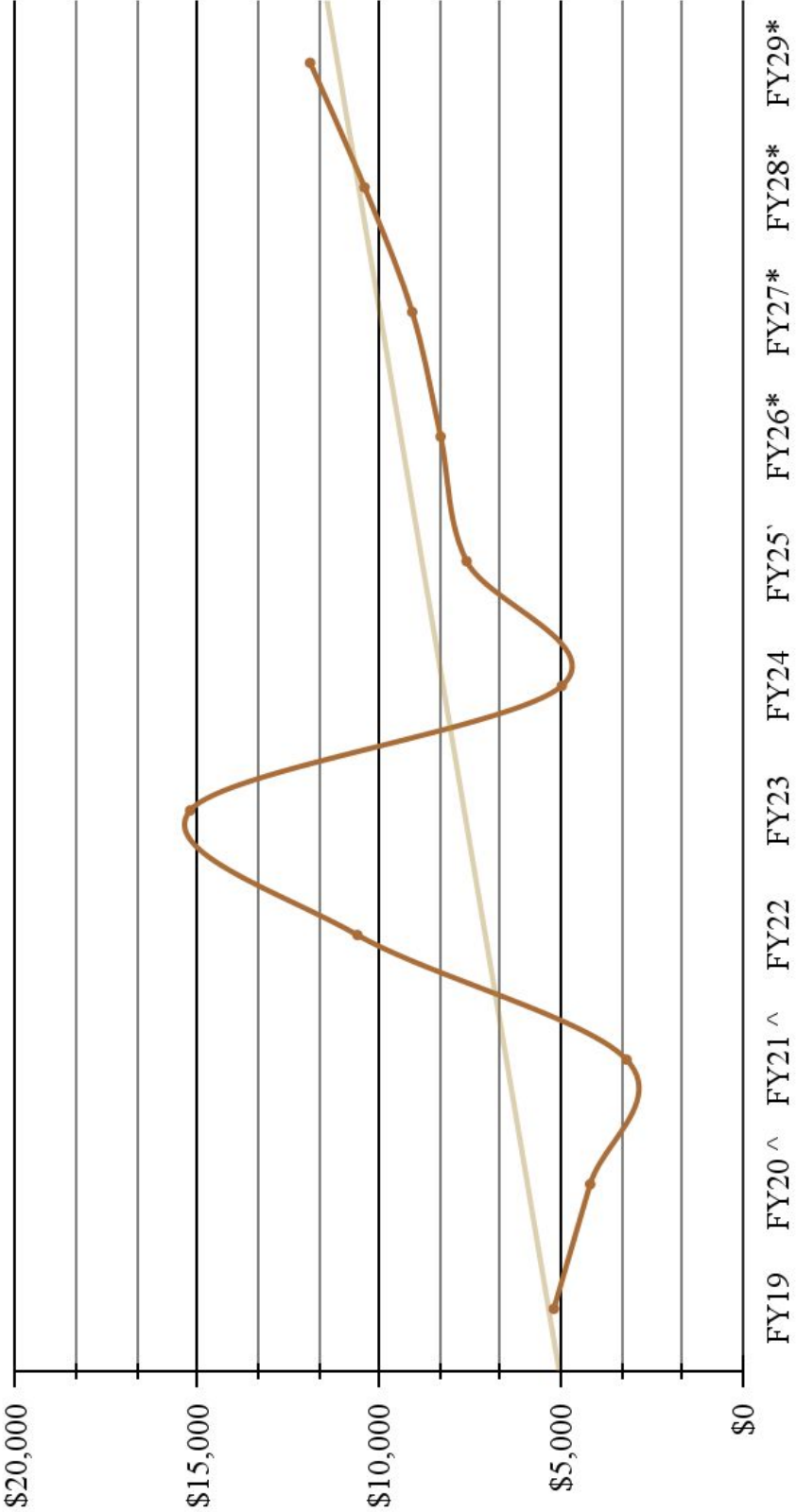
GF Fund 1000 Revenue - 4417 Regulatory Licenses



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

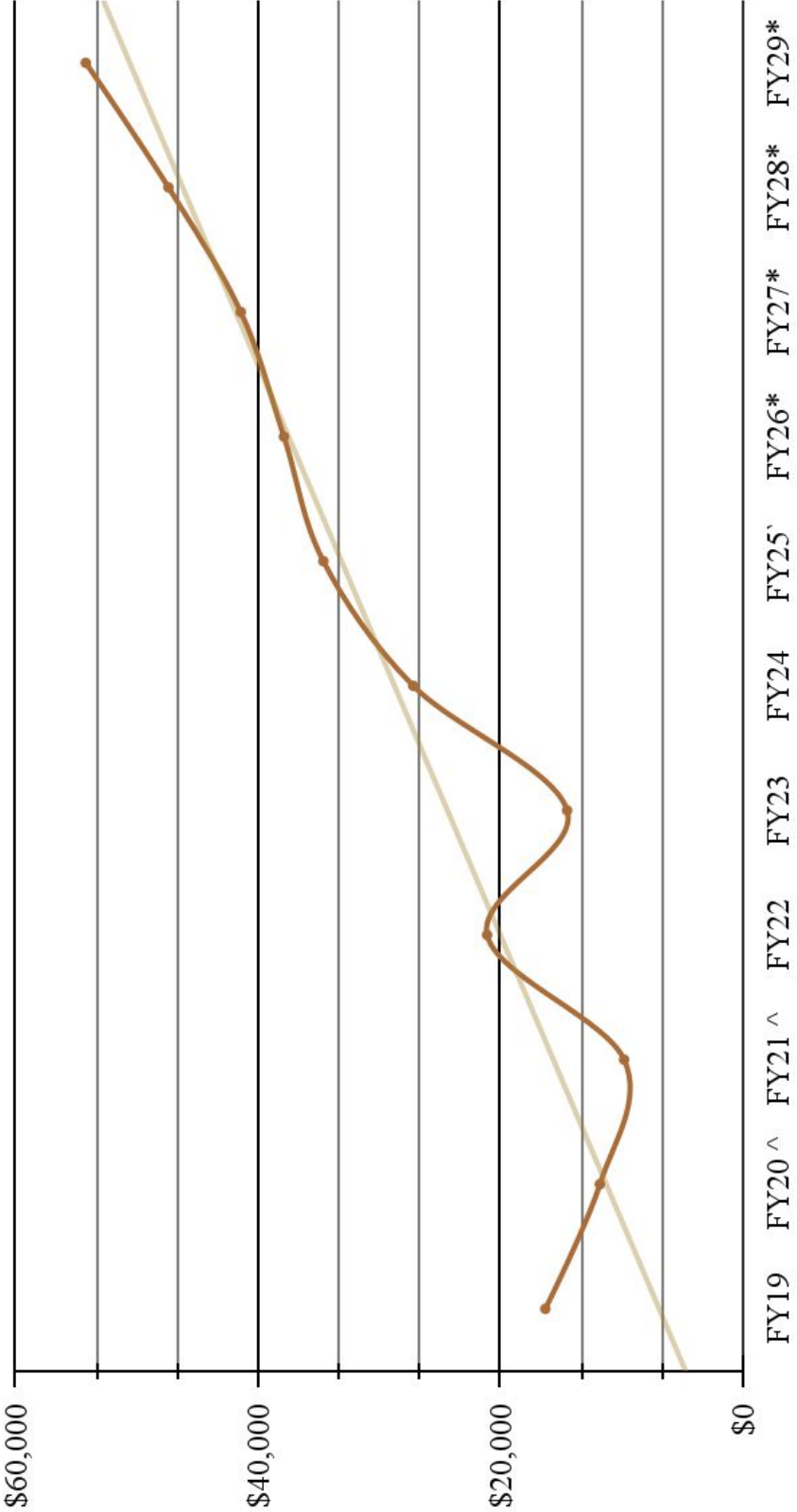
GF Fund 1000 Revenue - 4439 Other Permits



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

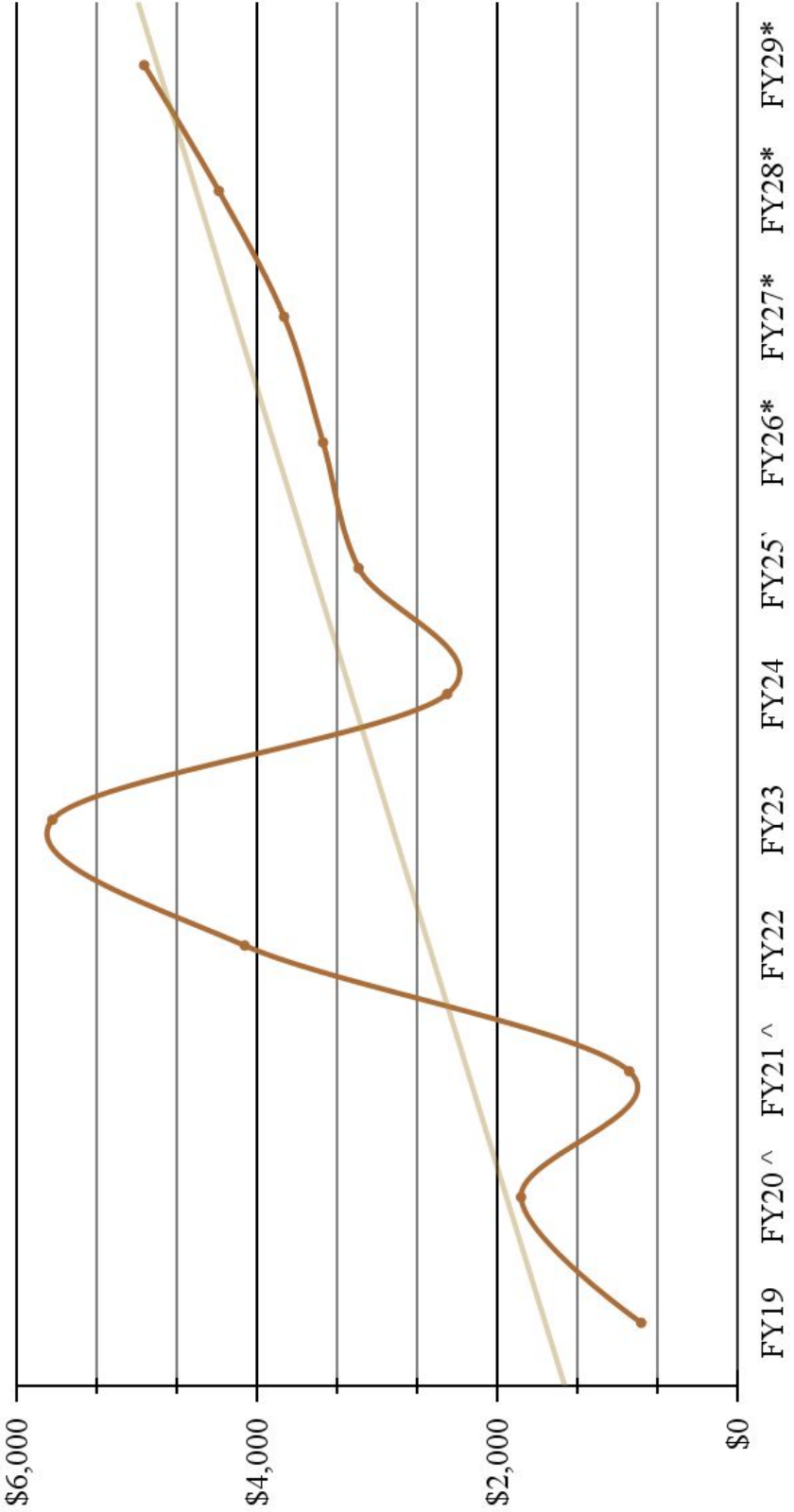
GF Fund 1000 Revenue - 4449 Other Fees



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

GF Fund 1000 Revenue - 4519 Other Fines



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

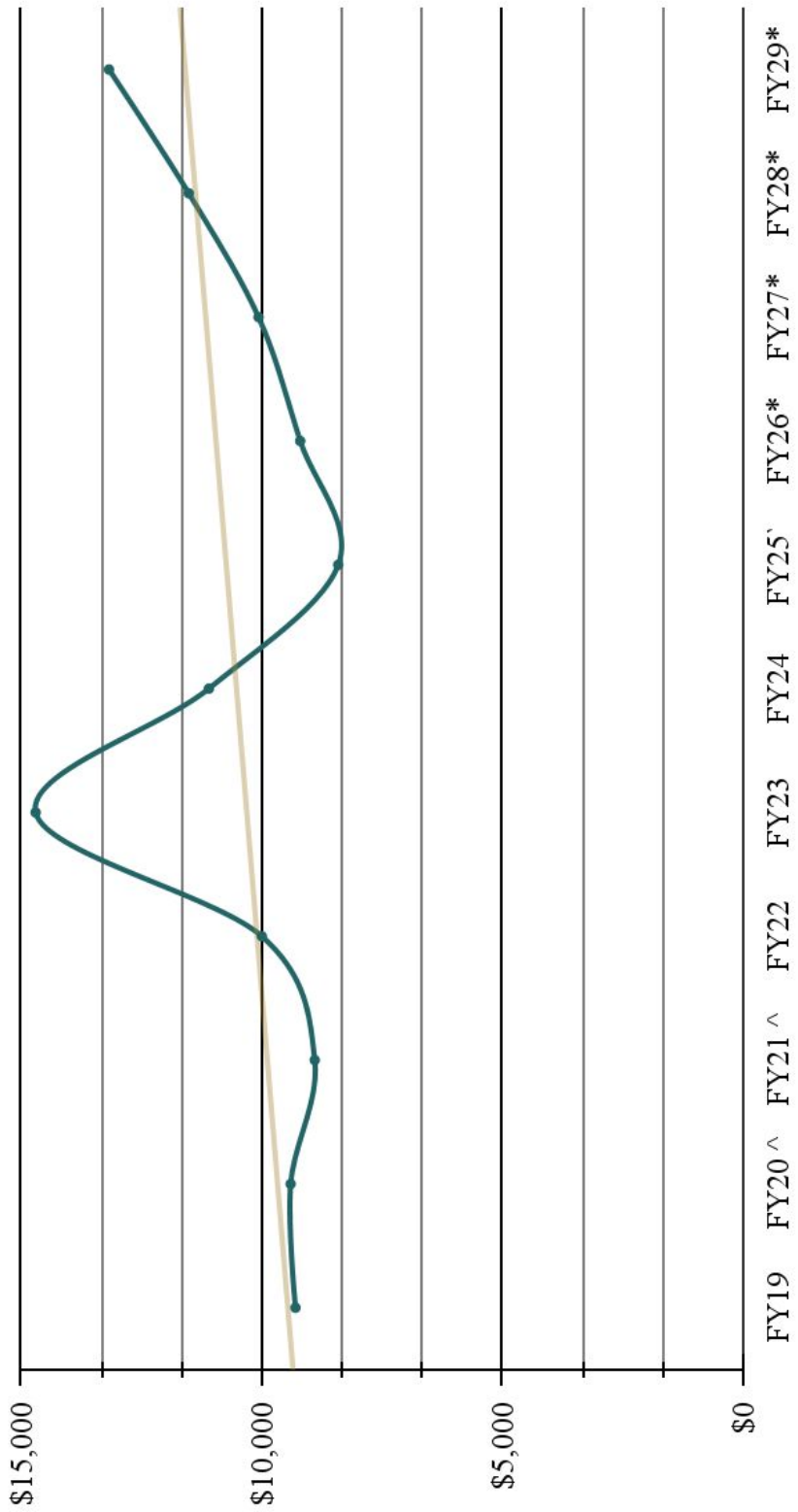
GF Fund 1000 Revenue - Total



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

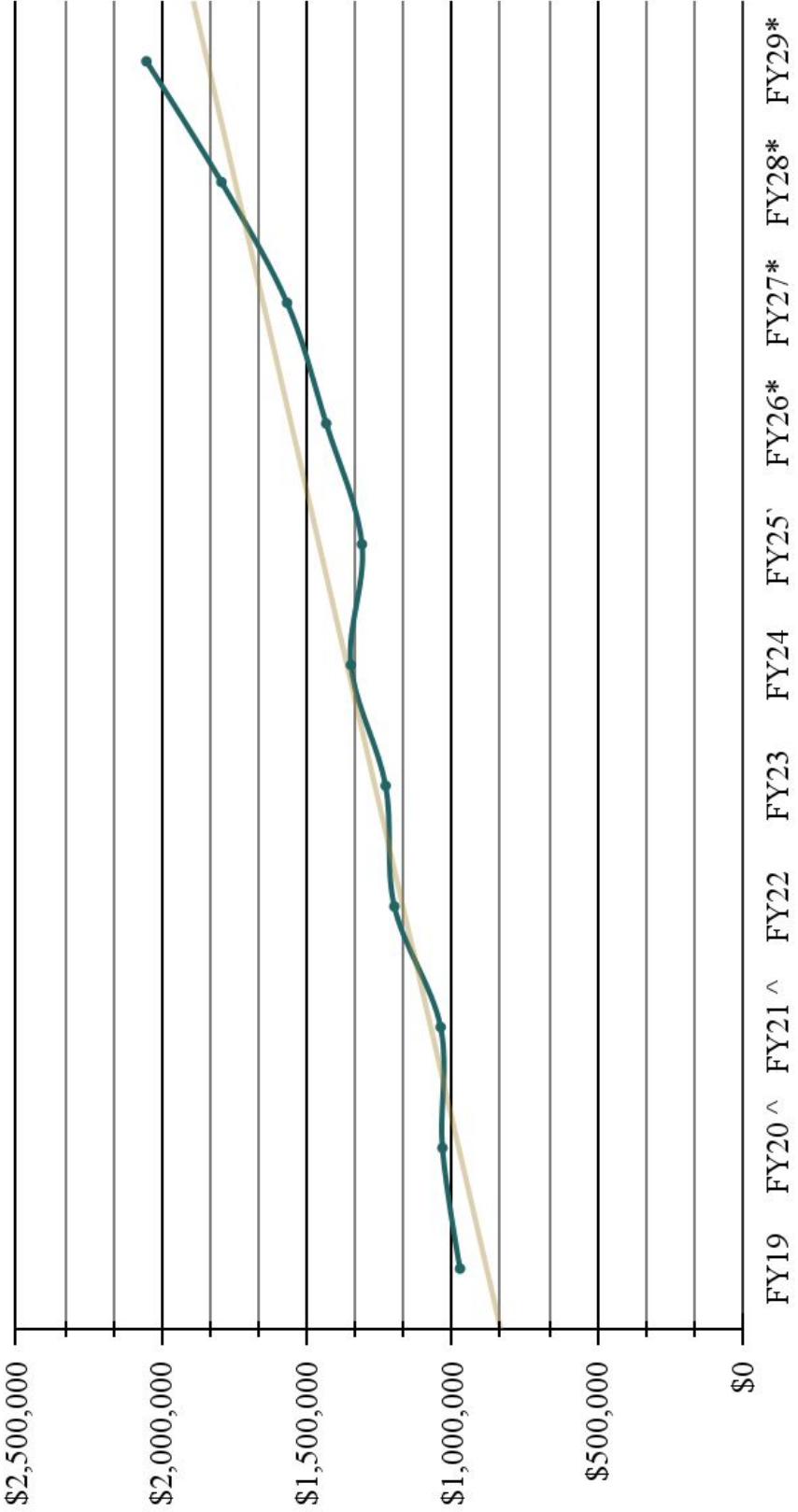
OSA Fund 2048 Revenue - 4372 Publications



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

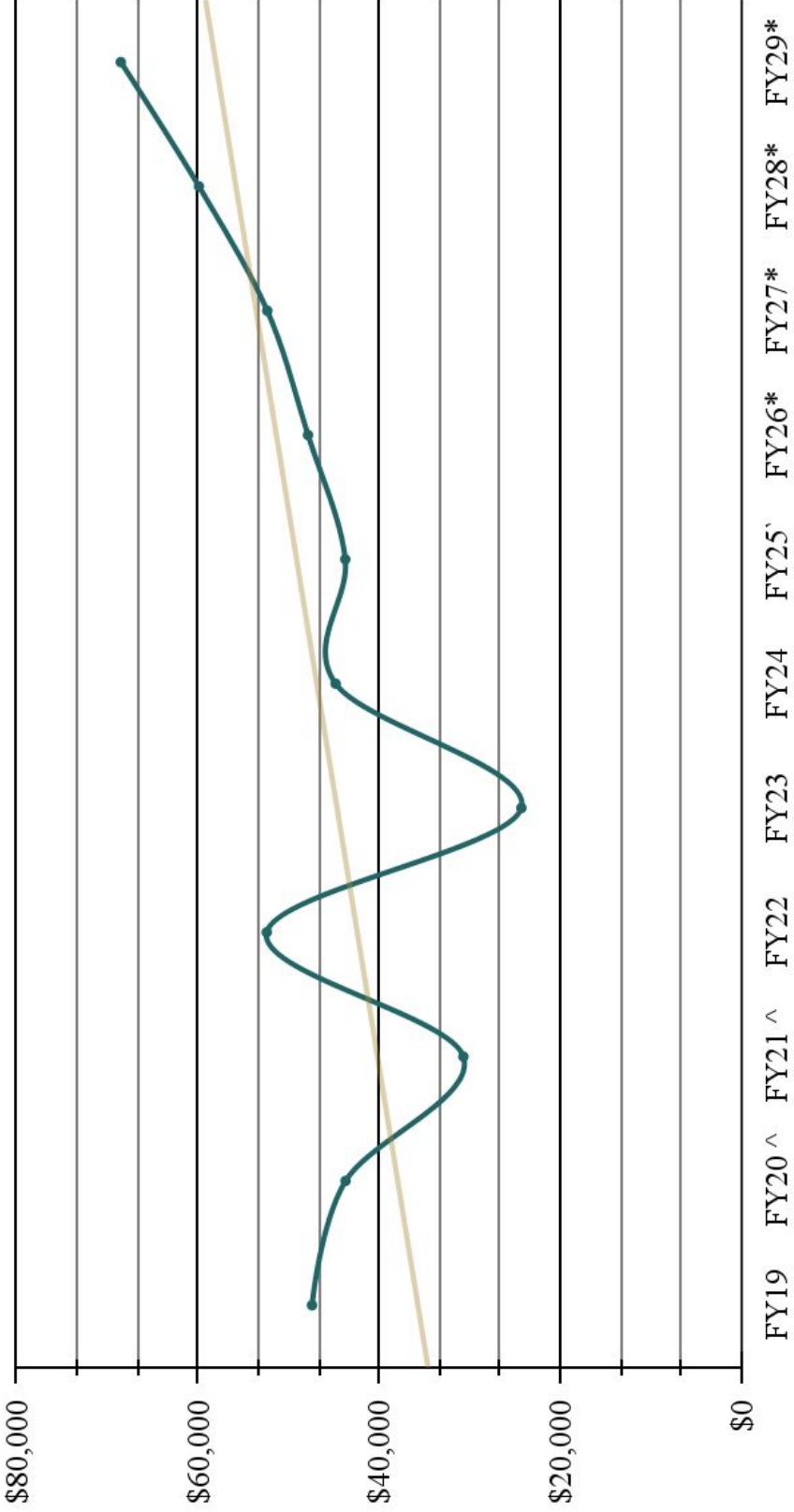
OSA Fund Revenue - 4417 Regulatory Licenses



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

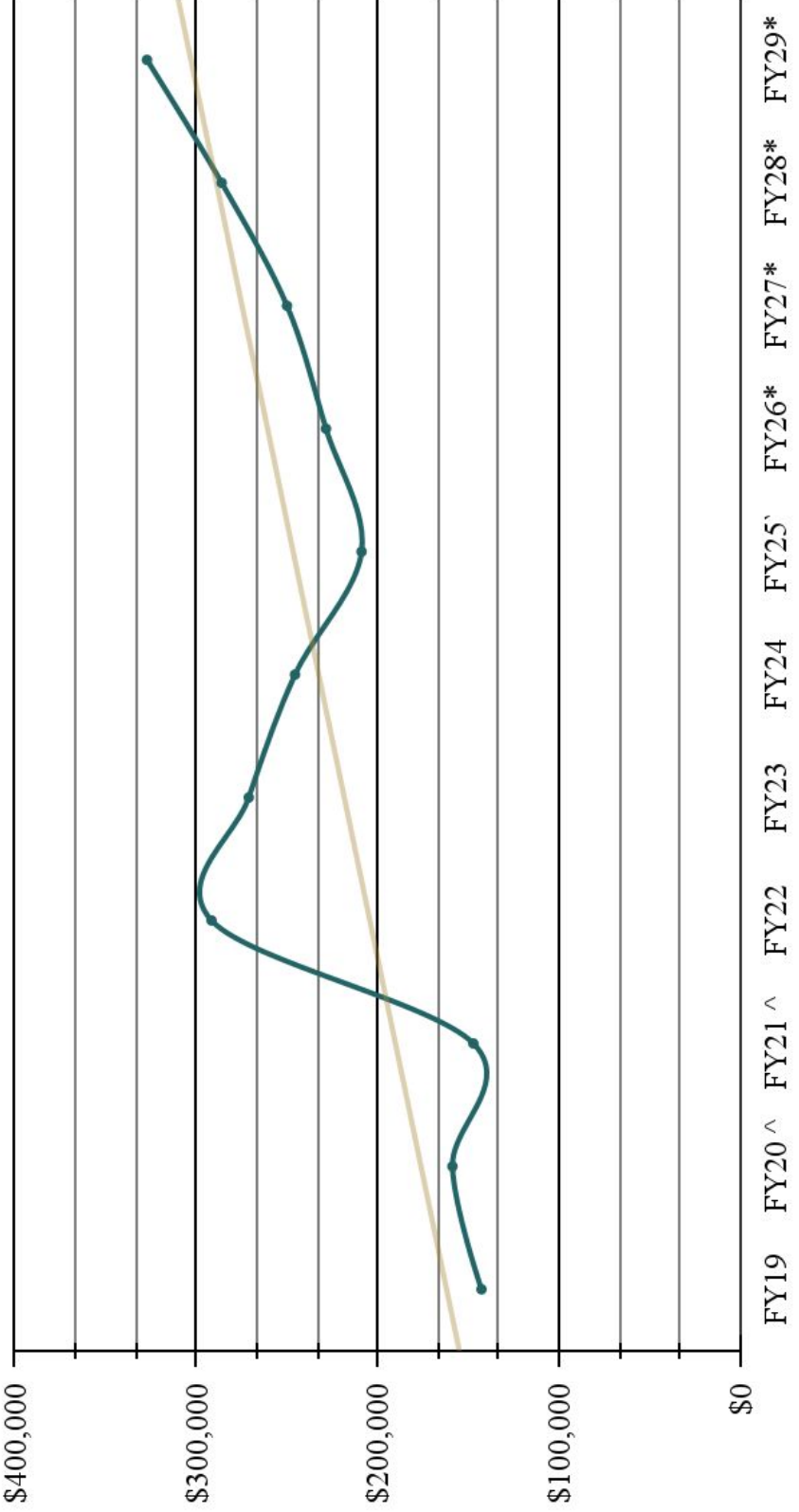
OSA Fund 2048 Revenue - 4439 Other Permits



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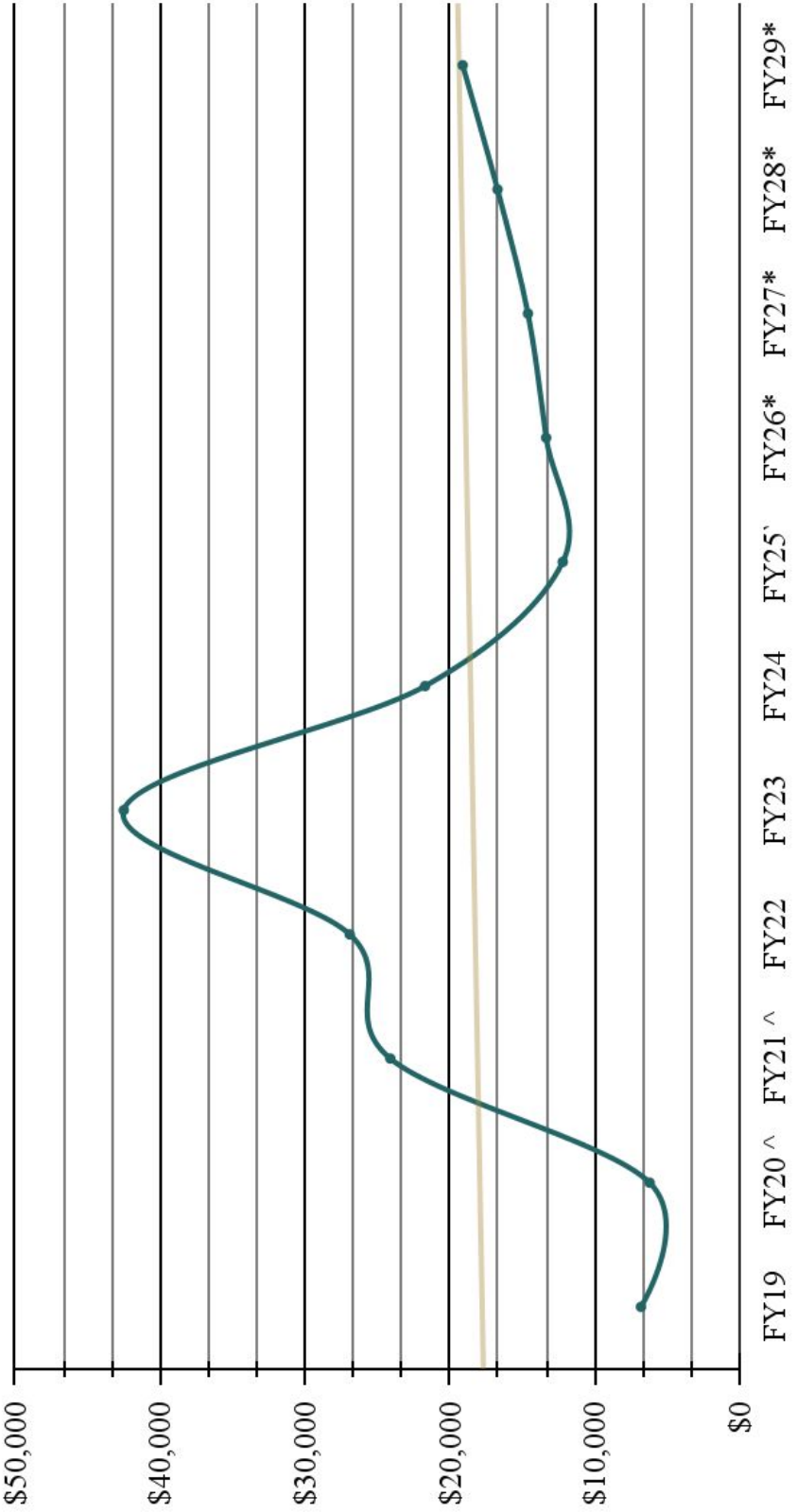
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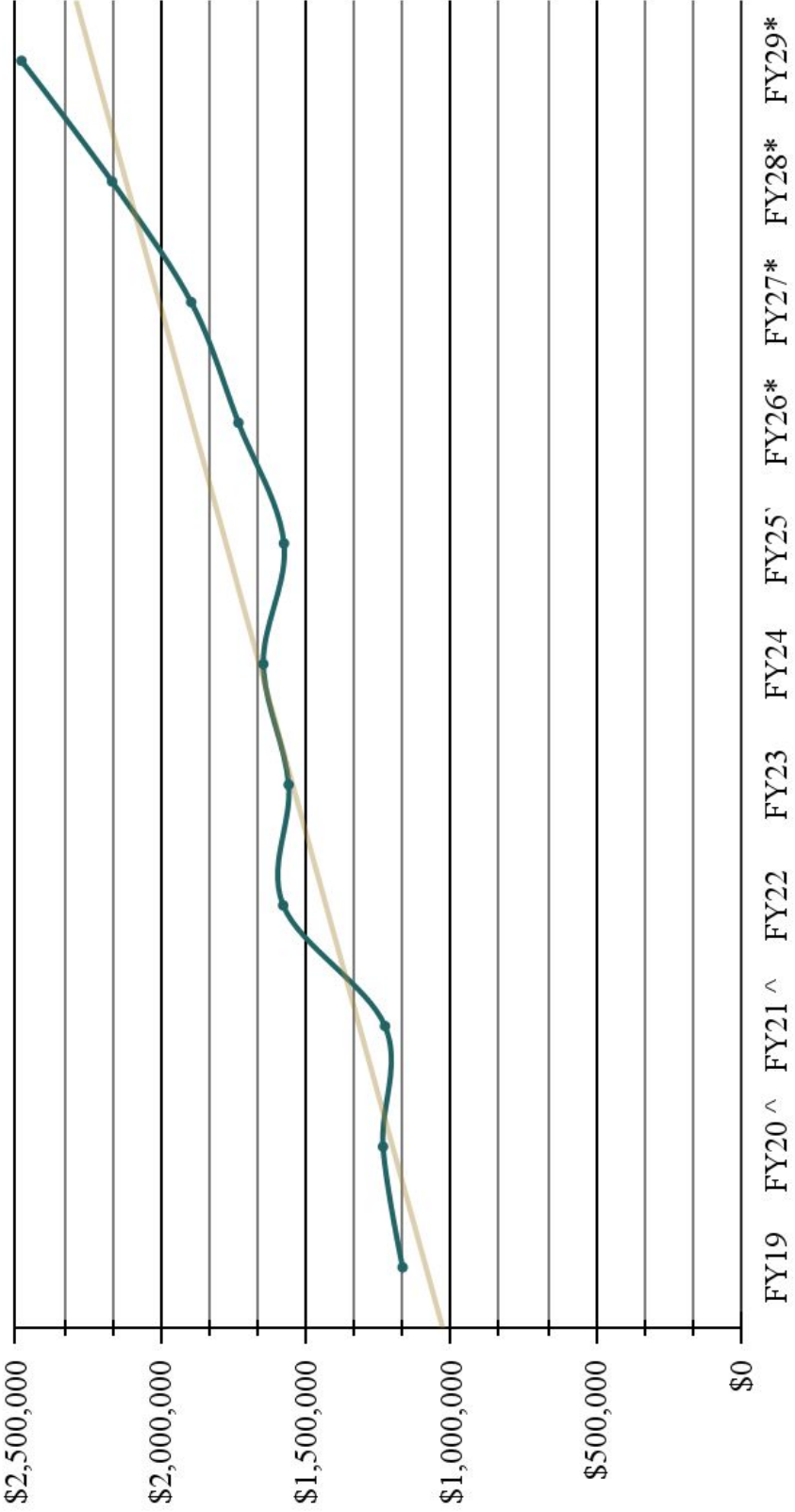
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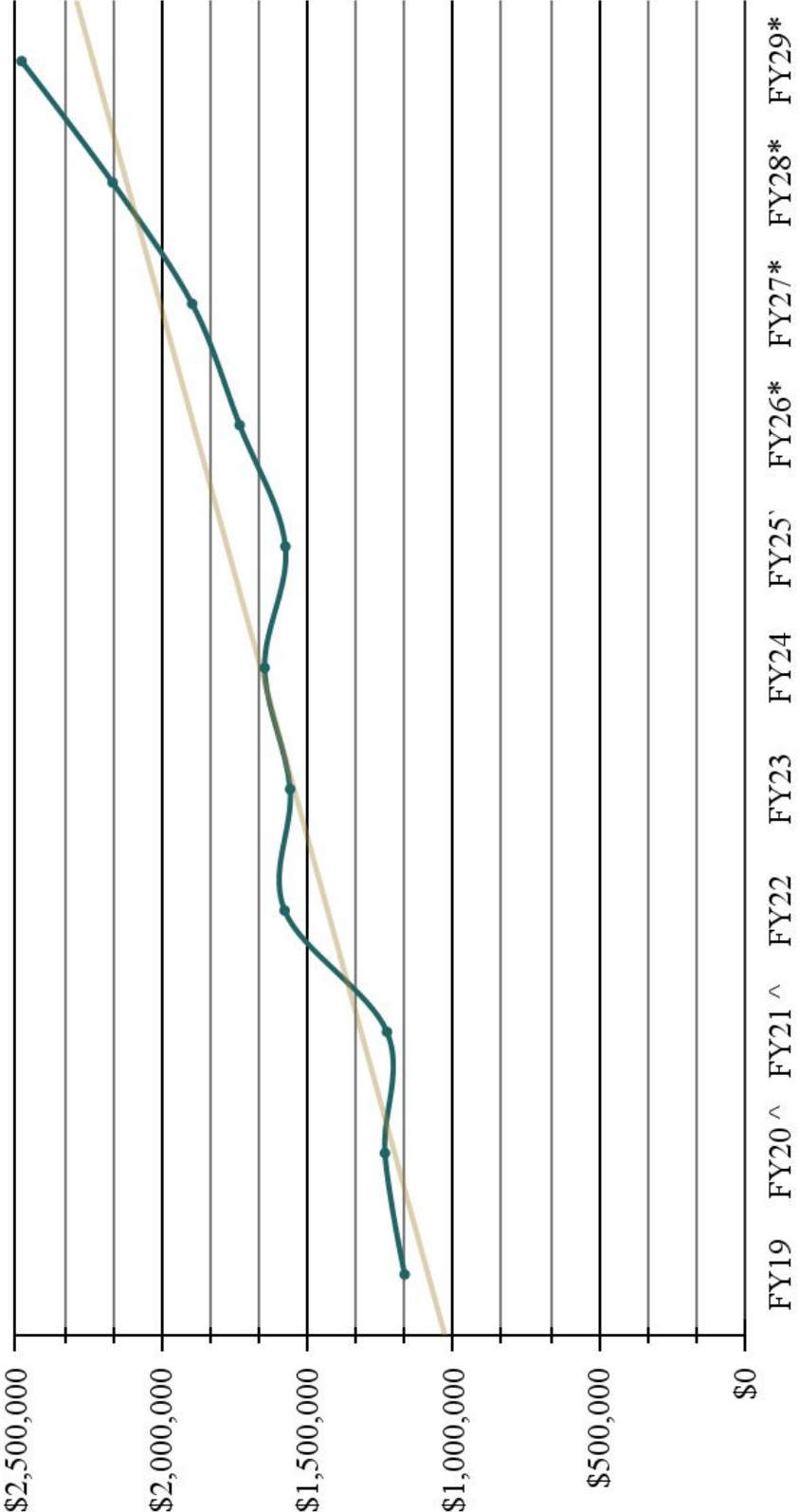
OSA Fund 2048 Revenue - Total



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

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OSA Fund 2048 Revenue - Total



^Waived certain application and licensing fees as a part of the Governor's Public Health Emergency.

*Based upon current and projected licensee base numbers and current applications as well as renewal fees.

Sources and Uses

Agency: Board of Osteopathic Examiners

Fund: OS2048 Osteopathic Examiners Board Fund

Revenues are the fees, fines, and other revenue received by the Board. Funds are used to license and regulate medical physicians who practice osteopathic medicine. Licensure renewal occurs on a biennial basis.

Cash Flow Summary

	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
Beginning Balance	1,257.7	1,506.4	1,712.2
Revenue (from Revenue Schedule)	1,583.2	1,731.9	1,894.8
Total Available	2,840.9	3,238.3	3,607.0
Total Appropriated Disbursements	1,334.4	1,526.1	1,992.6
Total Non-Appropriated Disbursements	-	-	-
Balance Forward to Next Year	1,506.4	1,712.2	1,614.5

Appropriated Expenditure

Expenditure Categories	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
Personal Services	670.0	706.9	986.9
Employee Related Expenditures	253.2	327.3	467.2
Professional & Outside Services	127.9	200.0	209.0
Travel In-State	0.6	2.5	2.5
Travel Out-Of-State	11.7	10.0	10.0
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	216.3	279.4	304.5
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	12.5
Non-Capital Equipment	36.0	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	18.7	-	-
Appropriated Expenditure Sub-Total:	1,334.4	1,526.1	1,992.6
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-

Sources and Uses

Agency:	Board of Osteopathic Examiners
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Fund:	OS2048 Osteopathic Examiners Board Fund
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Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Appropriated Expenditure Total:	1,334.4	1,526.1	1,992.6
Appropriated FTE	10.0	-	5.0

Non-Appropriated Expenditure

Expenditure Categories	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Request
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
Non-Appropriated Expenditure Sub-Total:	-	-	-
Non-Lapsing Authority from Prior Years	-	-	-
Administrative Adjustments	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Proposed Fund Transfer	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-

Sources and Uses

Agency: Board of Osteopathic Examiners

Fund: OS2048 Osteopathic Examiners Board Fund

Non-Appropriated Expenditure Total:	-	-	-
Non-Appropriated FTE	-	-	-

Funding Issue List

Agency: Board of Osteopathic Examiners

FY 2021

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
1	Additional FTEs (Investigations)	3.0	281.6	-	281.6	-
2	Additional FTEs (Licensing)	2.0	163.3	-	163.3	-
3	Interagency Service Agreements	-	21.6	-	21.6	-
Total:		5.0	466.5	-	466.5	-

Funding Issue Detail

Agency: Board of Osteopathic Examiners

Issue: 1 Additional FTEs (Investigations)

Calculated ERE: 86.63
Uniform Allowance:

Program: Licensing and Regulation
Fund: OS2048 Osteopathic Examiners Board Fund (Appropriated)

Expenditure Categories		FY 2027
FTE	FTE	3.0
6000	Personal Services	180.0
6100	Employee Related Expenditures	86.6
	Subtotal Personal Services and ERE	266.6
7000	Other Operating Expenditures	7.5
8400	Capital Equipment	7.5
	Program/Fund Total:	281.6

Issue: 2 Additional FTEs (Licensing)

Calculated ERE: 53.26
Uniform Allowance:

Program: Licensing and Regulation
Fund: OS2048 Osteopathic Examiners Board Fund (Appropriated)

Expenditure Categories		FY 2027
FTE	FTE	2.0
6000	Personal Services	100.0
6100	Employee Related Expenditures	53.3
	Subtotal Personal Services and ERE	153.3
7000	Other Operating Expenditures	5.0
8400	Capital Equipment	5.0
	Program/Fund Total:	163.3

Issue: 3 Interagency Service Agreements

Calculated ERE:
Uniform Allowance:

Funding Issue Detail

Agency: Board of Osteopathic Examiners

Issue: 3 Interagency Service Agreements

Program: Licensing and Regulation
Fund: OS2048 Osteopathic Examiners Board Fund (Appropriated)

	Expenditure Categories	FY 2027
6200	Professional & Outside Services	9.0
7000	Other Operating Expenditures	12.6
Program/Fund Total:		21.6

Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 1 Additional FTEs (Investigations)

Description of Issue: The Arizona Board of Osteopathic Examiners continues to experience a sustained backlog in complaint investigations despite recent process improvements. As of March 2025, 53% of open complaints exceeded the Auditor General's benchmark of 180 days for resolution. This represents only modest progress from the prior 60% noncompliance rate, despite implementation of a new case-tracking database and engagement of external consultants.

The volume and complexity of complaints particularly those involving substandard care, prescribing concerns, and sexual misconduct require timely investigative action to safeguard public health and safety. Current investigative staff remain overextended, balancing intake, subpoena preparation, consultant coordination, CME audits, and case presentation duties. These functions, while better tracked through recent system enhancements, remain under-resourced.

An additional investigator hired in FY 2024 demonstrated measurable impact, reducing average case time across the past fiscal year. However, to fully operationalize the Board's improved complaint handling systems and to meet statutory timelines, three additional Medical Investigator positions are required. These positions will directly support the implementation of Recommendations 1, 3, and 8 from the Auditor General's 2024 performance audit, which emphasized strengthening investigative timeliness, oversight, and compliance monitoring.

Without additional staff, delays in complaint resolution will persist, placing public safety at risk and undermining the Board's ability to fulfill the Auditor General's recommended 180 days for complaint resolution.

Proposal: The Board requests funding for three (3) additional Medical Investigator FTEs beginning in FY 2027. These positions will expand investigative capacity to meet statutory requirements for timely complaint resolution and implement key recommendations from the Auditor General's 2024 performance audit. This staffing will operationalize the Board's new policies and data systems, allowing investigators to focus on core investigative duties—intake, subpoena management, coordination with outside consultants, CME audits, and case presentation. To achieve this solution, we request three (3) new FTE positions to be added to our headcount and the authority to use \$274,128 from the Osteopathic Examiners Board Fund (OS2048) in ongoing funding each year and \$7,500 in one-time funding for FY27.

Alternatives Considered: The Board has implemented new case tracking systems, standardized procedures, and consultant engagement strategies that improved oversight and data quality, but resolution times remain too long. Without additional investigators, bottlenecks continue at intake, subpoena processing, consultant coordination, and case drafting. Technology upgrades such as e-licensing database enhancements have helped but cannot replace the investigative judgment needed in high-risk cases. Reassigning duties from licensing or administrative staff is not feasible, as those teams are already stretched managing applications, renewals, and permitting. Similarly, medical consultants provide critical clinical expertise but cannot conduct interviews, manage subpoenas, or prepare cases for Board action. Investigators are essential to integrate consultant input into actionable case outcomes. These alternatives have been pursued to the extent possible but remain insufficient. Only additional dedicated investigative personnel will allow the Board to consistently meet statutory timelines, reduce the backlog, and fully implement the Auditor General's recommendations.

Impact of Not Funding This Year: Failure to fund three additional investigator positions will prevent the Board from meeting the Auditor General's 180-day resolution benchmark. As of March 2025, 53 percent of complaints already exceeded this timeline, and without added staff, delays will persist or worsen as volume grows. Delays in investigating high-risk cases such as sexual misconduct, prescribing violations, and substandard care put patients at immediate risk and allow unsafe practitioners to remain in practice longer. Continued shortfalls will leave Auditor General recommendations only partially implemented and expose the Board to further negative findings. Investigators are already overextended managing intake, subpoenas, consultant coordination, and case presentations. Without support, staff cannot fully perform CME audits or compliance monitoring, and recent process improvements will lose effectiveness. These delays erode public trust in the Board's ability to protect patients and disproportionately affects vulnerable communities with fewer provider options. Without these positions, the Board cannot translate process improvements into timely case resolution or assure the public that osteopathic physicians are held accountable at the level needed to ensure patient safety.

Funding Issue Narrative

Agency:	Board of Osteopathic Examiners
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Issue:	1	Additional FTEs (Investigations)
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Statutory Reference: The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Equipment to be Purchased (if applicable): Computers, Monitors, and Software: For three new full-time investigative staff, including necessary licenses for investigative tools and case management systems.

Classification of New Positions: Title: Medical Investigator
Grade: 19 (AUN09058)
FTE: Three full-time employees

Annualization(s): Ongoing Costs: Salaries and Employee Related Expenses (ERE) will be required annually. One-Time Costs: Equipment purchases, with periodic updates as needed.

Alignment with Agency's Strategic Plan or Statutory Responsibilities: The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and osteopathic physician residents.

This funding issue aligns with the agency's goal to investigate and resolve all complaints in a timely manner.

Impact on Historically Underserved, Marginalized, or Adversely Affected Groups: Delays in complaint resolution disproportionately harm communities with limited healthcare access. Patients in rural and tribal areas often depend on a small number of providers, while low-income patients and those on public insurance may lack the ability to switch physicians. Victims of sexual misconduct are further harmed by prolonged investigations that delay protective action.

Additional investigators will ensure faster resolution of high-risk cases, protecting vulnerable populations and advancing equity in patient safety. Meeting the 180-day benchmark promotes consistent treatment of all complainants and aligns with the State's broader equity goals to safeguard those least able to self-advocate or access alternative providers.

How has feedback been incorporated from groups directly impacted by proposal?: The Board's request for additional investigators reflects direct input from stakeholders and legislative analysts who emphasized the need for expanded capacity. The Arizona Osteopathic Medical Association highlighted the growing physician shortage and warned that licensing delays could hinder workforce growth. The Maricopa County Medical Society cited a 20 percent annual increase in osteopathic applications and rapid population growth, stressing that staffing shortages risk delayed licensure and unresolved complaints, but supported the request because it uses a self-sustaining funding model. The JLBC FY 2026 Appropriations Report also recognized the Auditor General's findings and noted that hiring new licensing and investigative staff may be necessary to achieve compliance. In response, the Board prioritized three investigator positions as the most effective solution to reduce backlogs, balance timely licensure with patient safety, and ensure fiscal responsibility without relying on the General Fund or fee increases.

Description of how this furthers the Governor's priorities: This proposal for three additional Medical Investigator FTEs advances Governor Hobbs' priorities by strengthening healthcare access, promoting equity, and ensuring fiscal responsibility. Faster investigations into high-risk cases such as sexual misconduct and substandard care protect patients and practitioners while reinforcing trust in the regulatory system. Timely resolution also benefits low-income, rural, and tribal communities that face limited provider options, supporting the Governor's equity agenda. Because the request relies on the Board's dedicated fund rather than the General Fund or new fees, it reflects prudent fiscal stewardship while sustaining physician recruitment and patient access. In doing so, the Board contributes to a safer, more equitable, and more efficient healthcare system that supports Arizona families and the state's broader economic goals.

Issue:	2	Additional FTEs (Licensing)
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Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 2 Additional FTEs (Licensing)

Description of Issue: The Arizona Board of Osteopathic Examiners continues to face sustained pressure in licensing operations, with rising volumes of new applications and renewals compounded by additional responsibilities tied to continuing medical education (CME) audits from the most recent sunset review. As of September 2025, application processing times continue to exceed our targets. The current average is maintained only through the use of overtime by licensing staff and the temporary reallocation of other operational staff to assist with licensing functions.

The complexity of licensing work—including Interstate Medical Licensure Compact (IMLC) applicants, post-pandemic workforce growth, the overall increase in osteopathic physicians, the opening of a new osteopathic medical school in Arizona, expanded residency opportunities through the planned ASU Health program, and CME audit verifications—requires dedicated staff to achieve timely processing and safeguard public access to care. Current licensing staff remain overextended, managing intake, verifications, data entry, and compliance documentation while simultaneously implementing new database features tied to audit recommendations. These functions, while more systematically tracked through recent system upgrades, remain under-resourced.

To fully operationalize licensing and CME audit functions, two additional Licensing Analyst positions are required. These positions will directly support implementation of Recommendations 8, 9, and 10 from the Auditor General's 2024 performance audit, which emphasized workload monitoring, CME compliance tracking, and data integrity.

Without additional staff, licensing delays are likely to grow, limiting the availability of physicians to practice in Arizona and hindering full implementation of audit recommendations on CME oversight. This would place both public access to care and the Board's compliance with statutory mandates at risk.

Proposal: The Board requests funding for two (2) Licensing Analyst FTEs, with associated employee-related expenses, equipment, and operating costs, totaling \$134,700 in FY 2027. These positions will:

Maintain timely processing of all new and renewal applications, including increased volume from IMLC applicants, new graduates from Arizona's expanding osteopathic medical education programs, and physicians entering state residency programs.

Support the implementation and auditability of CME requirements as directed in the Auditor General's 2024 performance audit.

Prevent diversion of investigative staff to administrative licensing functions, thereby improving overall enforcement timeliness.

Enhance the Board's capacity to utilize and expand database features for workload monitoring, CME tracking, and compliance documentation.

This investment will ensure the Board sustains high licensing throughout, supports Arizona's healthcare workforce pipeline, and fulfills its statutory obligations while implementing key audit recommendations.

Alternatives Considered: Reassigning existing investigative staff to licensing functions is not a viable option as it would jeopardize public protection and patient safety by diverting focus from critical investigations. While temporary staff and process improvements have offered short-term relief, they are not sustainable long-term solutions due to funding resources, lack of continuity and stability, and insufficient capacity. The only enduring solution is to add two permanent Licensing Analyst positions to stabilize operations, sustain audits, and support Arizona's growing physician workforce.

Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 2 Additional FTEs (Licensing)

Impact of Not Funding This Year: If funding is not approved, licensing delays will increase as application volumes continue to grow from regular applicants, IMLC applicants, new medical school graduates, and expanded residency programs. This will slow the entry of qualified physicians into practice in Arizona, undermining public access to care at a time of workforce shortage.

CME audit requirements may also be inconsistently applied, leaving compliance gaps and exposing the Board to audit findings of incomplete implementation.

Reliance on contracted staff is not sustainable and will continue to divert resources from other priorities, reducing the Board's ability to plan strategically. The lack of permanent staff capacity would jeopardize the Board's ability to fulfill statutory mandates, risk patient safety through delayed licensure, and erode public trust in the efficiency of Arizona's healthcare regulatory system.

Statutory Reference: The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Equipment to be Purchased (if applicable): Computers, Monitors, and Software: For two new full-time licensing staff, including necessary licenses for investigative tools and case management systems.

Classification of New Positions: Title: Licensing Administrator
Grade: 19 (AUN07571)
FTE: Two full-time employees

Annualization(s): Ongoing Costs: Salaries and Employee Related Expenses (ERE) will be required annually. One-Time Costs: Equipment purchases, with periodic updates as needed.

Alignment with Agency's Strategic Plan or Statutory Responsibilities: The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and osteopathic physician residents.

This funding issue aligns with the agency's goal to ensure timely and accurate licensure while maintaining compliance with CME audit requirements.

Impact on Historically Underserved, Marginalized, or Adversely Affected Groups: Timely licensing directly supports physician availability in rural, tribal, and underserved communities, where shortages of primary care and specialty providers remain a persistent challenge. Processing delays can prevent qualified physicians from entering practice quickly, creating gaps in access that disproportionately affect populations with limited healthcare options. Ensuring efficient licensure helps maintain the workforce pipeline needed to serve these communities.

In addition, expanded residency opportunities and new osteopathic medical graduates in Arizona are expected to practice in areas of greatest need, including rural and underserved regions. Without sufficient staff to process applications and verify CME compliance, the Board risks slowing this workforce growth and limiting equitable access to care. By sustaining timely and accurate licensure, the Board helps reduce disparities in healthcare access and supports the Governor's priority of addressing the needs of vulnerable populations.

How has feedback been incorporated from groups directly impacted by proposal?: The Board's request for additional licensing analysts reflects direct input from stakeholders and legislative analysts who emphasized the need for expanded capacity. The Arizona Osteopathic Medical Association highlighted the growing physician shortage and warned that licensing delays could hinder workforce growth. The Maricopa County Medical Society cited a 20 percent annual increase in osteopathic applications and rapid population growth, stressing that staffing shortages risk delayed licensure and unresolved complaints, but supported the request because it uses a self-sustaining funding model. The JLBC FY 2026 Appropriations Report also recognized the Auditor General's findings and noted that hiring new licensing and investigative staff may be necessary to achieve compliance. In response, the Board prioritized two licensing positions as the most effective solution to reduce backlogs, balance timely licensure processing with patient safety, and ensure fiscal responsibility without relying on the General Fund or fee increases.

Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 2 Additional FTEs (Licensing)

Description of how this furthers the Governor's priorities:

This request supports Governor Hobbs' priorities of strengthening healthcare access, promoting equity, and ensuring fiscal responsibility. By maintaining timely licensure for both regular and IMLC applicants, the Board ensures that qualified physicians can enter practice without unnecessary delay, thereby expanding access to care across Arizona. Faster licensing also directly benefits rural, tribal, and underserved populations by reducing provider shortages and promoting equitable access to medical services.

In addition, the positions are funded through the Board's dedicated licensing fund rather than the General Fund, demonstrating prudent stewardship of resources while avoiding additional costs to taxpayers. Through this funding, the Board advances the Governor's vision of an accessible, equitable, and sustainable healthcare system that protects both patients and providers.

Issue: 3 Interagency Service Agreements

Description of Issue:

The Arizona Board of Osteopathic Examiners must maintain interagency service agreements with the Attorney General's Office for legal services, the Department of Administration's Central Services Bureau (CSB) for accounting, and ADOA–ASET for IT support. These agreements are essential to fulfilling the Board's statutory mission of licensing and regulating osteopathic physicians to protect public safety.

Costs for these agreements have increased due to statewide salary adjustments, technology infrastructure demands, and higher service needs. These are mandatory expenses, paid directly to the partner agencies and deposited into the General Fund.

Without funding for these increases, the Board risks delays in complaint resolution, diminished financial accuracy, and IT vulnerabilities. Recent Auditor General reports stress that strong legal, financial, and technological support is critical for timely investigations and effective oversight.

This request covers required adjustments to sustain core operations. It is not an expansion of services, but ensures compliance with statewide requirements and continued protection of the public through reliable licensing and enforcement.

Proposal:

The Arizona Board of Osteopathic Examiners requests ongoing funding of \$21,600 to address increased costs in its three interagency service agreements. Specifically, the Board seeks an increase of \$9,000 for the Attorney General's Office to cover higher hourly rates for legal representation and counsel, \$6,000 for the Central Services Bureau (CSB) to support accounting and fiscal services, and \$6,600 for Arizona Strategic Enterprise Technology (ASET) to sustain core IT infrastructure, cybersecurity protections, and end-user support.

These services are foundational to the Board's mission to protect public safety through effective licensing, complaint resolution, and compliance monitoring. Each of the partner agencies has adjusted its fee structure in alignment with statewide operational costs and service demand. Without additional funding to cover these mandated increases, the Board would be unable to pay its obligations in full, forcing reductions in critical services that support complaint investigations, financial accountability, and technology reliability.

The requested funding ensures continuity of operations, preserves compliance with statutory and statewide requirements, and allows the Board to maintain public confidence in the regulation of osteopathic medicine.

Alternatives Considered:

The Board reviewed potential alternatives to address the increased ISA costs but determined none are feasible or sustainable. Reallocation of existing staff resources is not possible, as the Board's small workforce is already operating at capacity managing licensing and investigative functions. Reducing expenditures in other operating areas would undermine the Board's ability to carry out its statutory responsibilities and would not generate sufficient savings to cover the ISA increases. Contracting these services independently outside of state interagency agreements was also considered, but this option would not comply with statewide requirements and would result in higher costs without the benefit of centralized oversight.

Given these factors, the only viable solution is to secure additional funding to meet the mandated increases for the Attorney General's Office, Central Services Bureau, and ADOA–ASET.

Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 3 Interagency Service Agreements

Impact of Not Funding This Year:

If the requested increase is not funded, the Board will be unable to meet the full cost of its interagency service agreements with the Attorney General's Office, the Central Services Bureau, and ADOA–ASET. These agreements provide essential legal, financial, and technology services that the Board cannot perform internally. Without adequate resources, the Board would face reduced access to legal counsel, delays in critical fiscal processing, and vulnerabilities in IT support and security.

Such reductions would impair the Board's ability to investigate and resolve complaints in a timely manner, maintain accurate financial reporting, and safeguard sensitive licensing and investigative data. The Auditor General has emphasized that regulatory boards must maintain strong administrative and technological infrastructure to ensure timely investigations and protect the public. Failure to fund these mandatory increases would compromise the Board's efficiency and public protection mission, and could ultimately erode confidence in Arizona's regulatory oversight of osteopathic medicine.

Statutory Reference:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Equipment to be Purchased (if applicable):

Classification of New Positions:

Annualization(s):

Ongoing Costs: The requested \$21,600 increase represents the full annual cost of the adjustments to the Board's interagency service agreements. These costs are ongoing and will recur each fiscal year, as the Attorney General's Office, the Central Services Bureau, and ADOA–ASET have all established updated fee structures reflecting salary adjustments, technology infrastructure demands, and other service delivery expenses. The Board anticipates the increased rates will continue for the foreseeable future.

Accordingly, this request should be considered an ongoing annualized need to ensure the Board can meet its statutory obligations without interruption.

Alignment with Agency's Strategic Plan or Statutory Responsibilities:

The mission of the Arizona Board of Osteopathic Examiners is to protect public health and safety by licensing qualified physicians, investigating complaints, and enforcing professional standards. The services provided under these interagency agreements directly support that mission.

Legal counsel from the Attorney General's Office ensures the Board's disciplinary actions and investigations comply with statutory and constitutional requirements. Accounting services from the Central Services Bureau safeguard the Board's financial integrity, allowing for accurate and transparent management of licensing revenues. IT support from ADOA–ASET provides the technological infrastructure necessary to protect confidential medical, personal data of our licensees and members of the public, and investigative data while ensuring reliable licensing and case management systems.

By funding these agreements, the Board can continue to meet its statutory duties under A.R.S. §§ 32-1800 et seq., while advancing its strategic goal of protecting the public through efficient licensing, timely resolution of complaints, and compliance with state financial and technology standards.

Impact on Historically Underserved, Marginalized, or Adversely Affected Groups:

Timely complaint investigations, accurate financial administration, and secure licensing systems are particularly critical for communities that already face barriers to accessing healthcare. Delays in resolving complaints or in processing physician applications can disproportionately impact rural, tribal, and low-income populations that rely heavily on osteopathic physicians for primary care. Any disruption in legal, financial, or IT services could slow the licensing of new physicians or prolong investigations into unsafe practitioners, directly affecting these communities' ability to receive safe and reliable healthcare.

By funding the increased costs of these interagency service agreements, the Board will be able to maintain continuity of operations, prevent regulatory delays, and ensure that underserved and marginalized groups are not further disadvantaged by reduced oversight or gaps in the physician workforce. Stable legal, accounting, and IT support provides the foundation for equitable and timely regulation of the osteopathic profession across all regions of Arizona.

Funding Issue Narrative

Agency: Board of Osteopathic Examiners

Issue: 3 Interagency Service Agreements

How has feedback been incorporated from groups directly impacted by proposal?:

The Board has received consistent feedback from licensees, healthcare facilities, and the Arizona Osteopathic Medical Association (AOMA) stressing the need for reliable legal, financial, and IT support to maintain confidence in regulatory oversight. Stakeholders noted that delays in licensing or investigations disrupt patient care, especially in rural and underserved areas. This input reinforced the Board's conclusion that strong interagency services are essential. Incorporating this feedback, the Board's request ensures the resources needed to uphold standards, protect patient safety, and support equitable healthcare access statewide.

Description of how this furthers the Governor's priorities:

This request directly supports Governor Hobbs' priorities of public safety, healthcare access, and fiscal responsibility. By funding the increased costs of interagency service agreements, the Board can maintain uninterrupted access to essential legal, accounting, and technology services that underpin its ability to investigate complaints, discipline unsafe practitioners, and license qualified physicians without delay. These functions ensure that Arizona residents—especially those in rural and underserved communities—have access to safe and competent healthcare providers.

The proposal also reflects prudent fiscal stewardship. All payments will be made to partner state agencies and deposited into the General Fund, reinforcing statewide service structures rather than duplicating efforts with costly alternatives. Sustaining these interagency agreements demonstrates the Board's commitment to efficient government, consistent with the Governor's emphasis on strengthening public trust while responsibly managing state resources.

Arizona Board of Osteopathic Examiners in Medicine and Surgery

FY 2027 Budget Justification

Program/Subprogram: Arizona Board of Osteopathic Examiners

Title: Funding Issue 1 – Additional FTEs (Investigations)

Description of Issue:

The Arizona Board of Osteopathic Examiners continues to experience a sustained backlog in complaint investigations despite recent process improvements. As of March 2025, 53% of open complaints exceeded the Auditor General’s benchmark of 180 days for resolution. This represents only modest progress from the prior 60% noncompliance rate, despite implementation of a new case-tracking database and engagement of external consultants.

The volume and complexity of complaints particularly those involving substandard care, prescribing concerns, and sexual misconduct require timely investigative action to safeguard public health and safety. Current investigative staff remain overextended, balancing intake, subpoena preparation, consultant coordination, CME audits, and case presentation duties. These functions, while better tracked through recent system enhancements, remain under-resourced.

An additional investigator hired in FY 2024 demonstrated measurable impact, reducing average case time across the past fiscal year. However, to fully operationalize the Board’s improved complaint handling systems and to meet statutory timelines, three additional Medical Investigator positions are required. These positions will directly support the implementation of Recommendations 1, 3, and 8 from the Auditor General’s 2024 performance audit, which emphasized strengthening investigative timeliness, oversight, and compliance monitoring.

Without additional staff, delays in complaint resolution will persist, placing public safety at risk and undermining the Board’s ability to fulfill the Auditor General’s recommended 180 days for complaint resolution.

Proposal:

The Board requests funding for **three (3) additional Medical Investigator FTEs** beginning in FY 2027. These positions will expand investigative capacity to meet statutory requirements for timely complaint resolution and implement key recommendations from the Auditor General’s 2024 performance audit. This staffing will operationalize the Board’s new policies and data systems, allowing investigators to focus on core investigative duties—intake, subpoena management, coordination with outside consultants, CME audits, and case presentation. To achieve this solution, we request three (3) new FTE positions to be added to our headcount and the authority to use \$274,128 from the Osteopathic Examiners Board Fund (OS2048) in ongoing funding each year and \$7,500 in one-time funding for FY27.

Budget Allocation Breakdown :

Personnel Services (Ongoing) - 6000	\$180,000.00
ERE (Ongoing) - 6100	\$86,628.00
Other Operating Expenses (Ongoing) - 7000	\$7,500.00
Equipment (One-Time) - 8400	\$7,500.00
Total Ongoing Request	\$274,128.00
Total One-Time Request	\$7,500.00
Total Request	\$281,628.00

Alternatives Considered:

The Board has implemented new case tracking systems, standardized procedures, and consultant engagement strategies that improved oversight and data quality, but resolution times remain too long. Without additional investigators, bottlenecks continue at intake, subpoena processing, consultant coordination, and case drafting. Technology upgrades such as e-licensing database enhancements have helped but cannot replace the investigative judgment needed in high-risk cases. Reassigning duties from licensing or administrative staff is not feasible, as those teams are already stretched managing applications, renewals, and permitting. Similarly, medical consultants provide critical clinical expertise but cannot conduct interviews, manage subpoenas, or prepare cases for Board action. Investigators are essential to integrate consultant input into actionable case outcomes. These alternatives have been pursued to the extent possible but remain insufficient. Only additional dedicated investigative personnel will allow the Board to consistently meet statutory timelines, reduce the backlog, and fully implement the Auditor General’s recommendations.

Impact of not funding this year:

Failure to fund three additional investigator positions will prevent the Board from meeting the Auditor General’s 180-day resolution benchmark. As of March 2025, 53 percent of complaints already exceeded this timeline, and without added staff, delays will persist or worsen as volume grows.

Delays in investigating high-risk cases such as sexual misconduct, prescribing violations, and substandard care put patients at immediate risk and allow unsafe practitioners to remain in practice longer. Continued shortfalls will leave Auditor General recommendations only partially implemented and expose the Board to further negative findings.

Investigators are already overextended managing intake, subpoenas, consultant coordination, and case presentations. Without support, staff cannot fully perform CME audits or compliance monitoring, and recent process improvements will lose effectiveness.

These delays erode public trust in the Board’s ability to protect patients and disproportionately affects vulnerable communities with fewer provider options. Without these positions, the Board

cannot translate process improvements into timely case resolution or assure the public that osteopathic physicians are held accountable at the level needed to ensure patient safety.

Statutory Reference:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Equipment to be purchased:

Computers, Monitors, and Software: For three new full-time investigative staff, including necessary licenses for investigative tools and case management systems.

Classification of new positions:

Title: Medical Investigator
Grade: 19 (AUN09058)
FTE: Three full-time employees

Annualization(s):

Ongoing Costs: Salaries and Employee Related Expenses (ERE) will be required annually.
One-Time Costs: Equipment purchases, with periodic updates as needed.

Alignment with agency's strategic plan or statutory responsibilities:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and osteopathic physician residents.

This funding issue aligns with the agency's goal to investigate and resolve all complaints in a timely manner.

Impact on historically underserved, marginalized, or adversely affected groups:

Delays in complaint resolution disproportionately harm communities with limited healthcare access. Patients in rural and tribal areas often depend on a small number of providers, while low-income patients and those on public insurance may lack the ability to switch physicians. Victims of sexual misconduct are further harmed by prolonged investigations that delay protective action.

Additional investigators will ensure faster resolution of high-risk cases, protecting vulnerable populations and advancing equity in patient safety. Meeting the 180-day benchmark promotes

consistent treatment of all complainants and aligns with the State's broader equity goals to safeguard those least able to self-advocate or access alternative providers.

How has feedback been incorporated from groups directly impacted by proposal:

The Board's request for additional investigators reflects direct input from stakeholders and legislative analysts who emphasized the need for expanded capacity. The Arizona Osteopathic Medical Association highlighted the growing physician shortage and warned that licensing delays could hinder workforce growth. The Maricopa County Medical Society cited a 20 percent annual increase in osteopathic applications and rapid population growth, stressing that staffing shortages risk delayed licensure and unresolved complaints, but supported the request because it uses a self-sustaining funding model. The JLBC FY 2026 Appropriations Report also recognized the Auditor General's findings and noted that hiring new licensing and investigative staff may be necessary to achieve compliance. In response, the Board prioritized three investigator positions as the most effective solution to reduce backlogs, balance timely licensure with patient safety, and ensure fiscal responsibility without relying on the General Fund or fee increases.

Description of how this furthers the Governor's priorities:

This proposal for three additional Medical Investigator FTEs advances Governor Hobbs' priorities by strengthening healthcare access, promoting equity, and ensuring fiscal responsibility. Faster investigations into high-risk cases such as sexual misconduct and substandard care protect patients and practitioners while reinforcing trust in the regulatory system. Timely resolution also benefits low-income, rural, and tribal communities that face limited provider options, supporting the Governor's equity agenda. Because the request relies on the Board's dedicated fund rather than the General Fund or new fees, it reflects prudent fiscal stewardship while sustaining physician recruitment and patient access. In doing so, the Board contributes to a safer, more equitable, and more efficient healthcare system that supports Arizona families and the state's broader economic goals.

Arizona Board of Osteopathic Examiners in Medicine and Surgery

FY 2027 Budget Justification

Program/Subprogram: Arizona Board of Osteopathic Examiners

Title: Funding Issue 2 – Additional FTEs (Licensing)

Description of Issue:

The Arizona Board of Osteopathic Examiners continues to face sustained pressure in licensing operations, with rising volumes of new applications and renewals compounded by additional responsibilities tied to continuing medical education (CME) audits from the most recent sunset review. As of September 2025, application processing times continue to exceed our targets. The current average is maintained only through the use of overtime by licensing staff and the temporary reallocation of other operational staff to assist with licensing functions.

The complexity of licensing work—including Interstate Medical Licensure Compact (IMLC) applicants, post-pandemic workforce growth, the overall increase in osteopathic physicians, the opening of a new osteopathic medical school in Arizona, expanded residency opportunities through the planned ASU Health program, and CME audit verifications—requires dedicated staff to achieve timely processing and safeguard public access to care. Current licensing staff remain overextended, managing intake, verifications, data entry, and compliance documentation while simultaneously implementing new database features tied to audit recommendations. These functions, while more systematically tracked through recent system upgrades, remain under-resourced.

To fully operationalize licensing and CME audit functions, two additional Licensing Analyst positions are required. These positions will directly support implementation of Recommendations 8, 9, and 10 from the Auditor General’s 2024 performance audit, which emphasized workload monitoring, CME compliance tracking, and data integrity.

Without additional staff, licensing delays are likely to grow, limiting the availability of physicians to practice in Arizona and hindering full implementation of audit recommendations on CME oversight. This would place both public access to care and the Board’s compliance with statutory mandates at risk.

Proposal:

The Board requests funding for **two (2) Licensing Analyst FTEs**, with associated employee-related expenses, equipment, and operating costs, totaling \$134,700 in FY 2027. These positions will:

Maintain timely processing of all new and renewal applications, including increased volume from IMLC applicants, new graduates from Arizona’s expanding osteopathic medical education programs, and physicians entering state residency programs.

Support the implementation and auditability of CME requirements as directed in the Auditor General’s 2024 performance audit.

Prevent diversion of investigative staff to administrative licensing functions, thereby improving overall enforcement timeliness.

Enhance the Board’s capacity to utilize and expand database features for workload monitoring, CME tracking, and compliance documentation.

This investment will ensure the Board sustains high licensing throughout, supports Arizona’s healthcare workforce pipeline, and fulfills its statutory obligations while implementing key audit recommendations.

Budget Allocation Breakdown :

Personnel Services (Ongoing) - 6000	\$100,000.00
ERE (Ongoing) - 6100	\$53,260.00
Other Operating Expenses (Ongoing) - 7000	\$5,000.00
Equipment (One-Time) - 8400	\$5,000.00
Total Ongoing Request	\$158,260.00
Total One-Time Request	\$5,000.00
Total Request	\$162,260.00

Alternatives Considered:

Reassigning existing investigative staff to licensing functions is not a viable option as it would jeopardize public protection and patient safety by diverting focus from critical investigations. While temporary staff and process improvements have offered short-term relief, they are not sustainable long-term solutions due to funding resources, lack of continuity and stability, and insufficient capacity. The only enduring solution is to add two permanent Licensing Analyst positions to stabilize operations, sustain audits, and support Arizona's growing physician workforce.

Impact of not funding this year:

If funding is not approved, licensing delays will increase as application volumes continue to grow from regular applicants, IMLC applicants, new medical school graduates, and expanded residency programs. This will slow the entry of qualified physicians into practice in Arizona, undermining public access to care at a time of workforce shortage.

CME audit requirements may also be inconsistently applied, leaving compliance gaps and exposing the Board to audit findings of incomplete implementation.

Reliance on contracted staff is not sustainable and will continue to divert resources from other priorities, reducing the Board's ability to plan strategically. The lack of permanent staff capacity would jeopardize the Board's ability to fulfill statutory mandates, risk patient safety through delayed licensure, and erode public trust in the efficiency of Arizona's healthcare regulatory system.

Statutory Reference:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Equipment to be purchased:

Computers, Monitors, and Software: For two new full-time licensing staff, including necessary licenses for investigative tools and case management systems.

Classification of new positions:

Title: Licensing Administrator
Grade: 19 (AUN07571)
FTE: Two full-time employees

Annualization(s):

Ongoing Costs: Salaries and Employee Related Expenses (ERE) will be required annually.
One-Time Costs: Equipment purchases, with periodic updates as needed.

Alignment with agency's strategic plan or statutory responsibilities:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and osteopathic physician residents.

This funding issue aligns with the agency's goal to ensure timely and accurate licensure while maintaining compliance with CME audit requirements.

Impact on historically underserved, marginalized, or adversely affected groups:

Timely licensing directly supports physician availability in rural, tribal, and underserved communities, where shortages of primary care and specialty providers remain a persistent

challenge. Processing delays can prevent qualified physicians from entering practice quickly, creating gaps in access that disproportionately affect populations with limited healthcare options. Ensuring efficient licensure helps maintain the workforce pipeline needed to serve these communities.

In addition, expanded residency opportunities and new osteopathic medical graduates in Arizona are expected to practice in areas of greatest need, including rural and underserved regions. Without sufficient staff to process applications and verify CME compliance, the Board risks slowing this workforce growth and limiting equitable access to care. By sustaining timely and accurate licensure, the Board helps reduce disparities in healthcare access and supports the Governor's priority of addressing the needs of vulnerable populations.

How has feedback been incorporated from groups directly impacted by proposal:

The Board's request for additional licensing analysts reflects direct input from stakeholders and legislative analysts who emphasized the need for expanded capacity. The Arizona Osteopathic Medical Association highlighted the growing physician shortage and warned that licensing delays could hinder workforce growth. The Maricopa County Medical Society cited a 20 percent annual increase in osteopathic applications and rapid population growth, stressing that staffing shortages risk delayed licensure and unresolved complaints, but supported the request because it uses a self-sustaining funding model. The JLBC FY 2026 Appropriations Report also recognized the Auditor General's findings and noted that hiring new licensing and investigative staff may be necessary to achieve compliance. In response, the Board prioritized two licensing positions as the most effective solution to reduce backlogs, balance timely licensure processing with patient safety, and ensure fiscal responsibility without relying on the General Fund or fee increases.

Description of how this furthers the Governor's priorities:

This request supports Governor Hobbs' priorities of strengthening healthcare access, promoting equity, and ensuring fiscal responsibility. By maintaining timely licensure for both regular and IMLC applicants, the Board ensures that qualified physicians can enter practice without unnecessary delay, thereby expanding access to care across Arizona. Faster licensing also directly benefits rural, tribal, and underserved populations by reducing provider shortages and promoting equitable access to medical services.

In addition, the positions are funded through the Board's dedicated licensing fund rather than the General Fund, demonstrating prudent stewardship of resources while avoiding additional costs to taxpayers. Through this funding, the Board advances the Governor's vision of an accessible, equitable, and sustainable healthcare system that protects both patients and providers.



Interstate Medical Licensure Compact

Accelerating Access To Care



FY2024 ANNUAL REPORT

Submitted by the Interstate Medical Licensure Compact Commission
Michael Rodman, Communications Committee Chair
Marshall Smith, Executive Director





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Two important terms are used throughout this document:

- The Interstate Medical Licensure Compact, aka IMLC, represents the process and activities related to the organization in general as established in statute.
- The Interstate Medical Licensure Compact Commission, aka IMLCC, represents the actions and activities of the compact's commissioners and staff.

SUMMARY OF ACTIVITY

The Interstate Medical Licensure Compact Commission (IMLCC) celebrated its 7th year of operations and issued its 100,000th license in April 2024.

As the commission starts the new year, we are transitioning our logo and introducing a new slogan – Accelerating Access to Care.

The IMLCC now has 42 member jurisdictions – 40 states, the Territory of Guam, and the District of Columbia. We anticipate that legislation will be introduced or considered in at least five states.

The Enhanced Physician Portal (EPP) started development by awarding the contract to Modingbird in October 2023. A primary concern for physicians is the difficulty in tracking the multiple licenses and their renewal requirements. The EPP will create a single, online source for the IMLCC physicians to hold and track all of their licenses – whether issued through the IMLCC or traditional process, including licenses previously obtained and allowed to lapse. The EPP is in beta testing mode with a projected roll-out in early 2025.

“Access to Care and Physician-Practice Growth after the Interstate Medical Licensure Compact”, an independent study of the impact of the IMLCC on a state’s physician population and expanded care available to a state’s citizens, was published by Darwynn Deyo, Ph.D., Sriparna Ghosh, Ph.D., and Alicia Plemmons, Ph.D. Dr. Deyo and Ghosh are from the Department of Economics at San Jose State University, and Dr. Plemmons is from the Department of General Business at West Virginia University. The study is available on the IMLCC’s webpage at [Publications](#). A key finding of the study was the impact on rural and underserved areas.

The Year 7 Data Study was published in June 2024. The Data Study is an annual look at processing information, average processing times, licenses obtained, etc. The supplemental information consists of the number of Letters of Qualification (LOQs) and licenses issued by each member board. The average number of processing days has been slowly improving over time – a remarkable tribute to the member board licensing staff, especially given a 30 to 50% increase in the number of applications being processed. See the Processing Volume information on right.



IMLCC PROCESSING VOLUME (UNAUDITED)

23,829
Applications
Processed
(19,147 in FY2023)

38,096
Licenses
Issued
(30,691 in FY2023)

32,146
Licenses
Renewed
(23,870 in FY2023)

84,281
Financial
Transactions
(67,507 in FY2023)

\$28,633,301.97
In Fees Paid To
Member Boards
(\$23,343,095.23
in FY2023)



EXECUTIVE DIRECTOR REPORT

As an organization, the IMLCC is unique – in its purpose and its organizational structure. The purpose of the IMLCC is, and always has been, to assist physicians in quickly and efficiently obtaining licenses in multiple states. The context of this licensing procedure must be maintained through state-based licensure process, ensuring high standards and local oversight of physician eligibility and ensuring a well-coordinated and fairly applied system of oversight and discipline.

Marking the 100,000th license the IMLCC issued in April 2024, gave us pause to celebrate and remember all of our accomplishments over the 7-year history of the IMLCC. As we review our purpose and begin the transition to the next phase of the organization we remember these milestones:

- Moving our headquarters to a new location – the new address is 7921 Southpark Plaza, Suite 109, Littleton, CO 80120. We would love to see you in our new space! Please stop by if you are in the area.
- Expanding our staff. In 2017, IMLCC had just 2 contract staff members. In 2020, we converted our contract staff to employees. And in August 2024, we brought on our 16th employee – with plans to hire 3 more people, including a Deputy Director in early 2025. The IMLCC management team is working on our staffing plan and vision for FY2026 and beyond.
- The revenue forecasting model, developed at the request of the Budget Committee in 2022, was updated and previous forecasts checked against actual results. Findings indicate that the model accurately predicts the future revenues with the appropriate mix of controls and variables.
- The Member board training and onboarding process is effective and popular. The original onboarding process involved a 2-hour conference call (pre-Zoom) and then close monitoring by IMLCC and member board staff as the applications were received. IMLCC Operations team now hosts a 5-part, half day training module using test accounts and a test environment. Both the methodology and the format have proven to be effective and

efficient. We highly recommend a refresher training for all member boards using this new training process.

With the publication of this annual report, we are introducing the IMLCC's new logo and tagline. We have already begun to roll out and Beta test the logo and tag line in certain markets to great success. We have made changes to our social media pages first, such as on the IMLCC's Facebook and LinkedIn pages and will be introducing it on our website and other publications moving forward. The logo depicts our organization's strong forward movement and how that forward movement is accelerating access to care for patients; two messages we want to convey.



Original logo/tagline



New logo/tagline

The New License data study for calendar year 2023 and an updated Physician Survey of process satisfaction and license usage will be published this fall, helping to demonstrate, through data, that our process is successfully expanding access to care.

The IMLCC is essentially a technology based organization. We operate using the latest technologies and platforms. There are 2 important roll-outs that will take place in FY2025 which we began in FY2024 – the Enhanced Physician Portal (EPP), a system being developed in partnership with Modingbird, and the Application Programming Interface (API) for all processes.

The EPP is in beta testing as this document is being published. It will be a game-changer for physicians who are holding licenses in multiple states by creating a single, online wallet with current, expired and available licenses all in one place. The EPP will allow physicians to make decisions about the licenses they wish to obtain by providing a list of the state-based requirements for licensing and once a license is obtained, recording and tracking the requirements for renewal. Member boards will be able to access the EPP for renewal verification and auditing, and they will know that a renewal application received through the IMLCC process has met the IMLCC as well as their state requirements. I have every confidence in my staff and our partners at Mocinbird that this technological advancement will bring IMLCC forward by great strides.

The API process started in 2022 with the initial focus on the renewal process. It is now available for all member boards to use. To date, five member boards are actively using the process with positive comments about its effectiveness and support provided by IMLCC staff during and after the implementation process. In early 2025, the 2nd phase of the API project will be completed and made available to member states – the API for Selection of States, aka the license request and granting process. It will replace the manual input currently required with a system-to-system interaction. Summer of 2025 will see the 3rd phase or the Letter of Qualification process, with the final phase completed in the fall of 2025 when the Redesignation process will be automated. The project was designed to ensure the highest level of security and integrity.

In conclusion, the work and effort from IMLCC staff, member board staff, contractors, and Commissioners during FY2024 created a perfect opportunity to transition and grow in the upcoming years. Together, we can continue to change as we embrace the challenges and opportunities as they present themselves.

Just the opportunity that we need.

COMPLIANCE ACTIONS

In FY2024, 46 disciplinary actions were taken against the licenses held by 25 different physicians. All impacted member boards were notified of the actions. In April 2024, a joint investigation, which included ten member boards, was formed. Since 2017, 111 disciplinary actions have been taken against the licenses held by 50 of the over 26,000 physicians who have used the Compact process.

The State of Principal License determined that 11 Letters of Qualification (LOQ) to be invalid after they were issued. All impacted member boards were notified of the determination. Since 2017, 30 LOQs out of the 68,366 issued have been found to be invalid.

BUDGET REPORT

The Commissioners approved the IMLCC FY2025 budget at the May 14, 2024 meeting. A copy of the budget is available on the [IMLCC webpage](#).

The IMLCC will not levy or assess fees to member states for FY2025. The IMLCC has never levied or assessed fees to member states and remains fiscally sound with reserves sufficient to cover at least 36 months of operating expenses.



**STATES
JOINING
THE IMLC:**
Missouri
July 2023
—
Florida
March 2024

2023 ANNUAL MEETING

The IMLCC held its seventh annual meeting in-person and virtually in Greenwood Village, CO, on November 14, 2023. The meeting included a rulemaking hearing, that amended IMLC Rules Chapters 3, 4, 5, and 6. The draft minutes from the meeting can be found on the IMLC webpage at <https://www.imlcc.org/imlc-commission/public-notice-agendas-and-minutes/>. The 2024 annual meeting is scheduled to be held in Scottsdale, Arizona, where the minutes from the 2023 Annual Meeting will be finalized.

OTHER IMLCC MEETINGS

The Commissioners met on May 14, 2024 to approve the FY2025 budget. Draft minutes from the meeting can be found on the [IMLCC webpage](#).

COMMITTEE MEETINGS

Executive Committee

- July 11, 2023
- August 8, 2023
- September 12, 2023
- October 10, 2023
- November 13, 2023
- November 21, 2023 – Special Meeting
- December 5, 2023
- January 9, 2024
- February 13, 2024
- February 26, 2024 – Special Meeting
- March 12, 2024
- April 9, 2024
- May 7, 2024
- June 11, 2024

Budget Committee

- July 18, 2023
- o November 13, 2023
- o January 23, 2024
- o February 20, 2024
- o March 19, 2024
- o April 9, 2024

Communications Committee

- July 25, 2023
- August 29, 2023
- September 26, 2023
- November 13, 2023
- January 30, 2024
- April 23, 2024

Personnel Committee

- November 13, 2023
- January 8, 2024
- March 4, 2024
- April 1, 2024

Rules & Administrative Procedures Committee

- August 22, 2023
- September 19, 2023
- November 13, 2023
- January 23, 2024
- February 20, 2024
- March 26, 2024
- April 23, 2024
- May 21, 2024
- June 17, 2024

Technology Committee

- September 14, 2023
- October 12, 2023
- November 13, 2023
- December 14, 2023
- January 11, 2024
- February 8, 2024
- March 14, 2024
- April 11, 2024
- May 9, 2024
- June 13, 2024



RULEMAKING AND POLICY DEVELOPMENT

The Commission made the following decisions regarding rules and policy development.

Rules adopted: None

Rules amended:

- IMLC Rule Chapter 3, amended paragraph 3.3 in its entirety which changed the process for payment of collected fees to a member board.
- IMLC Rule Chapter 3, amended paragraph 3.5 to clarify the meaning of a “license fee”.
- IMLC Rule Chapter 4, paragraph 4.2 – amended the term “Employer”.
- IMLC Rule Chapter 4, paragraph 4.3 – amended paragraph (b) adding clarifying language.
- IMLC Rule, Chapter 5, removing paragraph 5.9, which addressed emergency rule waivers in response to the COVID-19 pandemic.
- IMLC Rule, Chapter 6 – paragraph 6.2 – amended the term “Confidential and filed under seal”.
- IMLC Rule, Chapter 6 – paragraph 6.2 – removed the terms “Member board” and “State of principal license”.
- IMLC Rule, Chapter 6 – paragraph 6.4 – amending paragraphs “g”, “h”, and “i” to clarify the requirements of member boards and limiting the enforcement of this Rule to physicians who utilized the Compact process.
- IMLC Rule, Chapter 6 – paragraph 6.5 – amending paragraphs “a”, “c”, and “g” to clarify the authority provided by the IMLC Statute.
- IMLC Rule, Chapter 6 – general grammatical changes to create conformity in language.

Bylaws adopted or amended: None

Policies adopted: None

Policies amended:

- IMLC Policy #1 – Policy on Policies – Paragraph III – adding a new term “Interested Parties”.
- IMLC Policy #1 – Policy on Policies – Paragraph III – removed the terms “Policy development”, “Policy approval”, and “Policy review”.
- IMLC Policy #1 – Policy on Policies – Paragraph V – created new subparagraphs #1 and #3.
- IMLC Policy #1 – Policy on Policies – Paragraph V – amended subparagraph #5 to define the frequency and responsibility for policy reviews.
- IMLC Policy #1 – Policy on Policies – Paragraph V – amended subparagraph #7 to define how policy modifications will be announced.
- IMLC Policy #1 – Policy on Policies – Paragraph VI – amended to designate the Rules & Administrative Procedures Committee the responsible party for IMLC policies.
- IMLC Policy #2 – Policy on Conflicts of Interest – Paragraph III – modified the term “Gift” by removing the words “..expectation of compensation to the contributor.”
- IMLC Policy #4 – Policy on Annual Report – Paragraph IV – removed dated language that was no longer relevant.
- IMLC Policy #12 – Policy on Procurement – Paragraph III was amended by changing the language in subparagraph 7 and adding new paragraphs 8 and 10.

Advisory Opinions issued: IMLC Advisory Opinion No. 1-2024 (issued 8/13/2024)

Advisory Opinions amended: None

To view all documents, please visit [Compact Policies, Rules and Laws](#) on the IMLC website.



OUTREACH AND EDUCATIONAL ACTIVITIES

The IMLCC Staff and Commissioners provided orientation training, onboarding instructions, and detailed operational discussion with the following boards:

- Alabama Board of Medical Examiners and Medical Licensure Commission
- Alaska State Medical Board
- Arizona Medical Board
- Arizona Board of Osteopathic Examiners in Medicine and Surgery
- Connecticut Practitioner Licensing & Investigations
- Florida Board of Medicine
- Florida Board of Osteopathic Medicine
- Hawaii Department of Commerce and Consumer Affairs
- Missouri State Board of Registration for the Healing Arts
- Nevada State Board of Osteopathic Medicine
- New Hampshire Office of Professional Licensure and Certification
- New Jersey State Board of Medical Examiners
- Pennsylvania Bureau of Professional and Occupational Affairs
- Rhode Island Board of Medical Licensure & Discipline
- Tennessee Board of Medical and Osteopathic Examiners
- Vermont Board of Osteopathic Physicians
- Washington Medical Commission
- Wisconsin Department of Safety and Professional Services

The IMLCC staff participated in the following outreach and educational activities during FY2024:

Regularly scheduled meetings:

- Monthly – Member Board Licensing Staff Conference Calls – 3rd Wednesday of each month
- Monthly – Interstate Healthcare Collaborative Conference Calls – 3rd Friday of each month
- Bi-monthly – 3rd Party User Group Conference Calls – 2nd Wednesday of every odd month
- Bi-monthly – Compact Administrators Conference Calls – 2nd Monday of every even month

July 2023

- Meeting with Massachusetts legislators and staff
- Discussion with the Hawaii Medical Association
- Meeting with the Hawaii Hospital Association
- Presentation to the Hawaii Grassroots Organization

August 2023

- Attended the National Conference of State Legislatures – Legislative Summit
- Meeting with Massachusetts legislators and staff
- Meeting with CTel
- Interview with Ted Weyn, Heros in Healthcare podcast

SUMMARY OF ACTIVITY JULY 2023-JUNE 2024

September 2023

- Presentation and workshop for the General Court of the Commonwealth of Massachusetts
- Interview with Locumpedia News
- Webinar hosted by Advocacy Communications
- Meeting with FSMB Provider Bridge
- Meeting with Undiagnosed Diseases Network (UDN)
- Meeting with KeyCare

October 2023

- Meeting with the Federation of Podiatric Medical Boards
- Podcast with Empowering Women in Career and Business Development
- Meeting with the Connecticut Medical Association
- Meeting with Manatt, Phelps & Philips, LLP
- Meeting with CE Broker
- Meeting with Norton Healthcare

November 2023

- Meeting with the New Mexico Hospital Association
- Presentation for CTel webinar on Telehealth and Licensure Compacts

December 2023

- Conference call with ACGME
- Interview with the Providence Business News
- Presented at the CTel Legislative Summit
- Presented at the CTel Mental and Behavioral Health Workshop

January 2024

- Conference call with West Virginia Hospital Association
- Interview with MedPage Today
- Interview with Inside Health Policy
- Meeting with the Federation of Podiatric Medical Boards
- Presentation for CTel webinar on Licensure & Continuity of Care

February 2024

- Conference call with New York Senator Krueger's staff
- Meeting with Raleigh Radiology
- Conference call with U.S. Senator Casey's staff
- Meeting with the Autopsy initiative
- Presentation to the AIM Certified Medical Board Investigator training
- Conference call with National Board of Osteopathic Medical Examiners
- Meeting with Federation of Podiatric Medical Boards

March 2024

- Conference call with Memorial Sloan Kettering Cancer Center
- Conference call with Honor Medical
- Interview with Rochester Post Bulletin
- Conference call with Executive Director of the PsyPact
- Meeting with the Federation of Podiatric Medical Boards
- Interview with POLITICO
- Conference call with the Oregon Chief Medical Officers and Physician Leaders Group

April 2024

- Conference call with Memorial Sloan Kettering Cancer Center
- Conference call with the American Society of Health-System Pharmacists
- Meeting with KYRC Autopsy
- Conference call with KeyCare
- Participate in the New York Legislative Advocacy Day – Rare Disease Legislative Advocates training
- Attended the Federation of State Medical Boards Annual meeting
- Conference call with Specialist Virtucare
- Presented at the Illinois Association of Medical Staff Services annual conference

May 2024

- Conference call with CE Broker
- Presentation to the Bipartisan Policy Center's Interstate Licensure Roundtable
- Conference call with CTel – AI Blue Ribbon Collaborative
- Conference call with Dr. Samara Asher
- Meeting with the Federation of Podiatric Medical Boards
- Conference call with the Norton Medical Group
- Meeting with CTel's Licensure & Continuity of Care workgroup

June 2024

- Conference call with CE Broker
- Participated in the CTel Legislative Summit on Capitol Hill
- Meeting with the Federation of Podiatric Medical Boards

The latest information about the IMLC can be found by clicking on the [“News”](#) tab.

FY2023 AUDIT REPORTS

The Budget Committee approved the FY2023 audit reports on behalf of the IMLCC at the committee's January 23, 2024 meeting. The FY2023 Financial Statements document can be found by clicking [Audit Information](#).

FY2023 ANNUAL MEETING MINUTES

The draft minutes from the meeting can be found on the [IMLCC webpage](#).

The annual meeting minutes include a report from the committee chairs summarizing their committee's activities.

The 2024 annual meeting is scheduled to be held in Scottsdale, Arizona on November 19, 2024, at which time the minutes from the 2023 Annual Meeting will be finalized.

The purpose of the IMLCC is, and always has been, to assist physicians in quickly and efficiently obtaining licenses in multiple states.





ROSTER OF COMMISSIONERS



ALABAMA

Commissioner Tiffany Seamon (9/16/2021)

Personnel Committee Member

Commissioner Karen Silas (5/20/2017)

*IMLCC Chair
Executive Committee Member*



ARIZONA

Commissioner Justin Bohall (11/15/2019)

*Rules & Administrative Procedures Committee Chair
Executive Committee Member*

Commissioner Patricia McSorley (6/1/2016)

Personnel Committee Member



COLORADO

**Commissioner Roland Flores, MD
(11/21/2022)**

Personnel Committee Member

Commissioner Paula Martinez (5/20/2024)

Technology Committee Member



CONNECTICUT

**Commissioner Christian D. Andresen, MPH
(9/29/2022)**

Budget Committee Member

Appointment Pending



DELAWARE

**Commissioner Shauna Slaughter
(10/13/2022)**

Budget Committee Member

**Commissioner Joseph Rubacky, III, D.O.
(10/13/2022)**

Communications Committee Member



DISTRICT OF COLUMBIA

Commissioner Aisha Nixon (7/18/2023)
Budget Committee Member

Appointment Pending



FLORIDA

Commissioner Watson Ducatel, DO (5/22/2024)
Committee Assignment Pending

Appointment Pending



GEORGIA

Commissioner JJ Marshall, MD (5/20/2022)
Communications Committee Member

Appointment Pending



GUAM

Commissioner Kia Rahmani, MD (11/20/2018)
Personnel Committee Member

Appointment Pending



HAWAII

Commissioner Michael Jaffe, MD (12-21-2023)
Technology Committee

Appointment Pending



IDAHO

Commissioner Mark Grajcar, DO (5/28/2021)
Communications Committee Member

Commissioner Nicki Chopski (4/4/2022)
Personnel Committee Member



ILLINOIS

Commissioner Cecilia Abundis
(10/11/2019)
Communications Committee Member

Appointment Pending



INDIANA

Appointment Pending

Appointment Pending



IOWA

Commissioner Patricia Fasbender, DO
(11/4/2021)
Communications Committee Member

Appointment Pending



KANSAS

Commissioner Thomas Estep, MD
(12/13/2021)
Communications Committee Member

Commissioner Susan Gile (10/08/2021)

Rules & Administrative Procedures Committee Member



KENTUCKY

Commissioner Michael S. Rodman
(6/20/2019)
Communications Committee Chair
Executive Committee Member

Commissioner Heidi M. Koenig, MD
(12/17/2020)

Budget Committee Member



LOUISIANA

Commissioner Vincent A. Culotta, Jr. MD
(12/2/2021)
Technology Committee Member

Commissioner Lester Johnson MD (12/2/2021)
Rules & Administrative Procedures Committee Member



MAINE

Commissioner Timothy (Tim) E. Terranova
(8/8/2017)

Communications Committee Member

Commissioner Rachel MacArthur
(10/17/2023)

Personnel Committee Member



MARYLAND

Commissioner Christine A. Farrelly
(5/25/2018)

Budget Committee Member

Commissioner Ellen Douglas Smith
(5/28/2018)

Communications Committee Member



MICHIGAN

Commissioner Dawn Gage (9/15/2021)
Technology Committee Member

Commissioner Michael Chafty, MD
(9/18/2019)

Personnel Committee Member



MINNESOTA

Commissioner Elizabeth Huntley
(3/29/2023)

Technology Committee Member

Commissioner John (Jake) M. Manahan
(11/18/2019)

*IMLCC Vice Chair
Executive Committee Member*



MISSISSIPPI

Commissioner Kenneth Cleveland, MD
(8/19/2019)

*IMLCC Treasurer
Budget Committee Chair
Executive Committee Member*

Commissioner Anna Boone (3/29/2021)

Personnel Committee Member



MISSOURI

Appointment Pending

Appointment Pending



MONTANA

Commissioner Samuel Hunthausen
(7/21/2021)

Technology Committee Chair
Executive Committee Member

Appointment Pending



NEBRASKA

Commissioner Maria Michaelis, MD
(3/25/2021)

Communications Committee Member

Commissioner Vonda Apking (10/24/2023)

Technology Committee Member



NEW HAMPSHIRE

Commissioner Marc Bertrand, MD
(11/13/2023)

Communications Committee Member

Appointment Pending



NEW JERSEY

Commissioner Kathleen Gater (10/13/2023)

Communications Committee Member

Commissioner Marilyn Gorney-Daley, DO
(3/1/2024)

Technology Committee



NEVADA

Commissioner Edward Cousineau, JD
(12/4/2015)

Budget Committee Member

Commissioner Frank DiMaggio (10/1/2022)

Rules & Administrative Procedures Committee
Member



NORTH DAKOTA

Commissioner Lynette McDonald (9/12/2019)

Technology Committee Member

Commissioner Zena Homan, MD (8/2/2023)

Personnel Committee Member



OHIO

Commissioner Stephanie Loucka (10/25/2021)

Rules & Administrative Procedures Committee Member

Commissioner Yeshwant Reddy, MD (12/11/2023)

Communications Committee Member



OKLAHOMA

Commissioner Christi Aquino (10/18/2019)

Communications Committee Member

Commissioner Kyle Kelsey (2/21/2024)

Rules & Administrative Procedures Committee Member



PENNSYLVANIA

Appointment Pending

Appointment Pending



RHODE ISLAND

Appointment Pending

Appointment Pending



SOUTH DAKOTA

Commissioner Margaret Hansen (7/21/2015)

Rules & Administrative Procedures Committee Member

Commissioner Suzanne Veenis (8/28/2020)

Budget Committee Member



TENNESSEE

Commissioner Stacy Tarr (3/27/2022)

Rules & Administrative Procedures Committee Member

Commissioner Penny Judd (9/12/2018)

Budget Committee Member



TEXAS

Commissioner Devinder Bhatia (6/10/2022)

Personnel Committee Member

Commissioner Robert Martinez (6/10/2022)

Budget Committee Member



UTAH

Commissioner Larry Marx (10/4/2016)

Rules & Administrative Procedures Committee Member

Appointment Pending



VERMONT

Commissioner David Herlihy (6/11/2020)

*Personnel Committee Chair
Executive Committee Member*

Commissioner Jennifer Colin (6/17/2024)

Communications Committee Member



WASHINGTON

Commissioner Kyle Karinen, J.D. (7/28/2023)

Technology Committee Member

Commissioner James Chaney (10/31/2023)

Budget Committee Member



WEST VIRGINIA

Commissioner Jonathan T. Osborne
(10/21/2021)

*Rules & Administrative Procedures
Committee Member*

Commissioner Mark A. Spangler (1/23/2017)

*Communications Committee Member
IMLCC Past Chair
Executive Committee Member*



WISCONSIN

Commissioner Clarence Chou (10/21/2020)

Personnel Committee Member

Commissioner Sumeet Goel (12/18/2023)

Technology Committee Member



WYOMING

Commissioner Kevin Bohnenblust
(7/30/2015)

Technology Committee Member

Commissioner Michael Jording
(4/12/2022)

*Rules & Administrative Procedures
Committee member*

The work and effort from IMLCC staff and member board staff, contractors and Commissioners during FY2024 created a perfect opportunity to transition and grow in the upcoming years.





**Interstate Medical
Licensure Compact**

Accelerating Access To Care

www.imlcc.com

2024

American Osteopathic Association

Osteopathic Medical Profession Report

[Osteopathic.org](https://osteopathic.org)



AMERICAN
OSTEOPATHIC ASSOCIATION



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- 06. Era of expansion
- 07. DO demographics
- 08. Answering the call
- 09. Caring for the underserved
- 10. Investing in the future



— 150 years of osteopathic distinction

This year, we join to celebrate 150 years of osteopathic medicine, commemorating the date in 1874 when frontier physician A.T. Still, MD, DO, first established the founding principles of the profession.

What began as a revolutionary concept introduced by a Civil War surgeon has transformed into an expansive and thriving community of physicians and medical students dedicated to caring for the body, mind and spirit of their patients. Doctors of Osteopathic Medicine, or DOs, practice in every medical field and specialty available today, combining their expertise with a whole-person approach centered on listening to and partnering with their patients.

In 1874, Dr. Still's progressive philosophy, which focused on treating the body as a unit with a natural tendency toward health and self-healing, was met with resistance by fellow medical practitioners who relied primarily on drugs as a cornerstone of medical care. Despite these challenges, Dr. Still continued to champion osteopathic medicine, eventually founding the nation's first osteopathic

medical school in 1892. Since that time, the osteopathic medical profession has grown exponentially and today represents approximately 11% of all physicians and 28% of all medical students in the U.S. More prospective physicians than ever before are choosing to become DOs, with nearly 40,000 medical students attending 42 colleges of osteopathic medicine across 67 campuses.

The pioneering spirit of Dr. Still is very much alive, demonstrated by nearly 200,000 members of the osteopathic medical profession who bring a unique whole-person approach to caring for millions of patients across the nation. DOs hold some of the most distinguished positions in medicine today, caring for the U.S. President, overseeing the NASA medical team and leading some of the nation's top-ranked hospitals and health systems.

In the AOA's Osteopathic Medical Profession (OMP) Report, you'll find the latest updates detailing growth and expansion of the osteopathic medical profession. Read further for an overview of demographics and trends that are shaping how DOs contribute to the practice of medicine in the U.S.

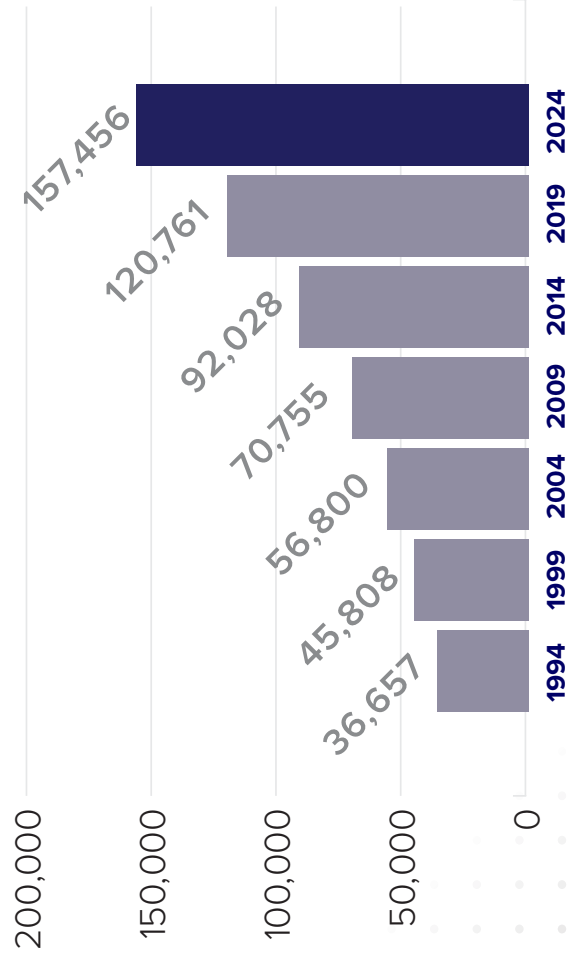


Growing the DO workforce

The osteopathic medical profession continues to expand each year, bolstered by the growing number of medical students pursuing careers as DOs. This past spring, the profession welcomed nearly 8,200 new DO graduates. In addition, approximately 40,000 osteopathic medical students are enrolled for the 2024-25 academic year, bringing the total number of DOs and osteopathic medical students across the nation to 197,398.

The profession is poised to surpass 200,000 DOs and osteopathic medical students in the year ahead, further contributing to the expansion of the osteopathic philosophy across the full spectrum of specialties.

Osteopathic physicians in the U.S.



150 years of growth

157,456

Osteopathic physicians in the U.S.*

11% of all U.S. physicians

39,942

Osteopathic medical students in the U.S.**

28% of all U.S. medical students

197,398

Total osteopathic physicians & medical students in the U.S.

*All living DOs, including an estimated 8,195 new graduates. Source: AOA Physician Masterfile.

**All osteopathic medical students set to matriculate in the 2024-25 academic year. Source: American Association of Colleges of Osteopathic Medicine (AACOM).

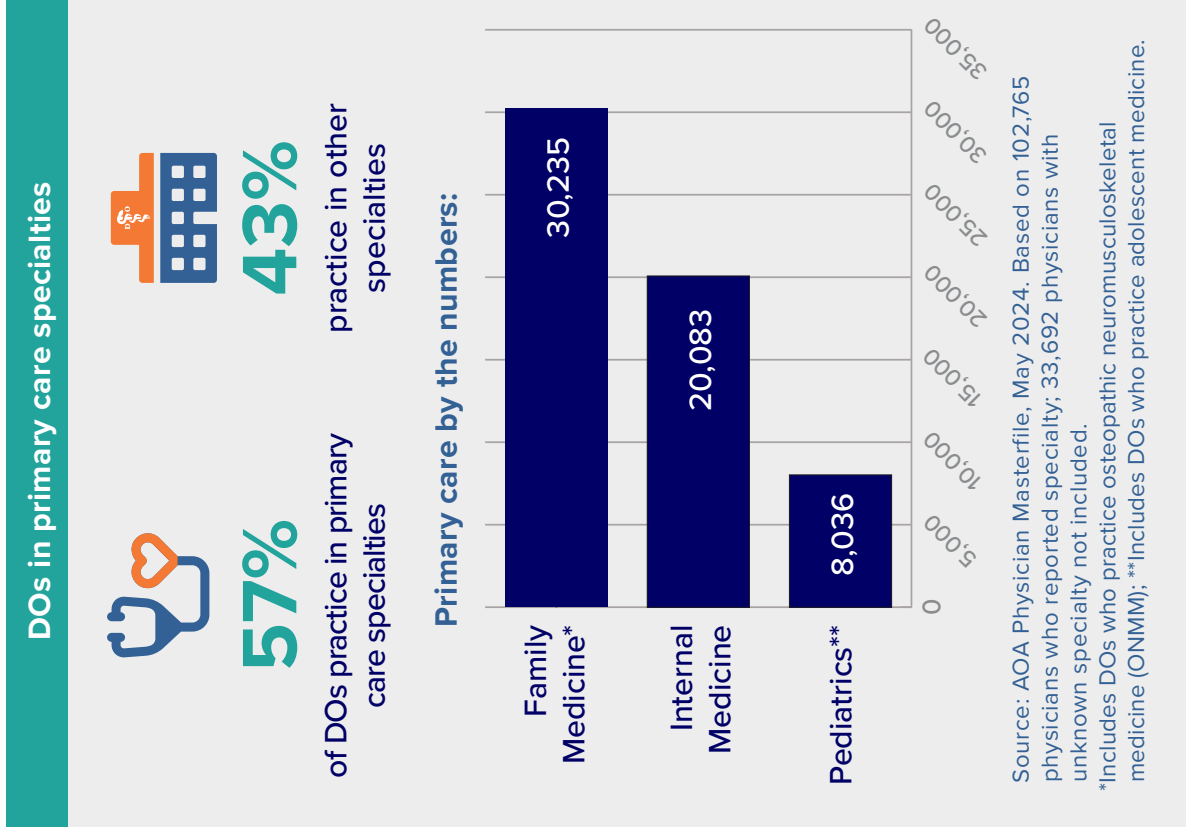
Primary care in demand

When Dr. Still first established the founding principles of osteopathic medicine more than 150 years ago, he envisioned a world where the practice of medicine focused more on wellness and disease prevention rather than treatment of symptoms. This whole-person approach to wellness remains the cornerstone of osteopathic medical education, training and practice today.

DOs bring a distinctive approach to caring for patients across the full spectrum of medicine, with a significant number choosing to pursue careers as frontline physicians in primary care specialties, including family medicine, internal medicine and pediatrics.

Reflecting the profession's ongoing commitment to primary care, 53% of osteopathic candidates matched into primary care residency programs in 2024. These physicians—and those who will join the workforce in coming years—will play a critical role in helping to alleviate a shortage of up to 86,000 U.S. physicians by 2036, as projected by the Association of American Medical Colleges.

Underscoring the profession's continued commitment to building the future of primary care, osteopathic medical schools make up 16 of the top 20 schools producing the most graduates practicing in primary care, according to U.S. News and World Report's 2024 rankings.



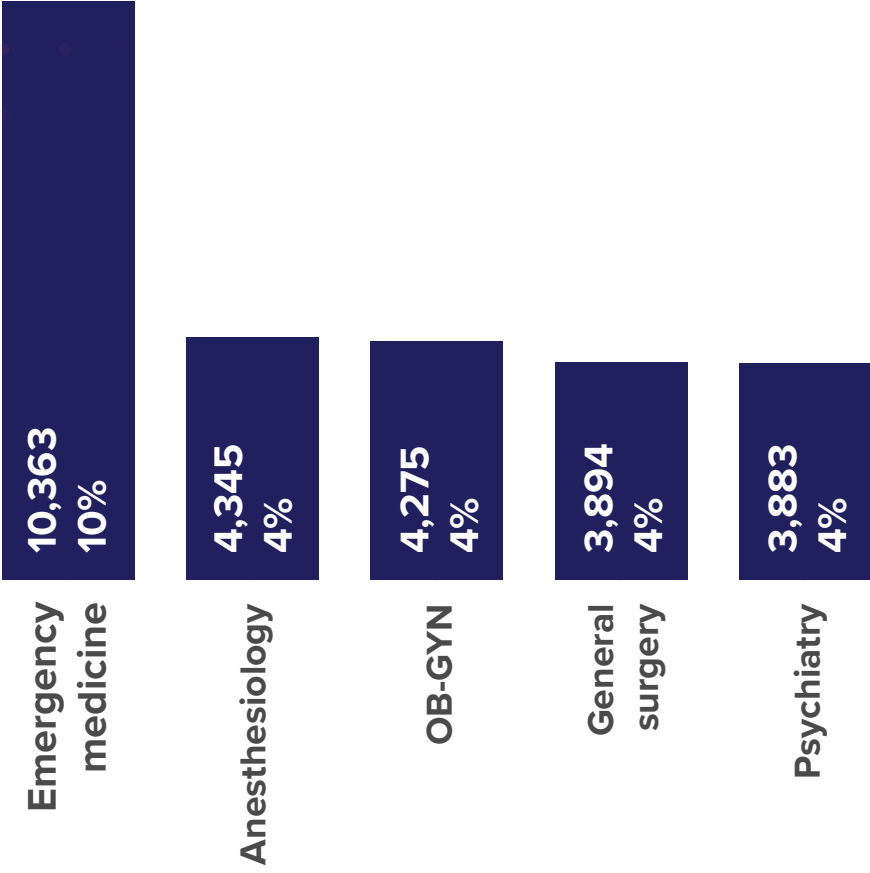
Era of expansion

Despite the osteopathic medical profession's strong roots in primary care, more DOs than ever before are choosing non-primary care specialties. These DOs practice across a wide range of medical disciplines, including surgery, emergency medicine, OB-GYN and psychiatry. Regardless of specialty, DOs treat their patients using the distinctive osteopathic philosophy focused on wellness in body, mind and spirit.

Approximately 43% of DOs currently practice in non-primary care specialties, a 16% increase over the past decade. As the demand for well-rounded physicians continues to grow, DOs are playing an increasingly critical role in both primary care and specialized fields. Their ability to provide a whole-person approach, combined with their rigorous medical training, positions them well to meet the complex needs of patients in today's health care landscape. Top non-primary care specialties for DOs in 2024 include emergency medicine, anesthesiology, OB-GYN, general surgery and psychiatry.

Representing the future of the profession, approximately 47% of DO students matched into non-primary care residency programs across a variety of specialties through the 2024 NRMP Match. The number of DO senior placements increased significantly in emergency medicine, psychiatry, OB-GYN, general surgery, radiology, anesthesiology and physical medicine and rehabilitation.

Top 5 non-primary care specialties



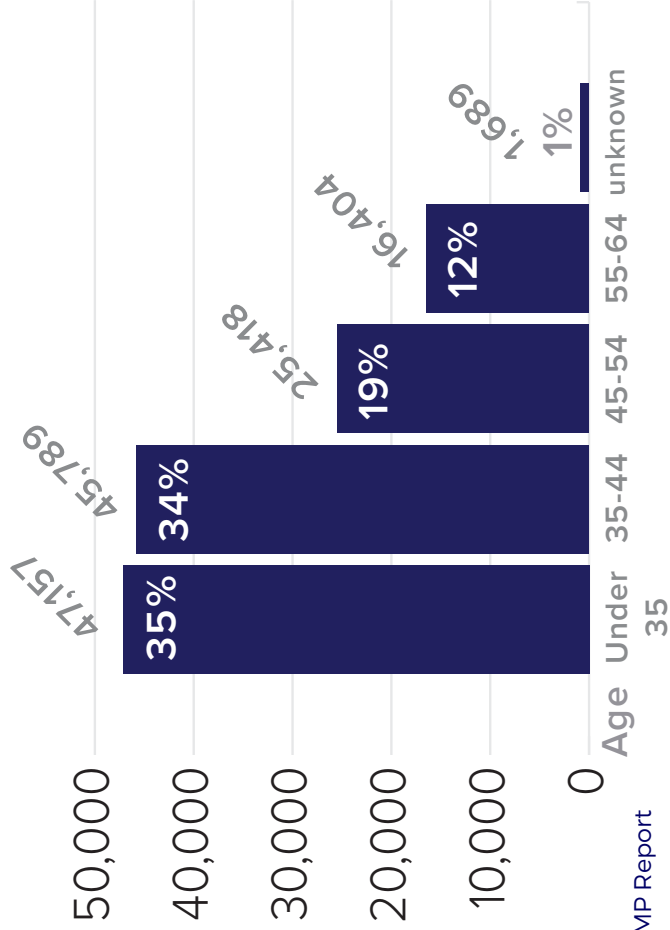
Source: AOA Physician Masterfile, May 2024.

DO demographics

With each passing year, the number of future physicians who choose careers in osteopathic medicine continues to increase. Reflecting significant growth in the number of new graduates entering the profession during the past decade, nearly 70% of DOs in active practice today are under age 45.

The number of female osteopathic physicians is also on the rise, accounting for 45% of all DOs in active practice. This percentage increases to 48% for those in active practice under age 45. Moreover, women currently make up more than 50% of all osteopathic medical students, according to the American Association of Colleges of Osteopathic Medicine (AACOM).

Actively practicing DOs by age



Snapshot of the profession

136,457

DOs in active practice*

92,946

DOs in active practice under age 45

44,592

Female DOs in active practice under age 45

Percentage of female DOs in active practice:

2024: **45%**

2019: **42%**

increase over
15 years

2014: **39%**

2009: **34%**

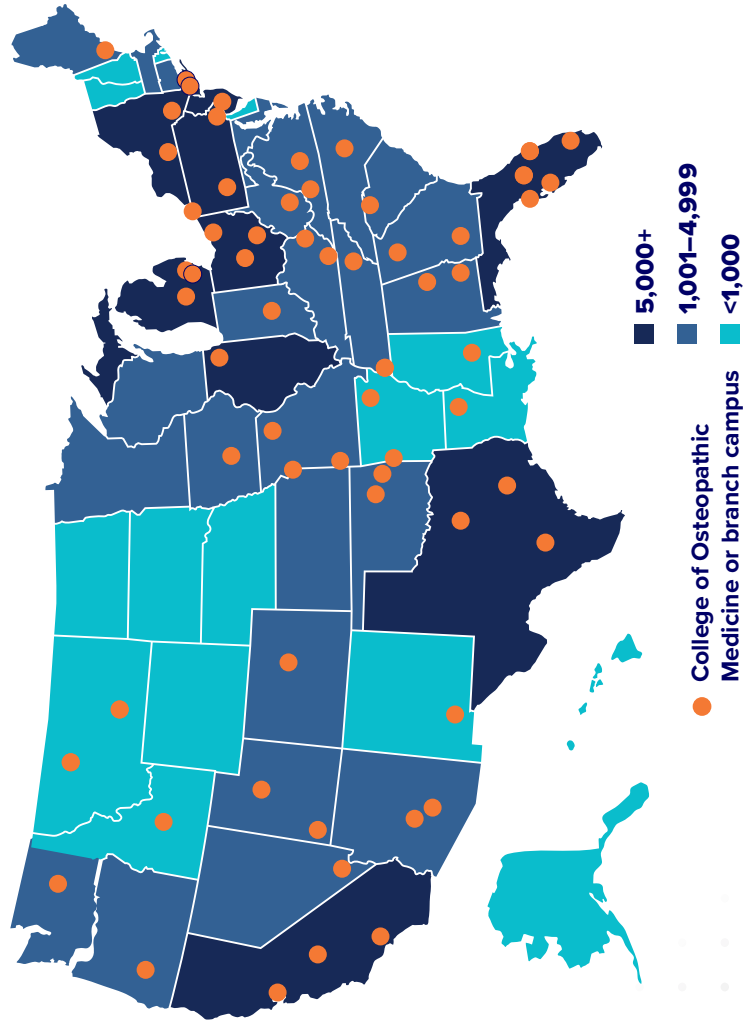
Source: AOA Physician Masterfile, May 2024.

*Includes all DOs, including those in training, under age 65 who are not known to be active or retired.

Answering the call

In addition to applying their distinctive philosophy to all medical specialties, DOs practice in communities across every state in the nation. Data shows that DOs tend to practice in or near the communities where they complete their education and training. Moreover, the fact that osteopathic medical schools are primarily located in rural or medically underserved regions makes DOs more likely to practice in communities with limited access to care.

State	5,000+	State	1,000-4,999	State	<1,000
CA	12,063 (8.8%)	AZ	3,744 (2.7%)	ID	963 (0.7%)
FL	10,576 (7.8%)	VA	3,713 (2.7%)	AR	898 (0.7%)
PA	10,078 (7.4%)	MO	3,547 (2.6%)	MS	875 (0.6%)
NY	9,392 (6.9%)	NC	3,017 (2.2%)	LA	539 (0.4%)
TX	8,309 (6.1%)	CO	2,751 (2.0%)	NM	520 (0.4%)
MI	7,862 (5.8%)	OK	2,741 (2.0%)	NH	508 (0.4%)
OH	6,525 (4.8%)	WA	2,558 (1.9%)	NE	482 (0.4%)
NJ	5,726 (4.2%)	GA	2,318 (1.7%)	HI	478 (0.4%)
IL	5,080 (3.7%)	IA	2,130 (1.6%)	DE	475 (0.3%)
		IN	2,129 (1.6%)	MT	384 (0.3%)
		TN	2,095 (1.5%)	RI	340 (0.2%)
		SC	1,950 (1.4%)	AK	322 (0.2%)
		KY	1,891 (1.4%)	SD	295 (0.2%)
		WV	1,844 (1.4%)	WY	181 (0.1%)
		WI	1,759 (1.3%)	DC	173 (0.1%)
		OR	1,718 (1.3%)	VT	140 (0.1%)
		AL	1,665 (1.2%)	ND	127 (0.1%)
		UT	1,566 (1.1%)		
		MA	1,555 (1.1%)		
		MD	1,459 (1.1%)		
		MN	1,418 (1.0%)		
		NV	1,353 (1.0%)		
		ME	1,161 (0.9%)		
		KS	1,125 (0.8%)		
		CT	1,024 (0.8%)		



Sources: AOA Masterfile, Commission on Osteopathic College Accreditation (COCA).

Caring for the underserved

According to the National Rural Healthcare Association, rural areas average 13 physicians per 10,000 patients, compared with 31 in urban areas. The osteopathic medical profession plays a critical role in helping to narrow that gap by placing emphasis on recruiting medical students who are more likely to practice in the areas where they complete their education and training.

On U.S. News and World Report's 2024 list of the best medical schools in the nation, osteopathic medical schools landed four of the top 10 spots for schools with the most graduates practicing in underserved areas. The top two schools noted in the category were Michigan State University College of Osteopathic Medicine and Campbell University-Jerry M. Wallace School of Osteopathic Medicine, respectively.

Six of the top 10 schools with the most graduates practicing in rural areas were osteopathic medical schools, with the top honor awarded to A.T. Still University Kirksville College of Osteopathic Medicine, followed by William Carey University College of Osteopathic Medicine and University of Pikeville-Kentucky College of Osteopathic Medicine.



Investing in the future

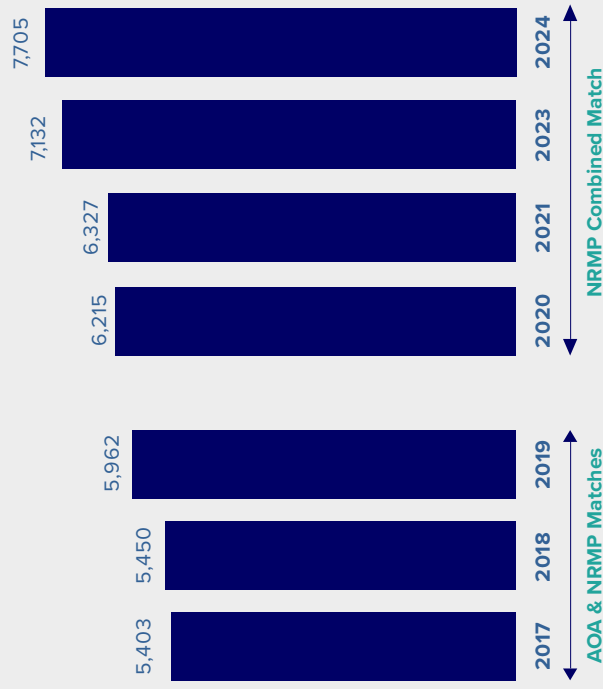
For more than 150 years, the osteopathic medical profession has answered the call for millions of patients seeking a distinctive approach to managing their health and wellness. As the profession continues to evolve, DOs will undoubtedly play an even more impactful role in the U.S. and global health care systems, expanding further into diverse specialties, shaping healthcare policy and improving access to care.

The next generation of osteopathic medical students and residents poised to enter the physician workforce will practice medicine in a rapidly evolving health care landscape, with the advantage of blending modern innovations and a whole-person philosophy rooted in human touch and connection. This unique combination is already being actively sought by graduate medical education training programs spanning the full spectrum of specialties and geographic locations, resulting in DO seniors achieving a 99% final residency placement rate, the highest for all applicant types in 2024.

These physicians—and those who follow—will play a critical role in ensuring a bright and successful future for osteopathic medicine during the next 150 years and beyond.

DO residency match rates

Year over year, match rates for DO students and graduates continue to rise, breaking all previous placement records for the NRMP Match.



Sources: NRMP Match, American Association of Colleges of Osteopathic Medicine.



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Arizona Board of Osteopathic Examiners in Medicine and Surgery

FY 2027 Budget Justification

Program/Subprogram: Arizona Board of Osteopathic Examiners

Title: Funding Issue 3 – Interagency Service Agreements

Description of Issue:

The Arizona Board of Osteopathic Examiners must maintain interagency service agreements with the Attorney General’s Office for legal services, the Department of Administration’s Central Services Bureau (CSB) for accounting, and ADOA–ASET for IT support. These agreements are essential to fulfilling the Board’s statutory mission of licensing and regulating osteopathic physicians to protect public safety.

Costs for these agreements have increased due to statewide salary adjustments, technology infrastructure demands, and higher service needs. These are mandatory expenses, paid directly to the partner agencies and deposited into the General Fund.

Without funding for these increases, the Board risks delays in complaint resolution, diminished financial accuracy, and IT vulnerabilities. Recent Auditor General reports stress that strong legal, financial, and technological support is critical for timely investigations and effective oversight.

This request covers required adjustments to sustain core operations. It is not an expansion of services, but ensures compliance with statewide requirements and continued protection of the public through reliable licensing and enforcement.

Proposal:

The Arizona Board of Osteopathic Examiners requests ongoing funding of \$21,600 to address increased costs in its three interagency service agreements. Specifically, the Board seeks an increase of \$9,000 for the Attorney General’s Office to cover higher hourly rates for legal representation and counsel, \$6,000 for the Central Services Bureau (CSB) to support accounting and fiscal services, and \$6,600 for Arizona Strategic Enterprise Technology (ASET) to sustain core IT infrastructure, cybersecurity protections, and end-user support.

These services are foundational to the Board’s mission to protect public safety through effective licensing, complaint resolution, and compliance monitoring. Each of the partner agencies has adjusted its fee structure in alignment with statewide operational costs and service demand. Without additional funding to cover these mandated increases, the Board would be unable to pay its obligations in full, forcing reductions in critical services that support complaint investigations, financial accountability, and technology reliability.

The requested funding ensures continuity of operations, preserves compliance with statutory and statewide requirements, and allows the Board to maintain public confidence in the regulation of osteopathic medicine.

Budget Allocation Breakdown :

Attorney General Legal Services (Ongoing) - 6221	\$9,000.00
Internal Service Computer Processing (Ongoing) - 7151	\$6,600.00
Internal Acct/Budg/Financial Svcs (Ongoing) - 7241	\$6,000.00
Total Request	\$21,600.00

Alternatives Considered:

The Board reviewed potential alternatives to address the increased ISA costs but determined none are feasible or sustainable. Reallocation of existing staff resources is not possible, as the Board's small workforce is already operating at capacity managing licensing and investigative functions. Reducing expenditures in other operating areas would undermine the Board's ability to carry out its statutory responsibilities and would not generate sufficient savings to cover the ISA increases. Contracting these services independently outside of state interagency agreements was also considered, but this option would not comply with statewide requirements and would result in higher costs without the benefit of centralized oversight.

Given these factors, the only viable solution is to secure additional funding to meet the mandated increases for the Attorney General's Office, Central Services Bureau, and ADOA–ASET.

Impact of not funding this year:

If the requested increase is not funded, the Board will be unable to meet the full cost of its interagency service agreements with the Attorney General's Office, the Central Services Bureau, and ADOA–ASET. These agreements provide essential legal, financial, and technology services that the Board cannot perform internally. Without adequate resources, the Board would face reduced access to legal counsel, delays in critical fiscal processing, and vulnerabilities in IT support and security.

Such reductions would impair the Board's ability to investigate and resolve complaints in a timely manner, maintain accurate financial reporting, and safeguard sensitive licensing and investigative data. The Auditor General has emphasized that regulatory boards must maintain strong administrative and technological infrastructure to ensure timely investigations and protect the public. Failure to fund these mandatory increases would compromise the Board's efficiency and public protection mission, and could ultimately erode confidence in Arizona's regulatory oversight of osteopathic medicine.

Statutory Reference:

The mission of the Agency is to protect public safety through the judicious licensing, regulation, and education of osteopathic physicians and student physicians.

A.R.S. §32-1800 to §32-1871: These statutes govern the Arizona Board of Osteopathic Examiners and outline the Board's responsibilities, including the investigation of complaints and disciplinary actions against licensees.

Annualization(s):

Ongoing Costs: The requested \$21,600 increase represents the full annual cost of the adjustments to the Board's interagency service agreements. These costs are ongoing and will recur each fiscal year, as the Attorney General's Office, the Central Services Bureau, and ADOA–ASET have all established updated fee structures reflecting salary adjustments, technology infrastructure demands, and other service delivery expenses. The Board anticipates the increased rates will continue for the foreseeable future.

Accordingly, this request should be considered an ongoing annualized need to ensure the Board can meet its statutory obligations without interruption.

Alignment with agency's strategic plan or statutory responsibilities:

The mission of the Arizona Board of Osteopathic Examiners is to protect public health and safety by licensing qualified physicians, investigating complaints, and enforcing professional standards. The services provided under these interagency agreements directly support that mission.

Legal counsel from the Attorney General's Office ensures the Board's disciplinary actions and investigations comply with statutory and constitutional requirements. Accounting services from the Central Services Bureau safeguard the Board's financial integrity, allowing for accurate and transparent management of licensing revenues. IT support from ADOA–ASET provides the technological infrastructure necessary to protect confidential medical, personal data of our licensees and members of the public, and investigative data while ensuring reliable licensing and case management systems.

By funding these agreements, the Board can continue to meet its statutory duties under A.R.S. §§ 32-1800 et seq., while advancing its strategic goal of protecting the public through efficient licensing, timely resolution of complaints, and compliance with state financial and technology standards.

Impact on historically underserved, marginalized, or adversely affected groups:

Timely complaint investigations, accurate financial administration, and secure licensing systems are particularly critical for communities that already face barriers to accessing healthcare. Delays

in resolving complaints or in processing physician applications can disproportionately impact rural, tribal, and low-income populations that rely heavily on osteopathic physicians for primary care. Any disruption in legal, financial, or IT services could slow the licensing of new physicians or prolong investigations into unsafe practitioners, directly affecting these communities' ability to receive safe and reliable healthcare.

By funding the increased costs of these interagency service agreements, the Board will be able to maintain continuity of operations, prevent regulatory delays, and ensure that underserved and marginalized groups are not further disadvantaged by reduced oversight or gaps in the physician workforce. Stable legal, accounting, and IT support provides the foundation for equitable and timely regulation of the osteopathic profession across all regions of Arizona.

How has feedback been incorporated from groups directly impacted by proposal:

The Board has received consistent feedback from licensees, healthcare facilities, and the Arizona Osteopathic Medical Association (AOMA) stressing the need for reliable legal, financial, and IT support to maintain confidence in regulatory oversight. Stakeholders noted that delays in licensing or investigations disrupt patient care, especially in rural and underserved areas. This input reinforced the Board's conclusion that strong interagency services are essential. Incorporating this feedback, the Board's request ensures the resources needed to uphold standards, protect patient safety, and support equitable healthcare access statewide.

Description of how this furthers the Governor's priorities:

This request directly supports Governor Hobbs' priorities of public safety, healthcare access, and fiscal responsibility. By funding the increased costs of interagency service agreements, the Board can maintain uninterrupted access to essential legal, accounting, and technology services that underpin its ability to investigate complaints, discipline unsafe practitioners, and license qualified physicians without delay. These functions ensure that Arizona residents—especially those in rural and underserved communities—have access to safe and competent healthcare providers.

The proposal also reflects prudent fiscal stewardship. All payments will be made to partner state agencies and deposited into the General Fund, reinforcing statewide service structures rather than duplicating efforts with costly alternatives. Sustaining these interagency agreements demonstrates the Board's commitment to efficient government, consistent with the Governor's emphasis on strengthening public trust while responsibly managing state resources.

Summary of Expenditure and Budget Request for All Funds

Agency: Board of Osteopathic Examiners

Appropriated Funds	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program:				
OSA-1-0 Licensing and Regulation	1,334.4	1,526.1	466.5	1,992.6
Appropriated Funds Total:	1,334.4	1,526.1	466.5	1,992.6
Expenditure Categories				
FTE	10.0	-	5.0	5.0
Personal Services	670.0	706.9	280.0	986.9
Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
Professional & Outside Services	127.9	200.0	9.0	209.0
Travel In-State	0.6	2.5	-	2.5
Travel Out-Of-State	11.7	10.0	-	10.0
Other Operating Expenditures	216.3	279.4	25.1	304.5
Capital Equipment	-	-	12.5	12.5
Non-Capital Equipment	36.0	-	-	-
Transfers-Out	18.7	-	-	-
Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6
Board of Osteopathic Examiners Total for All Funds:	1,334.4	1,526.1	466.5	1,992.6

Appropriated and Non-Appropriated	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2026 Funding Issue	FY 2027 Total Request
OSA-1-0 Licensing and Regulation	1,334.4	1,526.1	466.5	1,992.6
Board of Osteopathic Examiners Total for All Funds:	1,334.4	1,526.1	466.5	1,992.6

Summary of Expenditure and Budget Request for Selected Funds

Agency: Board of Osteopathic Examiners

Fund: OS2048 Osteopathic Examiners Board Fund (Appropriated)

		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program:					
OSA-1-0	Licensing and Regulation	1,334.4	1,526.1	466.5	1,992.6
	Osteopathic Examiners Board Fund (Appropriated) Summary Total:	1,334.4	1,526.1	466.5	1,992.6
Expenditure Categories					
	FTE	10.0	-	5.0	5.0
	Personal Services	670.0	706.9	280.0	986.9
	Employee Related Expenditures	253.2	327.3	139.9	467.2
	Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
	Professional & Outside Services	127.9	200.0	9.0	209.0
	Travel In-State	0.6	2.5	-	2.5
	Travel Out-Of-State	11.7	10.0	-	10.0
	Other Operating Expenditures	216.3	279.4	25.1	304.5
	Capital Equipment	-	-	12.5	12.5
	Non-Capital Equipment	36.0	-	-	-
	Transfers-Out	18.7	-	-	-
	Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6

Program Budget Unit Summary of Expenditure and Budget Request for All Funds

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				

Expenditure Categories

FTE	10.0	-	5.0	5.0
Personal Services	670.0	706.9	280.0	986.9
Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
Professional & Outside Services	127.9	200.0	9.0	209.0
Travel In-State	0.6	2.5	-	2.5
Travel Out-Of-State	11.7	10.0	-	10.0
Other Operating Expenditures	216.3	279.4	25.1	304.5
Capital Equipment	-	-	12.5	12.5
Non-Capital Equipment	36.0	-	-	-
Transfers-Out	18.7	-	-	-
Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6

Fund Source

Appropriated Funds				
Osteopathic Examiners Board Fund (Appropriated)	1,334.4	1,526.1	466.5	1,992.6
Appropriated Funds Total:	1,334.4	1,526.1	466.5	1,992.6
Licensing and Regulation Total:	1,334.4	1,526.1	466.5	1,992.6

Sub Program: OSA-1-1 Licensing and Regulation

Expenditure Categories

FTE	10.0	-	5.0	5.0
Personal Services	670.0	706.9	280.0	986.9
Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
Professional & Outside Services	127.9	200.0	9.0	209.0
Travel In-State	0.6	2.5	-	2.5
Travel Out-Of-State	11.7	10.0	-	10.0
Other Operating Expenditures	216.3	279.4	25.1	304.5
Capital Equipment	-	-	12.5	12.5

Program Budget Unit Summary of Expenditure and Budget Request for All Funds

Agency:	Board of Osteopathic Examiners
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	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Sub Program: OSA-1-1 Licensing and Regulation				
Non-Capital Equipment	36.0	-	-	-
Transfers-Out	18.7	-	-	-
Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6

Fund Source

Appropriated Funds

Osteopathic Examiners Board Fund (Appropriated)	1,334.4	1,526.1	466.5	1,992.6
Appropriated Funds Total:	1,334.4	1,526.1	466.5	1,992.6
Licensing and Regulation Total:	1,334.4	1,526.1	466.5	1,992.6

**Program Budget Unit Summary of Expenditure and Budget Request
for Selected Funds**

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
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Program: OSA-1-0 Licensing and Regulation

Fund: OS2048 Osteopathic Examiners Board Fund

Appropriated

Personal Services	670.0	706.9	280.0	986.9
Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
Professional & Outside Services	127.9	200.0	9.0	209.0
Travel In-State	0.6	2.5	-	2.5
Travel Out-Of-State	11.7	10.0	-	10.0
Other Operating Expenditures	216.3	279.4	25.1	304.5
Capital Equipment	-	-	12.5	12.5
Non-Capital Equipment	36.0	-	-	-
Transfers-Out	18.7	-	-	-
Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6
Osteopathic Examiners Board Fund Total:	1,334.4	1,526.1	466.5	1,992.6
Program Total for Select Funds:	1,334.4	1,526.1	466.5	1,992.6

Sub Program: OSA-1-1 Licensing and Regulation

Fund: OS2048 Osteopathic Examiners Board Fund

Appropriated

Personal Services	670.0	706.9	280.0	986.9
Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE	923.1	1,034.2	419.9	1,454.1
Professional & Outside Services	127.9	200.0	9.0	209.0
Travel In-State	0.6	2.5	-	2.5
Travel Out-Of-State	11.7	10.0	-	10.0
Other Operating Expenditures	216.3	279.4	25.1	304.5
Capital Equipment	-	-	12.5	12.5
Non-Capital Equipment	36.0	-	-	-
Transfers-Out	18.7	-	-	-

Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

Agency:	Board of Osteopathic Examiners
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	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Sub Program: OSA-1-1 Licensing and Regulation				
Fund: OS2048 Osteopathic Examiners Board Fund				
Expenditure Categories Total:	1,334.4	1,526.1	466.5	1,992.6
Osteopathic Examiners Board Fund Total:	1,334.4	1,526.1	466.5	1,992.6
Sub Program Total for Select Funds:	1,334.4	1,526.1	466.5	1,992.6

Program Summary of Expenditure and Budget Request

Agency: Board of Osteopathic Examiners

Program: Licensing and Regulation

Program Summary		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
OSA-1-1	Licensing and Regulation	1,334.4	1,526.1	466.5	1,992.6
Licensing and Regulation Summary Total:		1,334.4	1,526.1	466.5	1,992.6

Expenditure Categories		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
FTE	FTE	10.0	-	5.0	5.0
6000	Personal Services	670.0	706.9	280.0	986.9
6100	Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE		923.1	1,034.2	419.9	1,454.1
6200	Professional & Outside Services	127.9	200.0	9.0	209.0
6500	Travel In-State	0.6	2.5	-	2.5
6600	Travel Out-Of-State	11.7	10.0	-	10.0
7000	Other Operating Expenditures	216.3	279.4	25.1	304.5
8400	Capital Equipment	-	-	12.5	12.5
8500	Non-Capital Equipment	36.0	-	-	-
9100	Transfers-Out	18.7	-	-	-
Expenditure Categories Total:		1,334.4	1,526.1	466.5	1,992.6

Fund Source		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Appropriated Funds					
OS2048	Osteopathic Examiners Board Fund (Appropriated)	1,334.4	1,526.1	466.5	1,992.6
Appropriated Funds Total:		1,334.4	1,526.1	466.5	1,992.6
Licensing and Regulation Summary Total:		1,334.4	1,526.1	466.5	1,992.6

Program Summary of Expenditure and Budget Request for Selected Funds

Agency: Board of Osteopathic Examiners

Program: Licensing and Regulation

Fund: OS2048 Osteopathic Examiners Board Fund (Appropriated)

Program Expenditures		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
OSA-1-1	Licensing and Regulation	1,334.4	1,526.1	466.5	1,992.6
Osteopathic Examiners Board Fund (Appropriated) Summary Total:		1,334.4	1,526.1	466.5	1,992.6
Appropriated Funding					
6000	Personal Services	670.0	706.9	280.0	986.9
6100	Employee Related Expenditures	253.2	327.3	139.9	467.2
Subtotal Personal Services and ERE		923.1	1,034.2	419.9	1,454.1
6200	Professional & Outside Services	127.9	200.0	9.0	209.0
6500	Travel In-State	0.6	2.5	-	2.5
6600	Travel Out-Of-State	11.7	10.0	-	10.0
7000	Other Operating Expenditures	216.3	279.4	25.1	304.5
8400	Capital Equipment	-	-	12.5	12.5
8500	Non-Capital Equipment	36.0	-	-	-
9100	Transfers-Out	18.7	-	-	-
Expenditure Categories Total:		1,334.4	1,526.1	466.5	1,992.6
Fund OS2048 - A Total:		1,334.4	1,526.1	466.5	1,992.6
Licensing and Regulation Total:		1,334.4	1,526.1	466.5	1,992.6

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
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Program: OSA-1-0 Licensing and Regulation

FTE

FTE	10.0	-	5.0	5.0
Expenditure Category Total:	-	-	-	-

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	10.0	-	5.0	5.0
Appropriated Funds Total:	10.0	-	5.0	5.0
Fund Source Total:	10.0	-	5.0	5.0

Personal Services

Personal Services	659.0	682.4	280.0	962.4
Board & Commission Members Compensation	11.0	24.5	-	24.5
Expenditure Category Total:	670.0	706.9	280.0	986.9

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	670.0	706.9	280.0	986.9
Appropriated Funds Total:	670.0	706.9	280.0	986.9
Fund Source Total:	670.0	706.9	280.0	986.9

Employee Related Expenditures

Employee Related Expenses	-	327.3	139.9	467.2
FICA Taxes	50.0	-	-	-
Medical Insurance	103.4	-	-	-
Basic Life	0.1	-	-	-
Long-Term Disability (Non- ASRS)	0.9	-	-	-
Dental Insurance	0.6	-	-	-
Workers' Compensation	10.1	-	-	-
Arizona State Retirement System	75.5	-	-	-
Personnel Board Pro-Rata Charges	5.8	-	-	-
Information Technology Pro Rata Charge	4.1	-	-	-
Accumulated Sick Leave Fund Charge	2.6	-	-	-

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Expenditure Category Total:	253.2	327.3	139.9	467.2
Fund Source				
Appropriated Funds				
OS2048 Osteopathic Examiners Board Fund (Appropriated)	253.2	327.3	139.9	467.2
Appropriated Funds Total:	253.2	327.3	139.9	467.2
Fund Source Total:	253.2	327.3	139.9	467.2
Professional & Outside Services				
Professional and Outside Services	-	200.0	9.0	209.0
Attorney General Legal Services	88.8	-	-	-
Non-confidential Outside Specialist Fees for Investigations etc.	20.6	-	-	-
Other Professional & Outside Services	18.5	-	-	-
Expenditure Category Total:	127.9	200.0	9.0	209.0
Fund Source				
Appropriated Funds				
OS2048 Osteopathic Examiners Board Fund (Appropriated)	127.9	200.0	9.0	209.0
Appropriated Funds Total:	127.9	200.0	9.0	209.0
Fund Source Total:	127.9	200.0	9.0	209.0
Travel In-State				
Travel In-State	-	2.5	-	2.5
Mileage - Private Vehicle	0.4	-	-	-
Meals with Overnight Stay	0.1	-	-	-
Other Miscellaneous In- State Travel	0.1	-	-	-
Expenditure Category Total:	0.6	2.5	-	2.5
Fund Source				
Appropriated Funds				
OS2048 Osteopathic Examiners Board Fund (Appropriated)	0.6	2.5	-	2.5
Appropriated Funds Total:	0.6	2.5	-	2.5
Fund Source Total:	0.6	2.5	-	2.5

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Travel Out-Of-State				
Travel Out of State	-	10.0	-	10.0
Airfare and Other Common Carrier Charges	4.1	-	-	-
Car Rental Out-of-State	0.5	-	-	-
Lodging Out-of-State	5.5	-	-	-
Meals with Overnight Stay	1.2	-	-	-
Meals without Overnight Stay	0.2	-	-	-
Other Miscellaneous Out-of- State Travel	0.3	-	-	-
Expenditure Category Total:	11.7	10.0	-	10.0

Fund Source

Appropriated Funds					
OS2048	Osteopathic Examiners Board Fund (Appropriated)	11.7	10.0	-	10.0
Appropriated Funds Total:		11.7	10.0	-	10.0
Fund Source Total:		11.7	10.0	-	10.0

Other Operating Expenditures

Other Operating Expenses	-	279.4	25.1	304.5
Risk Management Charges to State Agencies	2.6	-	-	-
Internal Service Computer Processing, Hosting, Maintenance and Support Costs	13.2	-	-	-
External Programming and System Development Costs	1.1	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	25.4	-	-	-
Charges Imposed Related to AFIS.	2.9	-	-	-
External Telecommunications Charges	13.6	-	-	-
Building Rent Charges to State Agencies	39.6	-	-	-
Rental of Land & Buildings	16.4	-	-	-
Late Charges on Overdue Payments	0.2	-	-	-
Internal Accounting, Budgeting & Financial Services	31.0	-	-	-
Repair & Maintenance - Other Equipment	0.6	-	-	-
Repair & Maintenance - Other	6.5	-	-	-

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Software Support, Maintenance Short-term Licensing	9.9	-	-	-
Security Supplies	0.2	-	-	-
Office Supplies	3.5	-	-	-
Housekeeping Supplies	0.2	-	-	-
Drugs & Medicine Supplies	0.1	-	-	-
Other Operating Supplies	0.5	-	-	-
Employee Tuition Reimbursement	1.6	-	-	-
Conference Registration / Attendance Fees	13.8	-	-	-
Other Education & Training Costs	0.5	-	-	-
Advertising	0.7	-	-	-
Internal Printing	0.2	-	-	-
External Printing	2.6	-	-	-
Postage & Delivery	3.2	-	-	-
Document Shredding and Destruction Services	0.3	-	-	-
Dues	8.8	-	-	-
Books, Subscriptions & Publications	12.7	-	-	-
Security Services	1.5	-	-	-
Other Miscellaneous Operating	3.1	-	-	-
Expenditure Category Total:	216.3	279.4	25.1	304.5

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	216.3	279.4	25.1	304.5
Appropriated Funds Total:		216.3	279.4	25.1	304.5
Fund Source Total:		216.3	279.4	25.1	304.5

Capital Equipment

Capital Equipment	-	-	12.5	12.5
Furniture – Capital Purchase	-	-	-	-
Purchased or licensed software / website	-	-	-	-
Expenditure Category Total:	-	-	12.5	12.5

Fund Source

Appropriated Funds

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

		FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation					
OS2048	Osteopathic Examiners Board Fund (Appropriated)	-	-	12.5	12.5
	Appropriated Funds Total:	-	-	12.5	12.5
	Fund Source Total:	-	-	12.5	12.5

Non-Capital Equipment

Furniture - Non-Capital Purchase	11.2	-	-	-
Computer Equipment – Non- Capitalized Purchases	1.0	-	-	-
Telecommunications Equipment - Non-Capital Purchase	0.6	-	-	-
Purchased or licensed software / website	23.2	-	-	-
Expenditure Category Total:	36.0	-	-	-

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	36.0	-	-	-
	Appropriated Funds Total:	36.0	-	-	-
	Fund Source Total:	36.0	-	-	-

Transfers-Out

Transfers	-	-	-	-
Transfers Out – Not Subject to Cost Allocation	18.7	-	-	-
Expenditure Category Total:	18.7	-	-	-

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	18.7	-	-	-
	Appropriated Funds Total:	18.7	-	-	-
	Fund Source Total:	18.7	-	-	-

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
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Program: OSA-1-0 Licensing and Regulation

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	-	706.9	OS2048-A

Sub Program: OSA-1-1 Licensing and Regulation

FTE

FTE	10.0	-	5.0	5.0
Expenditure Category Total:	-	-	-	-

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	10.0	-	5.0	5.0
Appropriated Funds Total:	10.0	-	5.0	5.0
Fund Source Total:	10.0	-	5.0	5.0

Personal Services

Personal Services	659.0	682.4	280.0	962.4
Board & Commission Members Compensation	11.0	24.5	-	24.5
Expenditure Category Total:	670.0	706.9	280.0	986.9

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	670.0	706.9	280.0	986.9
Appropriated Funds Total:	670.0	706.9	280.0	986.9
Fund Source Total:	670.0	706.9	280.0	986.9

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Sub Program: OSA-1-1 Licensing and Regulation				

Employee Related Expenditures

Employee Related Expenses	-	327.3	139.9	467.2
FICA Taxes	50.0	-	-	-
Medical Insurance	103.4	-	-	-
Basic Life	0.1	-	-	-
Long-Term Disability (Non- ASRS)	0.9	-	-	-
Dental Insurance	0.6	-	-	-
Workers' Compensation	10.1	-	-	-
Arizona State Retirement System	75.5	-	-	-
Personnel Board Pro-Rata Charges	5.8	-	-	-
Information Technology Pro Rata Charge	4.1	-	-	-
Accumulated Sick Leave Fund Charge	2.6	-	-	-
Expenditure Category Total:	253.2	327.3	139.9	467.2

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	253.2	327.3	139.9	467.2
	Appropriated Funds Total:	253.2	327.3	139.9	467.2
	Fund Source Total:	253.2	327.3	139.9	467.2

Professional & Outside Services

Professional and Outside Services	-	200.0	9.0	209.0
Attorney General Legal Services	88.8	-	-	-
Non-confidential Outside Specialist Fees for Investigations etc.	20.6	-	-	-
Other Professional & Outside Services	18.5	-	-	-
Expenditure Category Total:	127.9	200.0	9.0	209.0

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	127.9	200.0	9.0	209.0
	Appropriated Funds Total:	127.9	200.0	9.0	209.0
	Fund Source Total:	127.9	200.0	9.0	209.0

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
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Program: OSA-1-0 Licensing and Regulation

Sub Program: OSA-1-1 Licensing and Regulation

Travel In-State

Travel In-State	-	2.5	-	2.5
Mileage - Private Vehicle	0.4	-	-	-
Meals with Overnight Stay	0.1	-	-	-
Other Miscellaneous In- State Travel	0.1	-	-	-
Expenditure Category Total:	0.6	2.5	-	2.5

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	0.6	2.5	-	2.5
Appropriated Funds Total:	0.6	2.5	-	2.5
Fund Source Total:	0.6	2.5	-	2.5

Travel Out-Of-State

Travel Out of State	-	10.0	-	10.0
Airfare and Other Common Carrier Charges	4.1	-	-	-
Car Rental Out-of-State	0.5	-	-	-
Lodging Out-of-State	5.5	-	-	-
Meals with Overnight Stay	1.2	-	-	-
Meals without Overnight Stay	0.2	-	-	-
Other Miscellaneous Out-of- State Travel	0.3	-	-	-
Expenditure Category Total:	11.7	10.0	-	10.0

Fund Source

Appropriated Funds

OS2048 Osteopathic Examiners Board Fund (Appropriated)	11.7	10.0	-	10.0
Appropriated Funds Total:	11.7	10.0	-	10.0
Fund Source Total:	11.7	10.0	-	10.0

Other Operating Expenditures

Other Operating Expenses	-	279.4	25.1	304.5
Risk Management Charges to State Agencies	2.6	-	-	-

Program Expenditure Schedule

Agency:	Board of Osteopathic Examiners
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	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Sub Program: OSA-1-1 Licensing and Regulation				
Internal Service Computer Processing, Hosting, Maintenance and Support Costs	13.2	-	-	-
External Programming and System Development Costs	1.1	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	25.4	-	-	-
Charges Imposed Related to AFIS.	2.9	-	-	-
External Telecommunications Charges	13.6	-	-	-
Building Rent Charges to State Agencies	39.6	-	-	-
Rental of Land & Buildings	16.4	-	-	-
Late Charges on Overdue Payments	0.2	-	-	-
Internal Accounting, Budgeting & Financial Services	31.0	-	-	-
Repair & Maintenance - Other Equipment	0.6	-	-	-
Repair & Maintenance - Other	6.5	-	-	-
Software Support, Maintenance Short-term Licensing	9.9	-	-	-
Security Supplies	0.2	-	-	-
Office Supplies	3.5	-	-	-
Housekeeping Supplies	0.2	-	-	-
Drugs & Medicine Supplies	0.1	-	-	-
Other Operating Supplies	0.5	-	-	-
Employee Tuition Reimbursement	1.6	-	-	-
Conference Registration / Attendance Fees	13.8	-	-	-
Other Education & Training Costs	0.5	-	-	-
Advertising	0.7	-	-	-
Internal Printing	0.2	-	-	-
External Printing	2.6	-	-	-
Postage & Delivery	3.2	-	-	-
Document Shredding and Destruction Services	0.3	-	-	-
Dues	8.8	-	-	-
Books, Subscriptions & Publications	12.7	-	-	-
Security Services	1.5	-	-	-
Other Miscellaneous Operating	3.1	-	-	-
Expenditure Category Total:	216.3	279.4	25.1	304.5

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
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Program: OSA-1-0 Licensing and Regulation

Sub Program: OSA-1-1 Licensing and Regulation

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	216.3	279.4	25.1	304.5
Appropriated Funds Total:		216.3	279.4	25.1	304.5
Fund Source Total:		216.3	279.4	25.1	304.5

Capital Equipment

Capital Equipment	-	-	12.5	12.5
Furniture – Capital Purchase	-	-	-	-
Purchased or licensed software / website	-	-	-	-
Expenditure Category Total:	-	-	12.5	12.5

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	-	-	12.5	12.5
Appropriated Funds Total:		-	-	12.5	12.5
Fund Source Total:		-	-	12.5	12.5

Non-Capital Equipment

Furniture - Non-Capital Purchase	11.2	-	-	-
Computer Equipment – Non- Capitalized Purchases	1.0	-	-	-
Telecommunications Equipment - Non-Capital Purchase	0.6	-	-	-
Purchased or licensed software / website	23.2	-	-	-
Expenditure Category Total:	36.0	-	-	-

Fund Source

Appropriated Funds

OS2048	Osteopathic Examiners Board Fund (Appropriated)	36.0	-	-	-
Appropriated Funds Total:		36.0	-	-	-
Fund Source Total:		36.0	-	-	-

Program Expenditure Schedule

Agency: Board of Osteopathic Examiners

	FY 2025 Actuals	FY 2026 Expenditure Plan	FY 2027 Funding Issue	FY 2027 Total Request
Program: OSA-1-0 Licensing and Regulation				
Sub Program: OSA-1-1 Licensing and Regulation				
Transfers-Out				
Transfers	-	-	-	-
Transfers Out – Not Subject to Cost Allocation	18.7	-	-	-
Expenditure Category Total:	18.7	-	-	-
Fund Source				
Appropriated Funds				
OS2048 Osteopathic Examiners Board Fund (Appropriated)	18.7	-	-	-
Appropriated Funds Total:	18.7	-	-	-
Fund Source Total:	18.7	-	-	-

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	-	-	OS2048-A

Program Expenditure Schedule

Agency:	Board of Osteopathic Examiners
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Administrative Costs Summary	FY 2027
Personal Services	23.5
ERE	10.0
All Other	88.0
Administrative Costs Total:	121.5

Administrative Costs / Total Expenditure Ratio	Request	Admin %
FY 2027	1,992.6	6.1%

Agency Summary

Board of Osteopathic Examiners

Justin Bohall, Executive Director

Phone: 6027712522

A.R.S. §§ 32-1800 et seq.

Mission:

The mission of the Board is to protect the public by setting educational and training standards for licensure, and by reviewing complaints made against osteopathic physicians, interns, and residents to ensure that their conduct meets the standards of the profession, as defined in law (A.R.S. § 32-1854)."

Description:

The Board of Osteopathic Examiners regulates Osteopathic Physicians in Arizona. The Board is responsible for the licensure of Osteopathic Physicians and Residents, the enforcement of standards of practice, and the review and adjudication of complaints. The Board protects the public by setting educational and training standards for licensure and by reviewing complaints made against Osteopathic Physicians, Interns, and Residents to ensure that their conduct meets the standards of the profession, as defined by A.R.S. § 32-1854.

Agency Summary: (\$ Thousands)

Program	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
► Licensing and Regulation	1,334.4	1,526.1	1,992.6
Agency Total:	1,334.4	1,526.1	1,992.6

Funding:

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Other Appropriated Funds	1,334.4	1,526.1	1,992.6
Total Funding	1,334.4	1,526.1	1,992.6

FTE Positions	10.0	-	5.0
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5 Year Plan

Description:

Resource Assumptions

	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Full-Time Equivalent Positions	15.0	16.0	16.0
General Fund	-	-	-
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-

◆ **Goal 1** To issue and renew licenses promptly and in an effective manner

Performance Measures	FY 2024 Actual	FY 2025 Estimate	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of new and existing licenses	5,048	5,445	6,585	7,112	7,681

Number of new licenses issued	850	700	992	1,071	1,156
Average days to issue new license	3	3	0	0	0

◆ **Goal 2** To investigate and resolve complaints in a timely manner

Performance Measures	FY 2024 Actual	FY 2025 Estimate	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Complaints received	233	300	282	300	320
Licensees who had disciplinary action taken	15	20	23	25	25
Average calendar days to resolve a complaint	211	180	202	180	170

◆ **Goal 3** To administer the agency efficiently and provide customer service to the public

Performance Measures	FY 2024 Actual	FY 2025 Estimate	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Customer satisfaction rating (1-5)	4.96	4.25	4.20	4.25	4.25

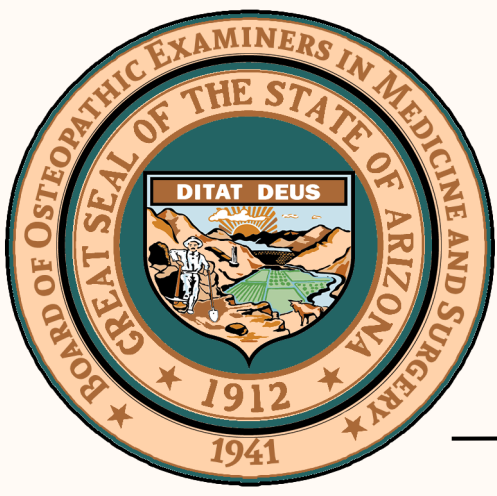
Agency 5 Year Plan

OSA Board of Osteopathic Examiners

Description:

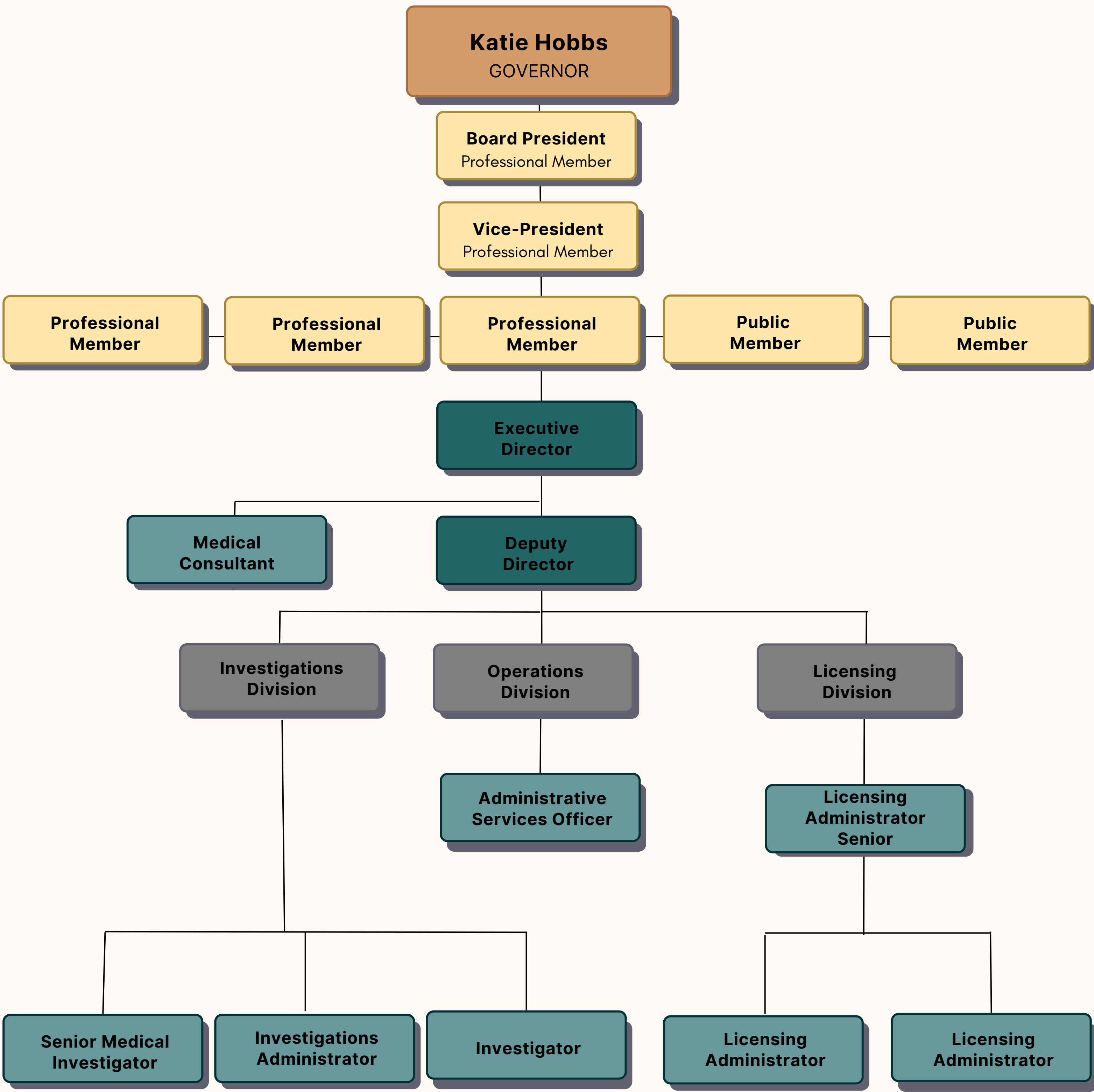
Resource Assumptions

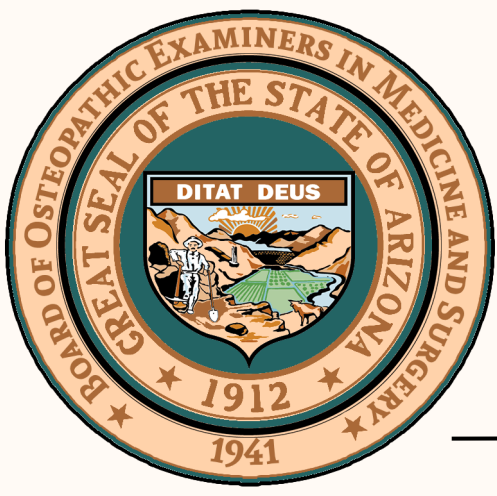
	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Full-Time Equivalent Positions	15.0	16.0	16.0
General Fund	-	-	-
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-



ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

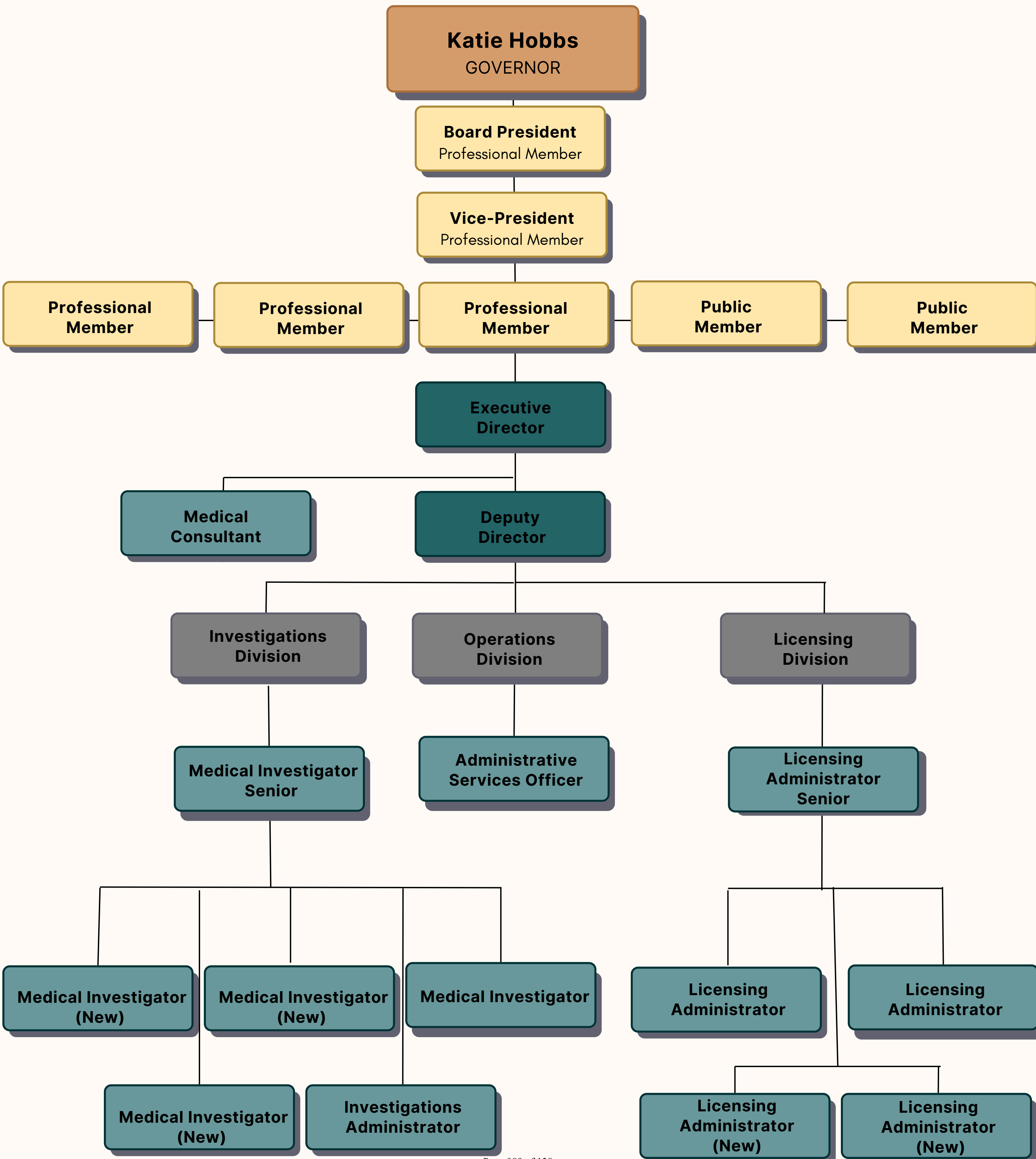
ORGANIZATIONAL CHART





ARIZONA BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY

PROPOSED FY27 ORGANIZATIONAL CHART





LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 30, 2024

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Mr. Justin Bohall, Executive Director

Arizona Board of Osteopathic Examiners in Medicine and Surgery

Transmitted herewith is the report *Performance Audit and Sunset Review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery*. This audit was conducted by the independent CPA firm Walker & Armstrong, LLP under contract with the Arizona Auditor General and was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq. I am also transmitting within this report a copy of the Report Highlights to provide a quick summary for your convenience.

As outlined in its response, the Arizona Board of Osteopathic Examiners in Medicine and Surgery agrees with all the findings and plans to implement all the recommendations. My Office has contracted with Walker and Armstrong, LLP to follow up with the Arizona Board of Osteopathic Examiners in Medicine and Surgery in 6 months to assess its progress in implementing the recommendations. I express my appreciation to the Board's members, Executive Director Bohall, and Board staff for their cooperation and assistance throughout the audit.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Arizona Board of Osteopathic Examiners in Medicine and Surgery members

September 30, 2024

Lindsey A. Perry, CPA, CFE
Arizona Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Perry:

We are pleased to submit our report in connection with our performance audit and sunset review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery. The performance audit was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

As outlined in its response, the Board agrees with all the findings and plans to implement the recommendations. We will follow up with the Arizona Board of Osteopathic Examiners in Medicine and Surgery in 6 months to assess its progress in implementing the recommendations.

We appreciate the opportunity to provide these services and work with your Office. Please let us know if you have any questions.

Sincerely,



Walker & Armstrong, LLP
Phoenix, Arizona

Arizona Board of Osteopathic Examiners in Medicine and Surgery

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

Performance Audit and Sunset Review

September 2024
Report 24-112



Walker & Armstrong

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Arizona Board of Osteopathic Examiners in Medicine and Surgery (Board)

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

Audit purpose

To assess whether the Board issued and renewed licenses, permits, and registrations in accordance with statute and rule requirements, investigated and resolved complaints within its jurisdiction in a timely manner and imposed disciplinary action consistent with the nature and severity of violations, provided information to the public as required by statute, and complied with State conflict-of-interest requirements, and to provide responses to the statutory sunset factors.

Key findings

The Board:

- Is responsible for regulating osteopathic medical professionals including issuing and renewing licenses, permits, and registrations; investigating and resolving complaints; and providing information to the public about licensees.
- Reviewed and approved or denied initial and renewal applications within required time frame and complied with conflict-of-interest requirements we reviewed.
- Did not resolve 60 percent of complaints it closed in fiscal year 2023 within 180 days, and 72 percent of open complaints had been open for more than 180 days as of June 2023. Untimely complaint resolution may impact patient safety when licensees alleged to have violated Board statutes and rules continue to practice while under investigation even though they may be unfit to do so. The Board's failure to use its statutory authority to issue subpoenas and timely obtain consultants to review complaints contributed to untimely complaint resolution.
- Did not consistently use its authority to suspend licenses until complaints were resolved for violations involving imminent public health, safety, or welfare concerns.
- Did not verify that 3 license/permit applicants we reviewed had not engaged in unprofessional conduct.

Key recommendations

The Board should:

- Investigate and resolve complaints within 180 days.
- Use its statutory authority to issue subpoenas and develop a list of outside medical consultants with varying specialties to more timely resolve complaints.
- Consistently use its statutory authority to temporarily suspend licenses when necessary to protect the public.
- Develop and implement policies and procedures for verifying that permit applicants have not engaged in unprofessional conduct.

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Board is responsible for investigating and resolving some complaints against licensees	
Board did not resolve within 180 days 60 percent of complaints it closed in fiscal year 2023 and 72 percent of open complaints had been open for more than 180 days as of June 2023	
Board’s failure to timely resolve complaints may negatively affect patient safety and may cause undue burden for licensees under investigation for lengthy periods of time	
Board’s failure to use its statutory authority and timely obtain outside consultants contributed to untimely complaint resolution	
Recommendations	
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BOARD OVERVIEW

Arizona Board of Osteopathic Examiners in Medicine and Surgery

The Arizona Board of Osteopathic Examiners in Medicine and Surgery (Board) regulates the osteopathic health profession by issuing and renewing licenses, permits, and registrations; investigating and resolving complaints; and providing information to the public about license, permit, and registration holders. As required by statute, the Board consists of 7 Governor-appointed members. One member is appointed each year for a 5-year term beginning and ending on April 15. As of May 2024, all 7 Board member positions were filled. In fiscal year 2023, the Board was authorized 10 full-time equivalent (FTE) staff positions. The Board does not receive any State General Fund appropriations. Rather, the Board’s revenues consist primarily of licensing, permit, and registration fees.

Active licenses, permits, and registrations as of May 2024: 6,209

Business inspections conducted in fiscal year 2023: 1

Complaints opened in fiscal year 2023: 198

Audit results summary

Key regulatory areas reviewed	Results			
Individual licenses —Process initial applications within 120 days. Key qualifications include education, experience, and a criminal history records check.	Issued timely?	✓	Ensured qualifications met?	✗
License, permit, and registration renewals —Process renewal applications within 120 days and licensees must complete 40 hours of continuing education every 2 years.	Issued timely?	✓	Continuing education met?	✓
Complaint handling —Investigate complaints it receives and take action to address violations within 180 days.	Resolved complaints in a timely manner?	✗	Followed statutory requirements for adjudication?	✗
Public information —Provide specific complaint and licensee information to the public on request and on its website.	Provided via website?	✗	Provided via phone?	✓

Audit results summary (continued)

Other responsibilities reviewed	Results			
Fee setting —Establish fees based on the actual costs of providing services.	Assessed costs?	✓	Based fees on actual costs?	✓
Conflicts of interest —Sign a disclosure form, maintain substantial interest disclosures in a special file, and recuse oneself from decisions involving substantial interests.	Board members/ staff signed annual disclosures and Board maintained special file?	✓	Board members with conflicts recused selves during Board meetings?	✓
Rulemaking and open meeting law — Requirements include involving the public in rulemaking and making meeting minutes available in 3 working days.	Involved public in rulemaking?	✓	Meeting minutes available in 3 working days?	✓

On behalf of the Arizona Auditor General, Walker & Armstrong has completed a performance audit and sunset review of the Arizona Board of Osteopathic Examiners in Medicine and Surgery (Board). This performance audit and sunset review determined whether the Board (1) issued and renewed licenses, permits, and registrations in accordance with statute and rule requirements, (2) investigated and resolved complaints within its jurisdiction in a timely manner and imposed disciplinary action consistent with the nature and severity of violations, (3) provided information to the public as required by statute, and (4) complied with State conflict-of-interest requirements and aligned its conflict-of-interest processes with recommended practices. This report also provides responses to the statutory sunset factors.

Board mission and responsibilities

The Board was established in 1949 and according to its website, the Board’s mission is to protect the public by setting educational and training standards for licensure, and by reviewing complaints made against osteopathic physicians (see textbox), interns, and residents to ensure that their conduct meets the standards of the profession.

The Board’s statutory responsibilities include:

- Issuing and renewing licenses, post-graduate training permits, and registrations to qualified applicants. As shown in Table 1 (see page 4), the Board had 5,439 active licenses, 732 active permits, and 38 active registrations as of May 2024.
- Investigating and adjudicating complaints against licensees, permit holders, and registration holders. The Board is statutorily authorized to take various disciplinary and nondisciplinary actions if it determines that a statutory violation has occurred, including license revocation and civil penalties (see textbox). In fiscal year 2023, the Board opened 198 complaint investigations, including complaints received from the public and those opened as a result of background checks or other issues identified during the Board’s review of license applications (see Finding 1, pages 8 through 13, and Sunset Factor 6, page 19, for more information on our findings related to the Board’s processes for handling complaints).

Osteopathic physician

An individual with a post graduate medical college certification and post graduate training certification who holds a license, permit or locum tenens registration to practice osteopathic medicine, a holistic approach to healthcare.¹

¹ A person who holds a locum tenens registration may assist or substitute for an Arizona sponsoring physician. They may not practice osteopathic medicine in Arizona aside from at the facilities of the sponsoring physician.

Source: Walker & Armstrong staff analysis of information from Board statutes.

Examples of disciplinary and nondisciplinary actions the Board may take

Disciplinary actions	
* Revoke license	* Impose a probationary term
* Suspend license	* Impose civil penalty up to
* Issue a decree of censure	\$500 per violation of statute
Nondisciplinary actions	
* Issue a letter of concern	* Require continuing education

Source: Walker & Armstrong staff review of Arizona Revised Statutes (A.R.S.) §32-1855

- Providing information to the public, including licensees' disciplinary and nondisciplinary histories (see Sunset Factor 5, pages 17 and 18, for more information on public information requirements).

Table 1: Board license, registration, and permit types; number of active licenses, registrations, and permits; and education and experience requirements

As of May 2024
(Unaudited)

License, registration, or permit type	Active licenses, registrations, or permits	Education and experience requirements for license, registration, or permit ¹
License		
Osteopathic Physician	5,438	Graduation from an approved osteopathic school of medicine and successful completion of an approved internship or first year of residency or maintain a full, unrestricted license in a state other than Arizona and is authorized by the IMLC to work in other states. ²
Teaching license ³	1	Graduation from an approved osteopathic school of medicine, successful completion of an approved internship or first year of residency.
Registration		
Dispensing registration	26	Currently a registered osteopathic physician in Arizona.
Telehealth registrations	10	Maintains a full, unrestricted license in a state, territory, or possession of the United States.
Pro bono registrations ⁴	2	Maintains a full, unrestricted license in a state, territory, or possession of the United States.
Permit		
Post graduate training permit	731	Graduate at a school approved by the American Osteopathic Association.
Transitional training permit ⁵	1	Graduate at a school approved by the American Osteopathic Association.
Total active licenses	6,209	

¹ In addition to education and experience requirements, osteopathic professionals must also pass professional exams to obtain a license.

² An osteopathic practitioner can practice in Arizona as part of an agreement between the State and other states participating in the Interstate Medical Licensure Compact (IMLC). This compact addresses licensing of physicians across state lines. The Board's licensees included 400 active licensees under the IMLC.

³ A doctor of osteopathic medicine who is not licensed in Arizona may be employed as a full-time faculty member by a school of osteopathic medicine if approved by the American Osteopathic Association or an Arizona teaching hospital's accredited graduate medical education program to provide professional education through lectures, clinics, or demonstrations if the doctor holds a teaching license.

⁴ A registration that allows a practitioner from a state other than Arizona to practice for a period of up to 60 days without fully registering in Arizona.

⁵ A.R.S. §32-1829.01 authorizes a transitional training permit holder to train at a facility other than a teaching hospital under certain circumstances.

Source: Walker & Armstrong staff analysis of A.R.S. §§32-3291 through 32-3321 and licensing information provided by Board staff.

Organization and staffing

A.R.S. §32-1801 requires the Board to consist of 7 Governor-appointed members with one member of the Board appointed each year for a term of 5 years, to begin and end on April 15. The Board shall consist of 2 public members with no connections to the medical field and 5 actively licensed osteopathic physicians who have been practicing medicine in Arizona for the prior 5 years. As of May 2024, all 7 Board member positions were filled.

The Board was authorized 10 full-time equivalent (FTE) staff positions for fiscal year 2023. As of May 2024, the Board reported that 9 of 10 authorized FTE positions were filled, including an executive director, deputy director, medical consultant, operations coordinator, 2 licensing officers, and 3 investigators.¹

The Board president is responsible for appointing Board members to committees. As of May 2024, the Board has 3 active committees:

- Case Review Committee—reviews substantive complaints and recommends action to the Board (3 members, all positions filled as of May 2024).
- Compliance Committee—reviews physician compliance with Board’s confidential monitoring program, disciplinary orders, non-disciplinary orders, consent agreements, interim consent agreements, and interim orders and recommends action to the Board (3 members, all positions filled as of May 2024).²
- Statute and Legislative Committee—reviews statutes, rules, and regulations and recommends changes or actions to the Board (3 members, all positions filled as of May 2024).

Meetings of the committees are open to the public.

Budget

The Board does not receive any State General Fund appropriations. Instead, the Board’s revenues consist of licensing and other fees. The Board is statutorily required to remit all civil penalties and 10 percent of all fees, fines, and other revenues received to the State General Fund and to deposit the remaining 90 percent into the Osteopathic Examiners Board Fund. As shown in Table 2, page 6, in fiscal years 2022 through 2024, between 96 and 99 percent of the Board’s expenditures or estimated expenditures were for personnel costs, professional services such as legal fees paid to the Arizona Attorney General’s Office, temporary staffing, and investigation services, and other operating expenses, such as such as rent, software support and maintenance, and financial services. Between fiscal years 2022 and 2023, the Board’s fiscal year ending fund balance increased from about \$3.4 to \$3.6 million. Based on the Board’s fiscal year 2024 estimated revenues and expenditures, its fiscal year 2024 ending fund balance is estimated at \$757,000, or about 52 percent of its annual expenditures for the fiscal year. The State approved budget for fiscal year 2025 includes a transfer of \$2.8 million of the Board’s fund balance to the State’s General Fund.

¹ As of May 2024, the Board had 1 vacancy for a licensing specialist.

² The Board’s confidential monitoring program is authorized under A.R.S. §32-1861 for the treatment and rehabilitation of licensees who are impaired by substance abuse.

Table 2: Schedule of revenues, expenditures, and changes in fund balance
Fiscal years 2022 through 2024
(Unaudited)

	2022	2023	2024
	(Actual)	(Actual)	(Estimated)
Revenues			
Licensing and fees ¹	\$1,731,653	\$1,693,019	\$1,510,400
Charges for goods and services			
Publications and reproductions	11,316	16,295	12,400
Other ²	1,920	9,814	8,000
Fines, forfeits, and penalties	43,229	48,250	30,800
Other ^{3,7}	13,380	13,339	12,042
Total gross revenues	1,801,498	1,780,717	1,573,642
Remittances to the State General Fund ⁴	(178,620)	(175,756)	(155,360)
Total net revenues	1,622,878	1,604,961	1,418,282
Expenditures and transfers			
Payroll and related benefits	673,348	858,516	923,200
Professional and outside services ⁵	82,006	99,128	172,700
Travel	2,556	4,744	15,333
Other operating ^{6,7}	287,114	364,211	343,142
Furniture, equipment, and software ⁸	771	46,420	-
Transfers to other agencies ⁹	548	983	-
Transfers to State General Fund ¹⁰	-	-	2,800,000
Total expenditures	1,046,343	1,374,002	4,254,375
Excess of revenues over (under) expenditures	576,535	230,959	(2,836,093)
Fund balance, beginning of year	2,785,275	3,361,810	3,592,769
Fund balance, end of year	\$3,361,810	\$3,592,769	\$ 756,676

¹ The Board reported that licensing and fees have decreased because of its elimination and reduction in fees based on its continued assessment of fees and fund balance.

² Other charges for goods and services consist of pass-through fees for background checks through the Arizona Department of Public Safety.

- ³ Other revenues primarily consist of credit card convenience fees and public record request copying fees.
- ⁴ The Board is required to remit to the State General Fund all civil penalties and 10 percent of all fees, fines, and other revenue received by the Board in accordance with A.R.S. §32-1805. Laws 2024, Ch. 222 requires the Board to remit 15 percent of all fees, fines, and other revenue received by the Board to the State General Fund effective September 14, 2024, through June 30, 2028.
- ⁵ Professional and outside services expenditures primarily consist of legal, project management, temporary or contract staffing, and investigation services. The Board reported the significant increase in fiscal year 2024 was to pay for more legal services and temporary or contract staffing.
- ⁶ Other operating expenditures consist of various expenditures such as rent, software support and maintenance, postage and delivery, financial services, supplies, and insurance.
- ⁷ The Board reported that it charges only a portion of the \$4.50 cost for convenience fees per credit card transaction, so the Board has expenses in excess of fees charged. The Board classifies credit card transaction fees paid as other operating expenses.
- ⁸ The Board reported purchases of computers, equipment, and software in fiscal year 2023 and no significant purchases or estimated purchases in fiscal years 2022 and 2024.
- ⁹ Transfers to other agencies primarily consist of transfers under interagency agreements with the Arizona Department of Administration to make improvements to the Board's office space or to the Office of Administrative Hearings for conducting formal hearings.
- ¹⁰ The State approved budget for fiscal year 2025 includes a transfer of \$2.8 million of the Board's fund balance to the State's general fund.

Source: Walker & Armstrong staff analysis of the Arizona Department of Administration (ADOA) prepared monthly financial reporting files and the State of Arizona *Annual Financial Report* for fiscal years 2022 and 2023; and Board and ADOA provided fiscal year 2024 estimates.

Board has not resolved some complaints in a timely manner, which may affect patient safety

Board is responsible for investigating and resolving complaints against licensees

The Board is responsible for investigating and resolving complaints against licensees. Specifically, statute authorizes the Board to investigate and resolve complaints alleging that a licensee has engaged in unprofessional conduct, is incompetent, or is mentally or physically unable to safely engage in the practice of medicine.³ Although the Board has not established time frames for investigating and resolving complaints, the Arizona Auditor General has determined that Arizona health regulatory boards should investigate and resolve complaints within 180 days of receiving them.

Complaints that are outside the family practice expertise of the Board's medical consultant, such as neurology, require the Board to contract with a specialist. The Board's medical consultant will use the Board's internal list of previously used practitioners in the specified field to find someone who can assist with consulting on the case. If there are no previously used practitioners in the specified field, the Board's medical consultant will look in its database or reach out to the Arizona Medical Board or other boards who have specialists in the field or expertise pertaining to the case.⁴

Board's process for handling complaints

- 1) Board receives complaint from the public or opens one internally¹
- 2) Investigations manager determines if Board has jurisdiction and assigns priority level (1-3)
 - 1—sexual misconduct, drug or alcohol abuse, severe standard of care violation
 - 2—deviation from standard of care, prescription violation, behavioral complaint
 - 3—advertisements, records, or other complaints unrelated to patient care
- 3) Subpoena issued to licensee and notices sent to involved parties
- 4) Administrator assigns investigation to senior investigator or Board's medical consultant
 - Board contracts with specialists for issues outside the expertise of Board's medical consultant
- 5) Investigation
- 6) Close upon dismissal of complaint, issuance of nondisciplinary/disciplinary order, or referral to the Office of Administrative Hearings (OAH) for a formal hearing

¹ The Board opens complaints as a result of the initial application process when an applicant self-reports an act of unprofessional conduct or when something comes back on an applicant's background check that was not disclosed and is considered an act of unprofessional conduct or during the renewal application process when an applicant self-reports an act of unprofessional conduct.

Source: Walker & Armstrong staff review of the Board's procedures and information provided by Board staff.

³ A.R.S. §32-1855.

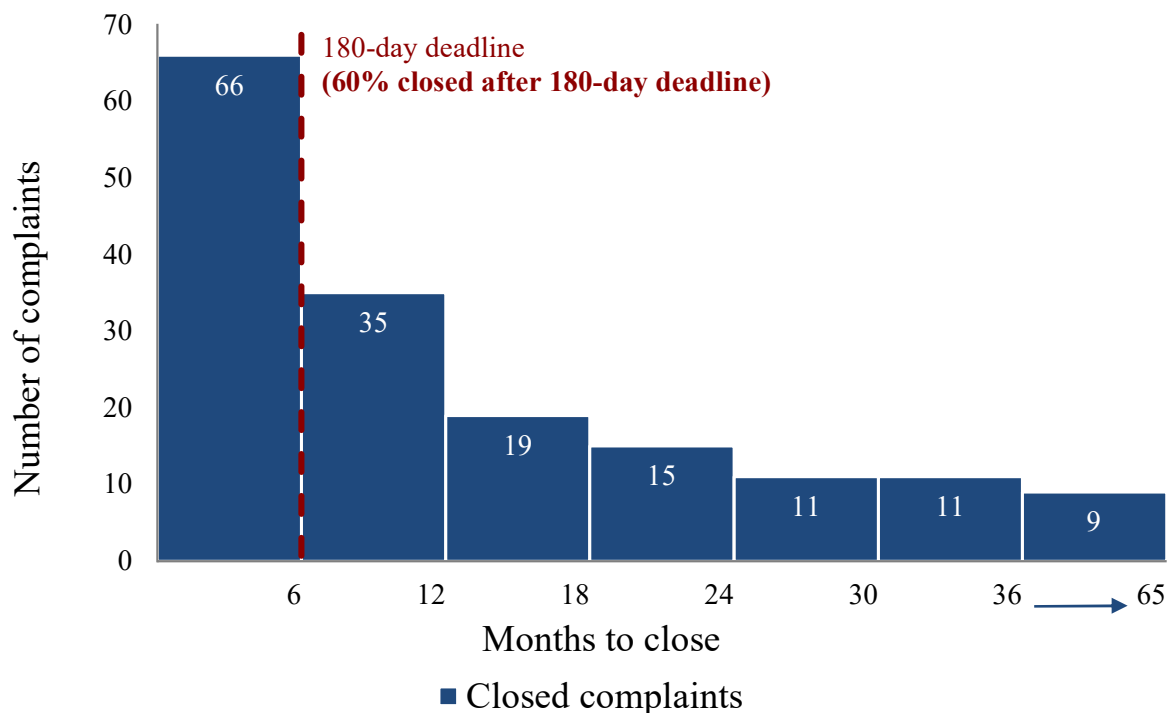
⁴ The Board requires medical consultants to sign a confidentiality agreement and attest to having no conflicts-of-interest in cases they review.

Board did not resolve within 180 days 60 percent of complaints it closed in fiscal year 2023 and 72 percent of open complaints had been open for more than 180 days as of June 2023

Similar to the Board’s previous performance audit and sunset review in 2016, in which the Arizona Auditor General found the Board did not timely resolve complaints, our review of the information in the Board’s complaint database found:

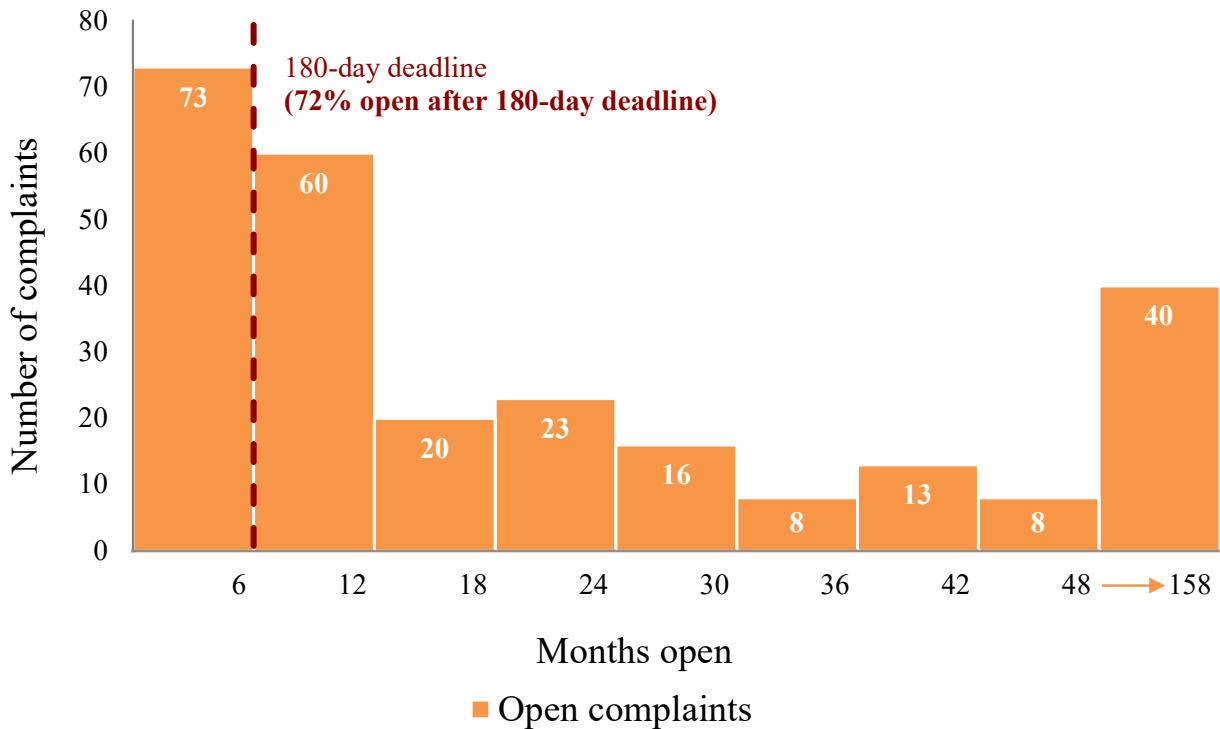
- 100 of 166 complaints the Board closed in fiscal year 2023, or 60 percent, took more than 180 days to resolve (see Figure 1), including 1 priority 1 and 95 priority 2 complaints. The Board took between 194 and 1,946 days to investigate and resolve or refer these 100 complaints to the OAH for a formal hearing. These complaints included allegations such as a licensee failing to close a wound after performing surgery and a licensee that overprescribed opioids to a patient who was subsequently incarcerated for an opioid-related crime.
- As of June 30, 2023, 188 of the Board’s 261 open complaints, or 72 percent, had been open for more than 180 days (see Figure 2, page 10), including 11 priority 1 and 162 priority 2 complaints. These 188 complaints had been open between 192 days and 4,746 days—more than 13 years as of June 30, 2023. These complaints included allegations such as a licensee not conducting routine urine drug screenings when prescribing regulated medications to patients with a history of testing positive for illicit drugs, a licensee conducting an inferior plastic surgery, and a licensee failing to document medications prescribed including dosages in several patients’ medical records.

Figure 1: Board took more than 180 days to resolve 60 percent of complaints closed in fiscal year 2023



Source: Walker & Armstrong staff analysis of complaints closed in fiscal year 2023 as indicated in the Board’s database.

Figure 2: Board had not resolved 72 percent of complaints open as of June 30, 2023, within 180 days



Source: Walker & Armstrong staff analysis of complaints indicated as open in the Board’s database.

Board’s failure to timely resolve complaints may negatively affect patient safety and may cause undue burden for licensees under investigation for lengthy periods of time

Although the Board can and does suspend licensees if a complaint involves an imminent public health, safety, or welfare concern or at the time the license is subject to renewal, as reported in Sunset Factor 2, pages 14 through 16, it has not always suspended licenses for complaints that appear to involve these types of concerns.^{5,6} As a result, untimely complaint resolution may negatively impact patient safety when delays allow licensees to continue to practice while under investigation for allegedly violating standards of care or committing other violations indicating that they may be unfit to do so. For example:

- In one instance, a licensee failed to comply with the standard of care by not keeping medical records. The Board took 1,946 days, or more than 5 years, to resolve the complaint and eventually revoked the physician’s license for unprofessional conduct for failing or refusing to

⁵ A.R.S. §32-1855(C) allows the Board to temporarily suspend a license until a complaint is resolved if the complaint involves an imminent public health, safety, and welfare concern.

⁶ A.R.S. §32-3202 authorizes the Board to provide written notice to a licensee, at the time the license is due to expire, that an investigation is pending, and the license is then suspended until the investigation has been resolved.

establish and maintain adequate records on patients and engaging in the practice of medicine in a manner that harms or may harm patients. The licensee was allowed to continue to practice for more than a year before having their license suspended and thus may have continued to provide patient services that fell below the standard of care during that time, leaving the public at risk.

- In another instance, the Board took 385 days to resolve a complaint alleging the licensee deviated from the standard of care by not documenting physical exams and not reviewing and communicating laboratory results to patients in a timely manner resulting in the potential of a missed diagnosis. During the investigation process, the licensee held an active license and was permitted to continue practicing and thus may have continued to provide patient services that fell below the standard of care, leaving the public at risk. The Board substantiated the claim and issued a letter of concern as a result of its investigation.
- In another instance, a complaint alleging multiple standard of care violations against a licensee, including failing to document prescribed medications and dosages in several patients' medical records, prescribing potentially harmful medication combinations for several patients, and failing to perform required examinations for patients prescribed testosterone had been open for 256 days as of June 30, 2023.

In addition, even when the Board does not substantiate and dismisses complaints, untimely complaint handling subjects licensees to unproven allegations of professional or harmful conduct for longer than necessary. Untimely complaint handling may also create an undue burden for licensees who are under investigation, as they may be required to be responsive to Board requests for information or documentation for a lengthy period of time. For example, the Board's Executive Director took 476 days to dismiss a complaint alleging that the licensee failed to diagnose stage 4 cancer after the investigation found that allegation unsubstantiated. Finally, while licensees are under investigation, statute does not permit the Board to make information available to the public regarding complaints involving a licensee.⁷

Board's failure to use its statutory authority and timely obtain outside consultants contributed to untimely complaint resolution

Although the Board has implemented and sustained several changes in response to recommendations from the Arizona Auditor General's 2016 performance audit and sunset review, it continues to experience issues timely investigating and resolving complaints. For example, the Board improved preparations to efficiently address complaints at Board meetings by including thorough case reviews; comprehensive evidence and case file collection; preparing detailed briefing materials; having committees review cases in advance; and executively dismissing complaints without merit after the Board's investigation.⁸ Our review of the Board's database found that 60 percent of complaints were executively dismissed as allowed by statute and thus did not require review by Board members. Additionally, the Board analyzed its workload and successfully supported its need for additional staffing. Since the time of its 2016 performance audit and sunset review, the Board has added 2 full-time investigators to its staff.

⁷ A.R.S. §32-3214.

⁸ A.R.S. §32-1804(B)(18) authorizes the Board to delegate authority to its Executive Director to dismiss unsubstantiated complaints after the Board's investigation.

However, our review of 9 of 26 complaints open for more than 180 days identified 2 common factors that have led to the Board’s continued inability to timely investigate and resolve complaints.⁹ Specifically, the Board:

- **Failed to request the court enforce subpoenas when licensees or third parties failed to respond to information requests/subpoenas**—Statute authorizes the Board to issue subpoenas to licensees or others involved in or with information on an investigation, and these subpoenas can be enforced by the Superior Court of Arizona.¹⁰ For 5 of 9 complaints we reviewed, although the licensee did not timely respond to the complaint notice and subpoena and/or the licensee or a third party related to the case did not respond to Board requests for information, the Board:
 - Did not request the Superior Court to enforce its subpoenas when licensees did not respond by the deadline provided in the subpoenas. For example, in 1 case the Board received a complaint on October 15, 2022 with an allegation of deviations in standard of care and issued a notice and subpoena to the physician with a deadline for a response and records of October 28, 2022, but despite multiple attempts to follow up, as of July 2024, there has been no response or information from the licensee and the case remains open. Contrary to statute, the Board allowed the license to expire in January 2024.¹¹ The Board reported that it allowed the license to expire because the licensee was not responding to the subpoena.
 - Did not issue subpoenas to third parties, such as hospitals and clinics, to obtain information it needed for the investigations, including when these third parties were nonresponsive to multiple requests. For example, in 1 case the Board received a complaint with an allegation of a missed diagnosis and issued a request for information from a third-party healthcare institution with a response deadline 22 days after the request, but did not receive a response until 5 months after its initial request.
- **Failed to timely obtain outside consultants**—Two of 9 complaints we reviewed were delayed because the Board needed to obtain an outside medical consultant to review the case, but reported difficulty in finding a consultant. Board staff reported that they maintain a limited list of consultants. When the Board does not have an available consultant, they must identify and contract with a new consultant, which the Board reports can take a significant amount of time.¹² However, our review found that the Board does not begin determining the need for an outside medical consultant until after it receives the information requested for the investigation

⁹ We reviewed 26 complaints including a random sample of 20 of 166 complaints recorded in the Board’s database as closed in fiscal year 2023 and a judgmental sample of 6 of 133 complaints that were open for the longest time period from those recorded in the Board’s database as open, but not yet closed in fiscal year 2023. Nine of the 26 complaints we reviewed were open for longer than 180 days.

¹⁰ A.R.S. §32-1855.01.

¹¹ A.R.S. §32-3202 states that a license does not expire or terminate until the investigation is resolved if the licensee has been advised in writing that an investigation is pending at the time the license is due to expire.

¹² The Board employs 1 medical consultant, an osteopathic physician who specializes in family medicine. However, because osteopathic physicians can have various specialties, the Board reported it sometimes contracts with outside medical consultants who work in the same field as a licensee who is the subject of a complaint. For example, if a complaint alleged that a physician specializing in neurology misdiagnosed a patient’s symptoms as a migraine instead of a stroke, the Board may obtain an outside medical consultant who specializes in neurology to help determine whether the physician’s actions were appropriate based on the patient’s medical records.

and the Board's medical consultant has reviewed the case file which can impact the timeliness of the investigation. For example, in 1 case the Board took 217 days to close a complaint alleging that a licensee performed an unnecessary procedure because after receiving responses and documentation for its investigation, the Board then took 2 months to find an outside consultant to review the case.

Additionally, Board staff reported that 2 of 9 complaints were delayed because higher priority complaints had come in that caused other complaints that were in-process to be set aside. However, if the Board addresses our previous concerns relating to failing to request court enforcement of subpoenas and not timely obtaining outside consultants, that may allow the Board time to work on other complaints. In addition, 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 run reports. As of May 2024, the Board reported that it can run reports in its new database to track complaint progress/status.

Recommendations

The Board should:

1. Investigate and resolve complaints within 180 days.
2. Use its statutory authority such as issuing subpoenas to third parties.
3. Request the Superior Court of Arizona enforce subpoenas when licensees and/or third parties miss deadlines for providing information.
4. Continue to develop a list of outside medical consultants with varying specialties to more timely resolve complaints requiring these services.
5. 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.
6. Ensure its database system can produce reports on the progress/status of open complaints.

Board response: As outlined in its [response](#), the Board agrees with the finding and will implement the recommendations.

Pursuant to A.R.S. §41-2954(D), the legislative committees of reference shall consider but not be limited to the following factors in determining the need for continuation or termination of the Board. The sunset factor analysis includes additional findings and recommendations not discussed earlier in the report.

Sunset factor 1: The key statutory objectives and purposes in establishing the Board.

The Board's key statutory responsibilities include licensing, permitting, and registering qualified practitioners of osteopathic medicine; investigating and adjudicating complaints about licensees; and providing licensee information to the public.

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

The Board complied with statutory and rule requirements related to its statutory objective and purposes for 2 areas we reviewed. Specifically, the Board:

- **Reviewed and approved initial and renewal applications within required time frames**—The Board's administrative rules require it to approve or deny initial and renewal applications for licensure, permit, or registration within 60 to 120 days, depending on the type of license, permit, or registration.¹³ Our review of a stratified random sample of 14 of 1,039 initial applications and a random sample of 11 of 2,688 renewal applications the Board approved or denied in fiscal year 2023 found that the Board approved all initial and renewal applications we reviewed within the required time frames.
- **Aligned its fees with costs**—Statute requires the Board to establish fees that approximate the cost of maintaining the Board.¹⁴ Based on our review of the Board's financial information, Board fees, and the Board's fee-setting practices, we found that the Board has reduced fees to align more closely with its costs of providing services as shown by its decrease in revenues exceeding operational costs in Table 2 (see pages 6 and 7).

However, we identified 3 areas in which the Board can improve its effectiveness and efficiency in fulfilling its statutory objectives and purposes. Specifically, the Board:

- **Verified applicants we reviewed met most initial licensure and training permit requirements, with 3 exceptions**—For 1 of 13 licenses and 2 of 3 permits we reviewed, the Board could not demonstrate that it verified that applicants had not engaged in unprofessional conduct. The Board uses reports from the National Practitioner Data Bank, American Osteopathic Association, and Federation of State Medical Boards to determine whether an

¹³ Arizona Administrative Code (AAC) R4-22-104.

¹⁴ A.R.S. § 32-1826(C).

applicant has a license that was revoked in another state or has any disciplinary action that would disqualify them from qualifying for a license or permit in Arizona. However, the Board was unable to provide documentation to support that it obtained these reports in all cases. Specifically:

- For 1 license applicant, Board staff believe the reports were stored on a former employee's device and not uploaded to the cloud.
- For 2 permit applications received through medical schools, Board staff indicated they believe the schools are verifying the applicants' backgrounds. However, there is no requirement or agreement in place for schools to conduct background checks or verify whether an applicant has engaged in unprofessional conduct.

After we brought this missing documentation to the Board's attention, Board staff obtained these reports and based on our review of the reports, the applicants had no reported instances of unprofessional conduct.

- **Did not take consistent enforcement action in response to licensee violations, putting the public at risk**—Statute authorizes the Board to temporarily suspend a license until a complaint is resolved if the Board determines the complaint involves an imminent public health, safety, or welfare concern.¹⁵ Our review of 26 complaint files found that the Board did not consistently use its authority for cases that met the statutory criteria. For example, in one case, the Board temporarily suspended a license within 39 days of a complaint alleging sexually explicit comments by a physician. However, in another case, the Board received multiple complaints from patients alleging sexual misconduct by a licensee, who the Board had previously taken action against and which the Board investigated and found the allegations to be substantiated. Despite these circumstances, the Board did not suspend the physician's license until 1 of the complaints was in court and the Board continued to receive similar complaints about the licensee. As a result, the physician was able to continue seeing patients for approximately 6 years after the Board received its first complaint against the licensee until March 2023 when the Board ordered the temporary suspension and resulted in the licensee voluntarily surrendering their license 6 months later.
- **Ceased conducting continuing education audits**—Statute requires the Board's licensees to complete at least 40 hours of continuing education programs approved by the Board in the 2 preceding years before their license renewal date and authorizes the Board to require licensees to submit continuing education documentation.¹⁶ In addition, the Board's rules outline Board-approved continuing education programs and specify the documentation the Board will accept as evidence of compliance with its continuing education requirement.¹⁷ Our review of a random sample of 5 of 101 continuing education audits conducted by the Board in fiscal year 2023 found that, for the continuing education audits we reviewed, the Board verified all 5 licensees met the Board's continuing education requirements. However, during our review of renewals that were selected for audit, the Board reported it ceased conducting continuing education

¹⁵ A.R.S. §32-1855(C) allows the Board to temporarily suspend a license until a complaint is resolved.

¹⁶ A.R.S. §32-1825.

¹⁷ AAC R4-22-207.

audits beginning in fiscal year 2024 because it did not believe it has the statutory authority to do so. Although the Board's statutes and rules do not require that the Board conduct continuing education audits as part of its renewal process, statute states that the Board shall not renew the license of a licensee who does not fully document compliance with its continuing education requirement.¹⁸ Further, our review of rules established by similar Boards, such as the Arizona Board of Chiropractic Examiners, Arizona Board of Behavioral Health Examiners, and Arizona Board of Respiratory Care Examiners, found these Boards' rules outline the authority for continuing education audits.¹⁹

Recommendations

The Board should:

7. 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.
8. Use its statutory authority consistently to temporarily suspend a license timely and when necessary to protect the public.
9. 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 reduction 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.
10. Conduct continuing education audits if the Board changes its rules or the Legislature passes legislation requiring the Board to do so.

Board response: As outlined in its [response](#), the Board agrees with the findings and will implement the recommendations.

Sunset factor 3: The extent to which the Board's key statutory objectives and purposes duplicate the objectives and purposes of other governmental agencies or private enterprises.

Our review did not identify any other governmental agencies or private enterprises with the same key statutory objectives and purposes as the Board. For example, we did not identify any federal agency or private entity with authority to regulate the licenses overseen by the Board. Specifically, according to the U.S. Bureau of Labor Statistics and the Federation of State Medical Boards, all 50 states require osteopathic practitioners to be licensed by a state regulatory entity.^{20,21}

¹⁸ A.R.S. §32-1825.

¹⁹ AAC R4-7-802; R4-6-801; and R4-45-211.

²⁰ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Physicians and Surgeons, at <https://www.bls.gov/ooh/healthcare/physicians-and-surgeons.htm> (visited February 18, 2024).

²¹ Federation of State Medical Boards, About Physician Licensure, How physicians gain licenses to practice medicine, <https://www.fsmb.org/u.s.-medical-regulatory-trends-and-actions/guide-to-medical-regulation-in-the-united-states/about-physician-licensure/> (visited on February 18, 2024).

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

Our review of the Board’s statutes and rules found that the Board had adopted rules when required to do so.

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.

The Board has encouraged input from the public before adopting its rules and informed the public of its actions and expected impacts and provided certain information on licensees. Specifically, the Board:

- **Involved the public in adopting rules**—The Board informed the public of its rulemaking and their expected impacts and provided opportunities for public input for rules it finalized in July 2019 and March 2022. Specifically, the Board published notices of its proposed rulemakings in the Arizona Administrative Register and included a statement detailing these proposed rules’ impact on the public. Additionally, the Board provided contact information in the notices for Board staff who would receive public input about the proposed rulemaking in the notices, as well as provided information on the time and place where a public meeting would be held. According to the Board’s Notice of Final Rulemaking, there were no public comments received for these rules.
- **Provided sufficient public information in response to anonymous phone calls we made**—Statute requires the Board to provide public information related to licensees such as the name, address of record, status of license, and disciplinary actions taken against the licensee by the Board.²² As part of our procedures, we placed 3 anonymous phone calls to the Board and found that the Board appropriately provided or withheld information requested for all questions asked.

However, we identified 3 areas in which the Board can improve its effectiveness and efficiency in providing information to the public. Specifically, the Board:

- **Did not consistently comply with open meeting law requirements for 1 meeting we reviewed**—The written and/or recorded minutes we reviewed complied with the provisions of open meeting law we tested, such as providing the date, time, and location of the meeting, members present, and description of matters considered.²³ Additionally, in accordance with State open meeting law, the Board has a statement on its website indicating that all meeting agendas will be posted physically, in the public area on the first floor at its office location, and electronically via its website.²⁴ Statute also requires the Board to post notices, including agendas, at least 24 hours prior to meetings and an audio recording of the minutes within 5 working days of meetings.^{25,26} However, we found that the Board did not consistently comply

²² A.R.S. §32-1803.

²³ A.R.S. §38-431.01(C)(1).

²⁴ A.R.S. §32-431.02(A)(1).

²⁵ A.R.S. §32-431.02(G).

²⁶ A.R.S. §32-4801(A)(2).

with open meeting law requirements for 1 of 2 Board meetings we reviewed.²⁷ Specifically, the Board posted the May 2024 meeting notice and agenda on its website, but not in the public area of its office building. Additionally, although the Board made its minutes available to the public within 3 working days of its May 2024 meeting, it had not made an audio recording of the meeting available on its website until June 2024.

- **Did not post all public disciplinary information on its website for 1 of 27 complaints we reviewed**—Statute requires the Board to publish certain information pertaining to licensee disciplinary histories, such as final nondisciplinary and disciplinary actions, on its website for 5 years.²⁸ Our review of a sample of 27 complaints found that the Board had taken nondisciplinary or disciplinary action to address 7 of these complaints.^{29,30} For 1 of 7 actions, the Board included an amended consent agreement that outlined changes to the original consent agreement, but the original consent agreement with the findings of fact that led to the consent agreement was not available on the Board’s website. Not posting complete information could impact patients’ awareness of a practitioner’s past misconduct or remedial actions required by the Board.
- **Did not provide a small business bill of rights on the Board’s website**—Statute requires the Board to clearly post a small business bill of rights on its website. Our review of the Board’s website in April 2024 found that the small business bill of rights was not available. Board staff reported that the website had been updated in the fall of 2023 and the bill of rights must have been removed in the process. Board staff uploaded the document to the website after we brought it to their attention. We subsequently reviewed the Board’s website and observed that it had posted the document. Not posting the statutorily required notice could result in small businesses being unaware of their rights and protections under the law.

Recommendations

The Board should:

11. 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.
12. Publish required information on its website, including 5 years of licensee disciplinary histories, such as final nondisciplinary and disciplinary actions.

Board response: As outlined in its [response](#), the Board agrees with the findings and will implement the recommendations.

²⁷ We reviewed the March and May 2024 Board meetings.

²⁸ A.R.S. §§32-1803 and 32-3214.

²⁹ A.R.S. §32-4801(A)(2).

³⁰ Our review of 27 complaints included a random sample of 20 of 166 complaints recorded in the Board’s database as closed in fiscal year 2023; a judgmental sample of 6 of 133 complaints that were open for the longest time period from those recorded in the Board’s database as open, but not yet closed in fiscal year 2023; and 1 with discipline selected during our April 2024 review of Board meeting minutes and our search of public information on actions taken by the Board that were posted on its website.

Sunset factor 6: The extent to which the Board timely investigated and resolved complaints that are within its jurisdiction.

As discussed in Finding 1, pages 8 through 13, we found that the Board took longer than 180 days to resolve 100 of 166 complaints closed in fiscal year 2023. Additionally, as of June 30, 2023, 188 of the Board’s 261 open complaints had been open for more than 180 days. Although the Board can and does suspend licensees if a complaint involves an imminent public health, safety, or welfare concern or at the time the license is subject to renewal, as reported in Sunset Factor 2, pages 14 through 16, it has not always suspended licenses for complaints that appear to involve these types of concerns. As a result, untimely complaint resolution may negatively impact patient safety when delays allow licensees continue to practice while under investigation for allegedly violating Board statutes and rules, and even when the Board does not substantiate and dismisses complaints, untimely complaint resolution subjects licensees to unproven allegations of professional or harmful conduct for longer than necessary. We recommended that the Board resolve complaints within 180 days, use the full extent of its statutory authority to subpoena third parties, continue to develop a list of outside medical consultants, and ensure its database can produce reports on the progress/status of open complaints.

Sunset factor 7: The extent to which the level of regulation exercised by the Board is appropriate as compared to other states or best practices, or both.

We compared Arizona’s level of regulation to all 49 other states and found that the level of regulation the Board exercises is similar to other states. Specifically:³¹

- **Education requirements**—All 50 states require applicants to have graduated from an accredited osteopathic medical school before becoming licensed. Additionally, all 50 states require post-graduate training ranging from 1 to 3 years, with 34 states, including Arizona, only requiring 1 year.
- **Examination requirements**—All 50 states require a passing score on an examination for licensure.
- **Continuing education requirements**—Arizona and 45 other states require documentation and submission of continuing education ranging from 30 to 100 hours every 2 years prior to license renewal. Additionally, Arizona and 17 other states require 40 hours of continuing education every 2 years.
- **Fingerprinting**—Arizona and 37 other states require all applicants to provide fingerprints for initial licensure, 8 states only require submission of fingerprints if the applicant wants to participate in the interstate compact, and 4 states have no requirement for fingerprinting.
- **License renewal**—All 50 states require license renewal every 1 to 3 years. Arizona and 33 other states require a biennial license renewal.
- **Malpractice insurance**—Arizona and 37 other states do not require osteopathic physicians to obtain malpractice insurance.

³¹ American Osteopathic Association. (2023). 2023 State Licensure Requirements. Retrieved 2/26/2024 from <https://osteopathic.org/index.php?aam-media=/wp-content/uploads/2023-State-Licensure-Requirements.pdf>.

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

The State’s conflict-of-interest requirements exist to remove or limit the possibility of personal influence from impacting a decision of a public agency employee or public officer. Statute requires employees of public agencies and public officers, including Board members, to avoid conflicts of interest that might influence or affect their official conduct. These laws require employees/public officers to disclose substantial financial or decision-making interests in a public agency’s official records, either through a signed document or the Board’s official minutes. Statute further requires that employees/public officers who have disclosed conflicts to refrain from participating in matters related to the disclosed interests. To help ensure compliance with these requirements, the ADOA’s State Personnel System Employee Handbook and conflict-of-interest disclosure form (disclosure form) require State employees to disclose if they have any business or decision-making interests, secondary employment, and relatives employed by the State at the time of initial hire and any time there is a change. The ADOA disclosure form also requires State employees to attest that they do not have any of these potential conflicts, if applicable, also known as an “affirmative no.” Finally, A.R.S. §38-509 also requires public agencies to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest and to make this file available for public inspection.

Additionally, in response to conflict-of-interest noncompliance and violations investigated in the past, such as employees/public officers failing to disclose substantial interests and participating in matters related to these interests, the Arizona Auditor General has recommended several practices and actions to various school districts, State agencies, and other public entities.³² The Arizona Auditor General’s recommendations are based on recommended practices for managing conflicts of interest in government and are designed to help ensure compliance with State conflict-of-interest requirements by reminding employees/public officers of the importance of complying with the State’s conflict-of-interest laws.³³ Specifically, conflict-of-interest recommended practices indicate that all public agency employees and public officers complete a disclosure form annually to help remind them to update their disclosure form if their circumstances change and that the form include a field for the employee/public officer to provide an “affirmative no,” if applicable. These recommended practices also indicate that agencies should develop a formal remediation process and provide periodic training to ensure that identified conflicts are appropriately addressed and help ensure conflict-of-interest requirements are met.

Our review of the Board’s conflict-of-interest practices found that it complied with State conflict-of-interest requirements and implemented most recommended practices. For example, the Board’s policy

³² For example, see Auditor General reports 21-402 *Higley Unified School District Criminal Indictment— Conspiracy, Procurement Fraud, Fraudulent Schemes, Misuse of Public Monies, False Return, and Conflict of Interest* and 19-105 *Arizona School Facilities Board—Building Renewal Grant Fund*.

³³ Recommended practices we reviewed included: Organization for Economic Cooperation and Development. (2022). *Recommendation of the Council on OECD guidelines for managing conflict of interest in the public service*. Paris, France. Retrieved 6/27/2024 from <https://legalinstruments.oecd.org/public/doc/130/130.en.pdf>; Ethics & Compliance Initiative. (2016). *Conflicts of interest: An ECI benchmarking group resource*. Arlington, VA. Retrieved 6/27/2024 from <https://www.ethics.org/wp-content/uploads/2021-ECI-WP-Conflicts-of-Interest-Defining-Preventing-Identifying-Addressing.pdf>; and Controller and Auditor General of New Zealand. (2020). *Managing conflicts of interest: A guide for the public sector*. Wellington, New Zealand. Retrieved 6/27/2024 from <https://oag.parliament.nz/2020/conflicts/docs/conflicts-of-interest.pdf>.

requires all employees and Board members to submit conflict-of-interest forms annually either disclosing or affirming no conflicts exist. We found that all Board members and employees complied with this requirement in calendar year 2023. Additionally, Board members recused themselves from voting on meeting agenda items for which they had disclosed a substantial interest during the 2 meetings we observed in March and May 2024.³⁴ Further, the Board maintained a special file of all disclosures of substantial interest. However, the Board does not provide periodic conflict-of-interest training.

Recommendation

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

Board response: As outlined in its [response](#), the Board agrees with the finding and will implement the recommendation.

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.

This performance audit and sunset review did not identify any statutory changes that are necessary for the Board to more efficiently and effectively fulfill its key statutory objectives and purpose. Nor did we identify any statutory responsibilities that are no longer necessary.

Sunset factor 10: The extent to which the termination of the Board would significantly affect the public health, safety, or welfare.

Terminating the Board would affect the public's health, safety, and welfare if its regulatory responsibilities were not transferred to another entity. As stated in Sunset Factor 1 (see page 14), the Board is responsible for ensuring that practitioners of osteopathic medicine are qualified to provide medical services and for investigating and adjudicating complaints against licensees alleging incompetence or unprofessional conduct. Additionally, the Board is responsible for disclosing pertinent information, including disciplinary history, about licensees to the public. The combination of these functions helps to protect the public from potential harm.

³⁴ The Board documented members' recusals within its meeting minutes.

SUMMARY OF RECOMMENDATIONS

Walker & Armstrong makes 13 recommendations to the Board

The Board should:

1. Investigate and resolve complaints within 180 days (see Finding 1, pages 8 through 13, for more information).
2. Use its statutory authority such as issuing subpoenas to third parties (see Finding 1, pages 8 through 13, for more information).
3. Request the Superior Court of Arizona enforce subpoenas when licensees and/or third parties miss deadlines for providing information (see Finding 1, pages 8 through 13, for more information).
4. Continue to develop a list of outside medical consultants with varying specialties to more timely resolve complaints requiring these services (see Finding 1, pages 8 through 13, for more information).
5. 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 (see Finding 1, pages 8 through 13, for more information).
6. Ensure its database system can produce reports on the progress/status of open complaints (see Finding 1, pages 8 through 13, for more information).
7. 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 (see Sunset Factor 2, pages 14 through 16, for more information).
8. Use its statutory authority consistently to temporarily suspend a license timely and when necessary to protect the public (see Sunset Factor 2, pages 14 through 16, for more information).
9. 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 reduction 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 (see Sunset Factor 2, pages 14 through 16, for more information).
10. Conduct continuing education audits if the Board changes its rules or the Legislature passes legislation requiring the Board to do so (see Sunset Factor 2, pages 14 through 16, for more information).

11. 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 (see Sunset Factor 5, pages 17 and 18, for more information).
12. Publish required information on its website, including 5 years of licensee disciplinary histories, such as final nondisciplinary and disciplinary actions (see Sunset Factor 5, pages 17 and 18, for more information).
13. Provide periodic training on conflicts-of-interest for staff and Board members (see Sunset Factor 8, pages 20 and 21, for more information).

Scope and methodology

We have conducted a performance audit and sunset review of the Board on behalf of the Arizona Auditor General pursuant to a November 21, 2022, resolution of the Joint Legislative Audit Committee. The audit was conducted as part of the sunset review process prescribed in A.R.S. §41-2951 et seq.

We used various methods to address the audit's objectives. These methods included reviewing the Board's statutes, rules, website, policies and procedures, and supporting documentation, and interviewing Board staff. In addition, we used the following specific methods to meet the audit objectives:

- **License issuance and renewal**—To determine whether the Board issued and renewed licenses in accordance with statute and rule requirements, we reviewed information from the Board's files and database for several samples of license applications, including initial and renewal applications approved or denied in fiscal year 2023. Our work included reviewing the application files and associated documents, such as transcripts, exam scores, proof of background check, and other applicable documents. The applications we reviewed were as follows:
 - 14 initial applications consisting of a stratified random sample of 10 licenses, 3 permits, and 1 registration from 1,039 initial applications approved by the Board in fiscal year 2023.
 - A random sample of 6 of 2,688 license renewal applications approved by the Board in fiscal year 2023.
 - A random sample of 5 of 101 license renewal applications selected by the Board for a continuing education audit in fiscal year 2023.
- **Complaint-handling and timeliness of resolution**—We reviewed the Board's complaint files and database information and selected a random sample of 20 of 166 complaints recorded in the Board's database as closed in fiscal year 2023. The 20 complaints were selected based on the percentage of complaints closed per month to the total population, then selected randomly from each month's population. Additionally, we judgmentally selected 6 of 133 complaints that were open for the longest time period from those recorded in the Board's database as opened, but not yet closed in fiscal year 2023. Since the Board's database did not contain enforcement action taken by the Board, we reviewed complaint files to ensure we had a variation of enforcement action to ensure varying levels of enforcement were included in our sample, including complaints that resulted in disciplinary and nondisciplinary action.
- **Public information**—We reviewed the nondisciplinary and disciplinary information on the Board's website for complaints selected for testing and placed 3 anonymous phone calls from personal phone numbers between February and March 2024 to assess whether the information provided was accurate and consistent with statutory requirements. We assigned 3 Walker & Armstrong staff to call the Board during business hours over the course of 2 months in 2024 and ask a series of

questions to determine whether Board staff would provide public information and/or non-public information. We created 9 questions related to 3 licensees (three questions per licensee) to ask Board staff; some of the questions were items the Board staff should provide and others were items they should not provide. To keep the calls anonymous and not associated with Walker & Armstrong, the calls were made from our personal phones, instead of using our business lines.

- **Fee setting**—To assess the Board’s fee-setting practices, we interviewed the Board’s Executive and Deputy Directors; reviewed and compared the Board’s statutes, rules, and policies; and reviewed the Board’s revenues, expenditures, and fund balance for fiscal years 2022 and 2023 and estimates for fiscal year 2024.
- **Conflicts of interest**—To assess the Board’s compliance with State conflict-of-interest requirements, we reviewed the Board’s sunset factor response and evaluated whether the Board’s conflict-of-interest practices comply with the State’s conflict-of-interest statutes (A.R.S. §38-501 et seq. and the Arizona Attorney General’s Agency Handbook, Ch. 8) and recommended practices by: reviewing the Board’s policies, procedures, and processes for ensuring the Board complies with the State’s conflict-of-interest statutes and recommended practices; and reviewing the Board’s compliance with State conflict-of-interest requirements and its policies and procedures by reviewing employee/Board member conflict-of-interest disclosure forms for 2023, reviewing the Board’s special file of conflict-of-interest forms, reviewing Board meeting minutes for fiscal year 2023, and observing Board meetings held in March and May 2024 to observe the Board’s process during meetings.
- **Introductory information**—To obtain information for the introductory section of our report, we reviewed the Board’s website, information provided by the Board regarding staffing, and active licenses as of May 2024. In addition, we compiled and analyzed unaudited financial information from the ADOA prepared monthly financial reporting files and the State of Arizona *Annual Financial Report* for fiscal years 2022 and 2023, and Board and ADOA provided estimates for fiscal year 2024.
- **Other information for sunset factors**—To obtain additional information for the sunset factors section of our report, we reviewed the Arizona Administrative Register regarding the Board’s proposed rulemaking in fiscal year 2022 and assessed the Board’s compliance with various provisions of the State’s open meeting law for 2 Board meetings held in March and May 2024. In addition, we reviewed the level of regulation for osteopathic physicians in all 50 states by reviewing the American Osteopathic Association’s 2023 report.³⁵

Our evaluation of the Board’s internal controls included reviewing the Board’s policies and procedures for ensuring compliance with Board statutes and rules and, where applicable, testing its compliance with these policies and procedures. We reported our conclusions on any internal control deficiencies in our findings and responses to the statutory sunset factors.

We selected our audit samples to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing of these samples are not intended to be projected to the population as a whole.

³⁵ American Osteopathic Association. (2023). 2023 State Licensure Requirements. Retrieved 2/26/2024 from <https://osteopathic.org/index.php?aam-media=/wp-content/uploads/2023-State-Licensure-Requirements.pdf>.

We conducted this performance audit and sunset review in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to the Board, its Executive Director, and staff for their cooperation and assistance throughout the audit, as well as the Arizona Auditor General's Office for their support.

BOARD RESPONSE

Katie Hobbs
Governor



Justin Bohall
Executive Director

**ARIZONA BOARD OF OSTEOPATHIC EXAMINERS
IN MEDICINE AND SURGERY**

1740 West Adams Street • Suite 2410
Phoenix, Arizona 85007
(480) 657-7703

September 20, 2024

Lindsey Perry, CPA, CFE, Auditor General Arizona
Auditor General's Office
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018-7271

***Re: Arizona Board of Osteopathic Examiners in Medicine and Surgery - Sunset Review:
ARSS41-2951 et seq.***

Dear Ms. Perry,

The Arizona Board of Osteopathic Examiners in Medicine and Surgery ("Board") has reviewed and provided responses to the Performance Audit and Sunset Review.

The Board's staff, as well as the Board itself, appreciated the professionalism and thoroughness of the Auditor General's staff as well as the staff of Walker & Armstrong. The Board has already begun addressing the findings as well as implementing the recommendations.

The Board looks forward to meeting with the Committees of Reference in both chambers of the Arizona Legislature with positive changes already made.

Kind Regards,

A handwritten signature in black ink that reads "J. Bohall".

Justin Bohall
Executive Director

Enclosure: Board's Response

Cc: Jonathan Maitem, DO - Board President

Finding 1: Board has not resolved some complaints in a timely manner, which may affect patient safety

Recommendation 1: Investigate and resolve complaints within 180 days.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board continually strives to investigate and resolve complaints within 180 days. However, the Board has not been able to do so for all complaints due to a lack of resources, staff, Outside Medical Consultants (“OMC”), and support. Due to the Board’s 66% increase in licensees since the 2016 Audit and increasingly complex investigations, the Board’s FY25 operating budget request included a funding issue to increase the number of our licensing and investigative staff. The Board did not receive the requested increase in the FY25 budget; however, it has updated the request for FY26. The Board hopes to be successful in obtaining additional staff to address the high complaint processing times. Additionally, the Board has recently implemented three action items to allow for the processing of complaints to be completed in a more expedited manner. First, the Board is actively recruiting OMCs through our renewal process as well as a mailed flyer campaign. Second, the Board has begun identifying the need for an OMC at the early stage of investigation and begun connecting with potential OMCs earlier in the case’s progress. Third, a discipline matrix was developed to be utilized by the Board members to help identify allegations and enable decisions to be more consistent while adjudicating cases.

Recommendation 2: Use its statutory authority such as issuing subpoenas to third parties.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General’s office to encourage compliance with Board subpoenas issued to third parties.

Recommendation 3: Request the Superior Court of Arizona enforce subpoenas when licensees and/or third parties miss deadlines for providing information.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General’s office to request the Superior Court of Arizona to enforce Board subpoenas issued to its licensees and third parties.

Recommendation 4: Continue to develop a list of outside medical consultants with varying specialties to more timely resolve complaints requiring these services.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board is actively recruiting Outside Medical Consultants through our renewal process to identify those willing and qualified to review cases for the Board. The Board has also begun a mailed flyer campaign to target physicians in specialized areas of practice.

Recommendation 5: 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.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation. The Board is now identifying complaints that may require the review of an Outside Medical Consultant as they are received and attempting to secure a suitable consultant.

Recommendation 6: Ensure its database system can produce reports on the progress/status of open complaints.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has contracted with a third-party vendor who has already completed the work regarding new reports in our database.

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

Recommendation 7: 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.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation and begun gathering the reports for the post-graduate training permits.

Recommendation 8: Use its statutory authority consistently to temporarily suspend a license timely and when necessary to protect the public.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board is implementing this recommendation. The Board has approved a Sexual Misconduct Investigations Policy that clearly outlines when temporary suspension of license is necessary to protect the public.

Recommendation 9: 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.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General's office to determine our statutory authority to conduct continuing education audits and will pursue legislative changes or changes to the Board's Administrative Rules as applicable.

Recommendation 10: Conduct continuing education audits if the Board changes its rules or the Legislature passes legislation requiring the Board to do so.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General's office to determine our statutory authority to conduct continuing education audits and will pursue legislative or changes to the Board's Administrative Rules as applicable.

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.

Recommendation 11: 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.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has worked to streamline the process of crafting minutes of the Board's meetings. The Board will implement this recommendation.

Recommendation 12: Publish required information on its website, including 5 years of licensee disciplinary histories, such as final nondisciplinary and disciplinary actions.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation. The Board has worked with its database developer to ensure that all appropriate discipline is displayed on the Board website.

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

Recommendation 13: The Board should provide periodic training on conflicts-of-interest for staff and Board members.

Board response: The finding is agreed to and the audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation and will be conducting annual conflict of interest training for Board members and staff.



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

August 7, 2025

Members of the Arizona Legislature

The Honorable Katie Hobbs, Governor

Executive Director Bohall

Arizona Board of Osteopathic Examiners in Medicine and Surgery

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 Osteopathic Examiners in Medicine and Surgery* report (see report 24-112) conducted by the independent firm Walker & 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. My Office contracted with Walker & Armstrong, LLP to conduct initial followup work with the Arizona Board of Osteopathic Examiners in Medicine and Surgery, and as of this initial followup report, 5 recommendations have been implemented, 7 recommendations are in process, and 1 recommendation is not yet applicable.

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

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Arizona Board of Osteopathic Examiners in Medicine and Surgery members

Arizona Board of Osteopathic Examiners in Medicine and Surgery

Initial Follow-Up of 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.

Board's status in implementing 13 recommendations

Implementation status	Number of recommendations
✓ Implemented	5 recommendations
🔄 In process	7 recommendations
📅 Not yet applicable	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 6 (see below) related to improving its ability to investigate and resolve complaints within 180 days. However, our review of all 45 complaints the Board closed between October 2024 and February 2025, found that the Board took more than 180 days to resolve 24, or 53%. 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 60% percent of the complaints we reviewed. The Board cited various factors that have contributed to this improvement, including its ability to track the status of complaints through reports generated by its database system and addressing its complaint backlog through its updated process for issuing subpoenas, expanded outside medical consultant listing for investigating complaints, and a newly implemented process for timely engaging outside medical consultants (see explanations for recommendations 2, 4, and 5, respectively). In addition, the Board is working to hire additional investigative staff to help with its complaint backlog and expects to fully implement this recommendation by the end of December 2025. We will further assess the Board's implementation of this recommendation during our next follow-up.

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 has 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.

Because the Board had recently adopted the policy at the time of our review, we will further assess the Board's implementation of its policy to request the Superior Court of Arizona to enforce subpoenas during our next followup.

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 our finding in the Board's performance audit and sunset review in which 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: Implementation in process

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; therefore, we will assess the Board's implementation of its policy during our next follow-up.

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

Status: Implementation in process

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 is 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. Additionally, Board staff reported that they are working to include additional functionality in the Board's complaint database that will allow its staff to more readily assess the factors that led the Board to take previous actions against licensees, including temporarily suspending licenses, to help ensure the consistency of future Board actions.

The Board reported that it intends to fully implement these policies and procedures by December 2025. We will further assess the Board's implementation of its policies and procedures to use its statutory authority consistently to temporarily suspend a license timely and when necessary to protect the public during our next follow-up.

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

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, in March 2025, the Board submitted a request to the Governor's Office in accordance with A.R.S. §41-1039, for approval to proceed with the rulemaking process. The Board subsequently

received approval from the Governor’s Office and reported that it published a notice of proposed rulemaking in the Arizona Administrative Register on July 11, 2025, and plans to hold a public comment hearing on August 27, 2025.

In addition, our 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 they must provide required documentation. We will further assess the Board’s implementation of its revised rules for the CME audit process during our next follow-up.

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: Implementation in process

Our review of the meeting agenda and audio recording for the Board’s March 15, 2025 meeting found that the Board complied with the statutory requirements for posting this meeting’s agenda and audit recording. However, because only one meeting occurred within our review period, we will continue to assess the Board’s compliance with State open meeting law requirements during our next follow-up.

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: Implementation in process

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 the Board’s website for nondisciplinary and disciplinary actions the Board took for complaints we reviewed and that the Board resolved, related to recommendations 2 and 5, found that the Board posted these actions as statutorily required. Additionally, during the performance audit and sunset review, we identified an instance where a licensee had prior Board actions within the last 5 years that the Board inappropriately removed from its website. However, during the period of our followup, we did not identify any instances where a licensee had prior Board actions within the last 5 years, and as a result we were unable to assess whether the Board addressed the issue we identified during the audit. We will further assess the effectiveness of the Board’s process for publishing all nondisciplinary and disciplinary actions on its website, including current and prior actions, for 5 years during our next follow-up.

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.



Arizona Osteopathic Medical Association

May 9, 2024

The Honorable John Kavanagh
Chairman, Senate Appropriations Committee
Arizona Senate
1700 W Washington St
Phoenix, AZ 85007

The Honorable David Livingston
Chairman, House Appropriations Committee
Arizona House of Representatives
1700 W Washington St
Phoenix, AZ 85007

VIA EMAIL: DLivingston@azleg.gov; JKavanagh@azleg.gov

Dear Chairman Kavanagh and Chairman Livingston;

On behalf of the Arizona Osteopathic Medical Association (“AOMA”), I am writing you to issue public support for the Arizona Board of Osteopathic Examiners (“Board”) [FY25 budget request](#). This FY25 request would allow the Board to use existing Board funds, not General Funds, to ensure that physicians seeking to practice in Arizona do not experience delays related to licensing. We believe this is a prudent approach that will not further the current budget deficit while also ensuring the continuation of vital public health and safety functions.

Arizona is currently facing a physician shortage which will continue to grow to nearly 2,000 primary care physicians by 2030¹. Nationally, students currently studying and training to become an Osteopathic physician have increased 77% in the past decade and is currently at an all-time high.² Arizona’s Osteopathic physician population has increased 206% since 2000 and continues to grow each year. Ensuring that the Board has the resources necessary to conduct timely licensing is of utmost importance for the Osteopathic profession, the State of Arizona and the public.

The Board’s FY 25 budget request seeks to utilize \$607,600 of existing Board funds to increase FTEs that will be focused on licensing functions. As stated above, this request does not draw on General Funds and would not add to the existing budget deficit. On behalf of the [2,600 AOMA members](#) – active, retired, associates, interns, residents, and students – I respectfully request your support for this critical budget request.

Sincerely,

A handwritten signature in black ink that reads "Matt Helms".

Matt Helms
Executive Director
MHelms@azosteo.org

CC:
House Appropriations Committee Members
Senate Appropriations Committee Members
Zaida Dedolph Piccoro, Office of Governor Katie Hobbs
Lourdes Pena, Office of Governor Katie Hobbs
Chad Campbell, Office of Governor Katie Hobbs

¹ https://crh.arizona.edu/sites/default/files/2022-04/20210602_AZ-PCP-shortagePolicyBrief.pdf

² <https://www.aacom.org/become-a-doctor/about-osteopathic-medicine/quick-facts>



July 7, 2025

Office of the Governor
The Honorable Katie Hobbs
1700 W. Washington Street
Phoenix, AZ 85007

Dear Governor Hobbs,

On behalf of the Maricopa County Medical Society (MCMS), I am writing in strong support of the Arizona Board of Osteopathic Examiners' request for increased staffing as part of their FY2026 budget submission.

As the oldest and most trusted medical association in Arizona, established in 1892, MCMS proudly represents physicians across all specialties and practice settings in Maricopa County. A significant portion of our membership includes osteopathic physicians who depend on timely licensure and efficient regulatory operations to care for Arizona's growing population.

The Board of Osteopathic Examiners has reported an average annual increase of 20% in DO applications and licensees. This upward trend reflects both Arizona's population growth and its increasing demand for high-quality healthcare providers. Maricopa County alone has experienced consistent annual population growth of 1.2% to 1.3% over the past three years, adding nearly 60,000 new residents annually. Without adequate staffing, the ability to process applications efficiently becomes compromised delaying entry into the workforce, burdening existing staff, and ultimately affecting patient access to care.

Investing in additional personnel will directly support operational efficiency, reduce delays, and ultimately benefit patients and providers statewide. MCMS is proud to support this effort and stands ready to assist in advocating for the infrastructure you need.

We are especially supportive of this staffing request because it does not require additional taxpayer funding or increased fees for applicants. Instead, it leverages the Board's self-

sustaining model, funded entirely through licensing fees, to invest in the capacity needed to serve our healthcare workforce effectively.

As a trusted voice in organized medicine, MCMS urges your office to prioritize this request not only for its operational merit, but also to ensure the democracy of our medical profession and healthcare system is supported, protected, and fortified not just today, but for the future of Arizona's next generation of physicians.

We appreciate your ongoing leadership and commitment to our physician community and Arizona's healthcare system, and we remain ready to support the advancement of this vital investment.

A handwritten signature in black ink, appearing to read 'D. Hardge', with a large, stylized flourish extending from the end of the signature.

Sincerely,

Desire'e Hardge, MBA

Chief Executive Officer and Executive Director

Maricopa County Medical Society

Arizona Board of Osteopathic Examiners in Medicine and Surgery

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	10.0	10.0	10.0
Personal Services	617,800	622,200	645,200
Employee Related Expenditures	210,800	296,300	307,300
Professional and Outside Services	121,000	171,900	239,900
Travel - In State	8,800	2,500	2,500
Travel - Out of State	11,600	5,500	5,500
Other Operating Expenditures	144,800	304,700	325,700
Equipment	17,000	0	0
AGENCY TOTAL	1,131,800	1,403,100	1,526,100 ^{1/}

FUND SOURCES

Other Appropriated Funds

Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund	1,131,800	1,403,100	1,526,100
SUBTOTAL - Other Appropriated Funds	1,131,800	1,403,100	1,526,100
SUBTOTAL - Appropriated Funds	1,131,800	1,403,100	1,526,100
TOTAL - ALL SOURCES	1,131,800	1,403,100	1,526,100

AGENCY DESCRIPTION — The agency licenses and regulates medical physicians who practice osteopathic medicine, a system of medical treatment that emphasizes the interrelationship of the body’s muscles, bones, and joints with other body systems as an adjunct to invasive and/or chemical-based treatment.

FOOTNOTES

^{1/} General Appropriations Act funds are appropriated as a Lump Sum by Agency.

Operating Budget

The budget includes \$1,526,100 and 10 FTE Positions from the Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund in FY 2026 for the operating budget. Adjustments are as follows:

Salary Parity Adjustment

The budget includes an increase of \$23,000 from the Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund in FY 2026 to increase select salaries for parity with comparable boards.

Outside Medical Expert Rates Increases

The budget includes an increase of \$68,000 from the Arizona Board of Osteopathic Examiners in Medicine and Surgery Fund in FY 2026 for increasing the payment rates for outside medical consultants.

Statewide Adjustments

The budget includes an increase of \$32,000 from the Arizona Board of Osteopathic Examiners in Medicine and

Surgery Fund in FY 2026 for statewide adjustments. (Please see the Agency Detail and Allocations section.)

Other Issues

Auditor General Report

In September 2024, the Auditor General published a sunset review of the Board of Osteopathic Examiners in Medicine and Surgery. The report stated that the board did not resolve complaints in a timely manner and made suggestions for procedures the board could adopt to improve the time to resolution. Of the complaints resolved in FY 2023, 60% of complaints were resolved in over 180 days. The report's findings also indicated that the board did not consistently suspend licenses when necessary or verify applicants met all initial license requirements. In addition to recommendations for improvements to the complaint and licensing processes, the Auditor General indicated that the board should determine with legal counsel if they have the statutory authority to conduct continuing education audits and

develop a plan to restore audits to ensure that licensees have met continuing education requirements.

The Auditor General made the following key recommendations with budget implications:

- Investigate and resolve complaints within 180 days which may require hiring new licensing and investigative staff.
- Ensure that the Board's database can produce complaint status reports, potentially requiring a third-party vendor to complete updates.

Laws 2025, Chapter 249 continues the Arizona Board of Osteopathic Examiners in Medicine and Surgery until July 1, 2031.