

Annual Report

Arizona Board of Medical Examiners
Fiscal Year 2001-2002

Focus on the Future
Year One of a Three-Year Strategic Plan

Executive Summary

Building a successful regulatory organization, reaching desired end results and ensuring accountability is a major accomplishment. Creating an infrastructure that supports continual growth and success is a remarkable accomplishment. The Arizona Board of Medical Examiners revitalized and reformed its processes to sustain excellence with a solid organizational foundation and qualified Board members and staff. Its licensing and enforcement processes gave it national recognition. Its policy and legislative initiatives established it as a revered player in the regulatory community. And its technological advances made it one of the only medical boards in the country to make public information easily accessible to the public. This fiscal year marked the future for sustained success. From the creation of high performance teams to full-feature on-line services, the Board remains committed to progressive regulatory governance.

This Annual Report contains information highlighting:

- The leaders and staff responsible for creating judicious licensing and case adjudication processes. The Board's strong leadership combined with a dedicated staff produced unprecedented regulatory achievements.
- Agency accomplishments from a number one disciplinary ranking in the nation to a trendsetter award for the Board's document imaging project. From national to local awards and everyday achievements, the Board is proud of its accomplishments.
- Technological advances bringing expedited licensing, complaint filing, and public information requests. Providing timely and accurate information is important and the Board's use of technology makes this goal possible.
- The future of licensing providing on-line licensing applications, streamlined application systems and documented work flow processes. The Board proved that licensing competent and qualified physicians can be accomplished with great service.
- Regulation features including Board actions showing consistent performance and the unveiling of the new 4-Stage Adjudication Process. The Board's regulatory process was a hot topic over the last four years and is now a model for other medical boards.
- Legislative initiatives giving the Board increased adjudication authority and providing physicians with opportunities to offer their patients faster and more convenient services. The Board continually sets the standard for public health and safety and physician due process.
- Fiscal accountability cutting out unnecessary expense and focusing on important public services. The goals and objectives set in the Board's Strategic Plan are quickly realized with responsible budgetary planning.
- Future goals including continued physician education, increased public awareness and expanded policy initiatives. The Board realizes that continuing excellence can be harder than initially achieving it and will focus on sustaining its reputation as one of the leading medical boards in the country.

Board Overview

Patrick N. Connell, M.D., Chairman, physician member

Edward J. Schwager, M.D., Vice-Chairman, physician member

Becky Jordan, Secretary, public member

Richard H. Carmona, M.D., physician member

Ronnie R. Cox, Ph.D., public member

Timothy B. Hunter, M.D., physician member

Ram R. Krishna, M.D., physician member

Sharon B. Megdal, Ph.D., public member

Dona Pardo, R.N., Ph.D., public member

Pamela Powers, M.D., physician member

William W. Wong, M.D., physician member

Board Overview

The Arizona Board of Medical Examiners has a proven track record for its judicious licensing and disciplinary process. Its tireless actions caught the eye of Public Citizen, a Washington D.C.-based consumer watchdog group, who ranked the Board number one in the nation for serious disciplinary actions. More importantly, the Board's actions are consistent, fair, and are always based on the evidence. Strong leadership runs deep in the Board and it is this leadership that is central to its success. This year, the Board appointed three exemplary members to serve as its future leaders.

Board Leadership ~



Patrick Connell, M.D., an emergency department physician, was appointed to the Board in 1997. Dr. Connell previously served as the Board's Secretary and he was appointed Chairman in August 2001. His exemplary leadership qualities were a catalyst to the Board's progressive legislation and reform. Dr. Connell is an emergency room staff physician at Maryvale Hospital and West Valley Health Center.

He is President of Maryvale Emergency Physicians, Ltd., Medical Director of Healthwaves, Inc., a corporate wellness company, and Councilor of the Arizona College of Emergency Physicians.



Becky Jordan, a retired Air Force major and state representative, serves as the Board's Secretary and public member. While in the State Legislature, Ms. Jordan served as chair of the Natural Resources and Agriculture Committee. During her distinguished military career, she received the USAF Commendation Medal with one Oak Leaf Cluster, the USAF Outstanding Unit Award with three Oak Leaf Clusters, the Republic of Vietnam Campaign Medal, the Vietnam Service Medal with four Bronze Service Stars, and the Meritorious Service Medal.

Membership Changes~

The year was also bittersweet for the Board as it saw a great deal of change within its organization. On December 5, 2001, the Board and the medical community lost a prominent physician and respected colleague, **Dr. Edward Sattenspiel**. Dr. Sattenspiel actively practiced obstetrics and gynecology for 55 years and served on the Board since 1998.

The Board also said a fond farewell to long-standing members, **Richard Carmona, M.D.** and **William Waldo, M.D.** and welcomed **Dr. William Wong**. Dr. Carmona stepped down from the Board after accepting the prestigious position of US Surgeon General. He served on the Board for the last four years. Dr. Waldo stepped down after six years of service. Dr. Wong joined the Board in January 2002. He is a Mayo Medical School assistant professor and a consultant to the Department of Radiation Oncology at the Mayo Clinic in Scottsdale.



Edward Schwager, M.D., the Board's Vice-Chairman, was appointed in 1998. Dr. Schwager is a family physician and the Medical Director of Carondelet Medical Group, P.C., in Tucson. He is also an Associate Clinical Professor in the Department of Family and Community Medicine at the University of Arizona. Dr. Schwager is listed in the Best Doctors in America, Pacific Region and is certified by the Board

of Family Practice. He previously served as a member of the Executive Council of the Association of American Medical Colleges and President of the Arizona Academy of Family Physicians.

Agency Overview



Claudia Foutz
Executive Director
May 1998 - June 2002

The success of a regulatory board often depends on its support. It relies on an executive director with the vision to implement change and staff with the intellectual capacity to make it happen. The Board's Executive Director **Claudia Foutz** and staff of nearly 60 were instrumental change agents over the last four years. The professional success Ms. Foutz earned while in Arizona was duly rewarded this year as she was named the Council on Licensure, Enforcement and Regulation's (CLEAR's) Member of the Year. This was a lifetime achievement for Ms. Foutz whose dedication to CLEAR spanned much of her professional career.

Agency Transition~

In May 2002, Ms. Foutz announced her resignation after four successful years of reform and revitalization. The Board realized the importance of selecting the right person who could continue in the tradition of success. It immediately formed an executive search committee and evaluated a list of candidates who could lead the nation's toughest medical board into the future.



Barry A. Cassidy, Ph.D., PA-C
Executive Director
July 2002 - Present

New Executive Director Hired~

On July 8, 2002, Barry A. Cassidy, Ph.D., PA-C assumed his role as the new Executive Director. After careful deliberations, the Board chose Dr. Cassidy for his extensive healthcare knowledge, leadership abilities, and regulatory experience. Dr. Cassidy was previously employed as a professor in the College of Health Sciences and Director of the Midwestern University/ Glendale Arizona campus Physician Assistant Program. He holds a Ph.D. in Bioethics and Health Care Sciences from the Union Institute & University, a Bachelor of Science degree from Excelsior College, and a Physician Assistant degree from Duke University Medical Center. Dr. Cassidy was appointed Chair of the Joint Board on the Regulation of Physician Assistants in 2001, served on numerous bioethics committees and has published various healthcare and ethic-related articles.

Agency Accomplishments

It's easy to get used to experiencing success. When listing its accomplishments, the Board didn't consider how much space it needed to fill on a page, but rather, how many success stories could fit on just one page? The year was filled with one success after another; some were very public and many others slipped in as part of everyday life. Regardless of the magnitude of its success, the Board is proud of the examples it set and justly rewards the people who made it happen.

Agency Successes~

- **Public Citizen Health Research Group:** Very few organizations have the chance to publically witness continual success as defined by a consumer watchdog group and then ultimately, rank number one in the nation. Over the last four years, that is exactly what the Board experienced as it skyrocketed from 38th in the nation to number one for serious disciplinary actions. This year, the Board was also awarded the coveted Public Citizen grade "A" for the information provided on its website. Public Citizen's expectation is that Boards with high-ranking discipline should also obtain the highest ranking in public information. Arizona was the only state to receive the unprecedented achievement of obtaining the A rating and also ranking in the top five for disciplinary actions.

Public Citizen Health Research Group	
Year	Ranking
1998	38 th
1999	21 st
2000	7 th
2001	1 st

- **Sunset Review:** In a hearing before the Joint Legislative Audit Committee in December 2001, the Board received a unanimous vote to continue its regulatory program for the next decade without further Auditor General reviews. The Board credits the Legislative support it received over the last four years for its continuous improvement.

- **Office of Excellence in Government (OEG) Award:** OEG presented the Board with two awards this year. The "Trendsetter Award" was given for the Board's Document Imaging Project. OEG stated the project was a universally relevant process improvement strategy that can be beneficial to many state agencies. Additionally, the Board won an award for the smallest Board to submit an application for an award. OEG said that BOMEX demonstrated that being committed to excellence has nothing to do with size.

- **High Performance Teams:** An organization's success also depends on the tireless efforts of a talented and motivated staff. Strategic planning is an integral process and strategic goals are adhered to and evaluated routinely. Staff work in high performance teams and constantly develop innovative solutions to complex issues. For instance, this year, staff evaluated the production the Board's annual Medical Directory. For years, the Medical Directory was published in book format and mailed to every physician - a costly process depleting both monetary and time resources. This year, staff explored producing an electronic Directory with a database that could be searched by any combination of name, location and specialty, that could be produced at less expense and also serve physicians migrating into an electronic office. The electronic Directory was a success and producing it in addition to a scaled back printed version saved the agency thousands of dollars.

- **Performance-based Incentive Program (PIP):** Attracting and retaining innovative staff is important and the Board applies private-sector incentives to its employees. In April 2002, the Board implemented a Performance-based Incentive Program (PIP) to monetarily reward staff for their achievements. The program is comprised of three components: productivity, customer satisfaction, and peer ranking. Staff exceeding the performance measures defined in the previous year's Strategic Plan may earn up to \$200 a month for their success. PIP is a fairly new concept in Arizona government and the Board is the only agency to incorporate an on-line peer-ranking component to the program. The Board has a 96% staff participation rate and expects to see productivity and customer satisfaction rates increase as the program continues.

Technology

Technology remains at the heart of the Board's progress as it spurs innovation and redefines processes. Over the last four years, the Board's use of technology created a nationally top-rated website with extensive physician profiles and paperless Board materials. Electronic agendas and investigative materials are now held on interactive CD-ROMs and laptop computers. These accomplishments didn't go unnoticed in the nation's regulatory community. Staff was invited to present the Board's accomplishments at conferences and provide other agencies the information needed to replicate its technological advancements. This year's technology research and planning will mark the future of innovative regulatory processes as the Board introduces on-line services to both the public and its licensees.

Technological Advances~

- *On-line Services:* At the end of this fiscal year, the Board will commence implementation of on-line services including on-line licensing, on-line license renewals, and on-line complaint filing and tracking. These services will provide one-stop shopping for physicians to apply, renew and pay for their licenses at once. Additionally, the Board will be one of the first medical boards in the country to introduce on-line complaint filing. This feature will allow complainants to file a complaint on-line, automatically receive a tracking number and then track their complaints via the Board's website from initial complaint processing stages through investigation completion.

- *Payment Cards:* Payments to the Board may now be made simply and quickly. Continuing to make customer service a priority, the Board now offers the public and licensees the ability to make payments, such as license application and renewal fees and public records fees, with credit and check cards. These payment cards may be used for on-line purchases or in person at the Board's office.

- *Expedited Public Information Requests:* Technology is also responsible for expediting information accessibility to the public. In FY 01, the Board scanned over 15,000 license files and linked them to the database. This year, the Board refined its scanning process to allow identification of individual documents in the file. This new process significantly reduced the time it takes to provide the public with requested information.

- *Public Services on Website:* The Board's website is known nation-wide for the amount of information it contains. The website also serves a secondary purpose - to service the public through physician profiles and questions@bomex.org, a public e-mail tool that can be accessed at any time and is designed to provide an answer within 48 hours. This year, the Board also developed an effective measurement tool that allows it to track the number of website hits and statistically analyze areas of the website attracting the largest number of visitors. One of the statistical findings of most interest was the number of profiles accessed on-line. Last year, the Board was only able to measure the number of profiles accessed internally. This year, when combining internal and external profiles accessed, the Board found that over one million profiles were hit - a number that far exceeded its expectations.

Type of Information Requested	FY 00-01	FY 01-02
Public E-mails	933	971
% Of Public E-mail Responded to Within 48 Hours	90	96
Physician Profiles Accessed (Internally)	109,674	216,700
Physician Profiles Accessed (Internally & Externally)	N/A	1,624,518

Licensing

Licensing competent and qualified physicians is one of the Board's most important roles. It takes a knowledgeable and well-trained staff to carefully read through submitted information, ensure statutory requirements for licensure are met, and when presented with questionable license and renewal applications, forward them to Enforcement for a more in-depth review. In order to maintain high licensing standards, the Board realized it needed to identify key areas of licensee population growth and develop progressive licensing applications.

Best state licensing bureau to deal with, very courteous and knowledgeable. Thank you!

-- Arizona physician

Very impressed by the immediate response and assistance by the staff during the process of my application.

-- Arizona physician

The staff at the Board, especially the analysts, are courteous, helpful & considerate. The analyst who dealt with my application was aware of the problems that happen with obtaining paperwork from other countries, especially in these difficult times.

-- Arizona physician

The Future of Licensing~

- **On-Line Licensing Preparation:** Preparing for on-line licensing is not just a matter of technology. It involves extensive planning to ensure all licensing applications are updated and converted to meet on-line standards. It also means that the Licensing staff must work closely with Information Technology staff to make sure the programming captures all statutory information necessary for licensure. The Board will launch its on-line licensing project in the next fiscal year and with an aggressive public information campaign to inform physicians of this service, expects a 25% rate of on-line licensing in the first year with predicted continual growth between 85-90% in FY 04 and FY 05.

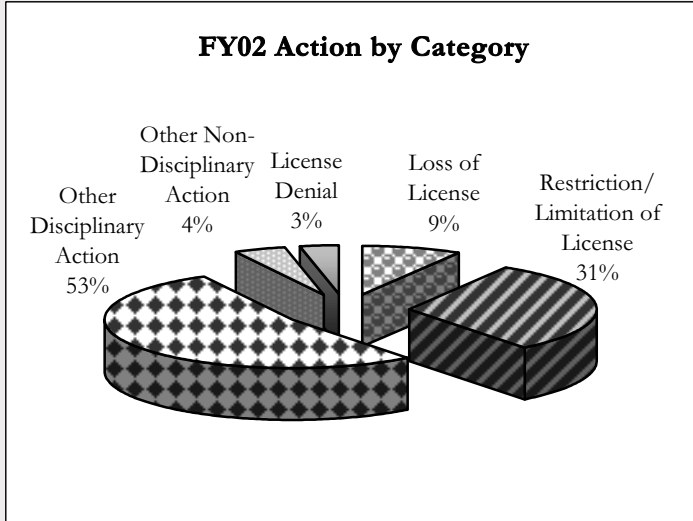
- **Streamlined Application Process:** In the past, physicians were required to submit many verification documents when applying for a license - a timely and often confusing process that held up issuing the license. The Board now conducts all American Board of Medical Specialties, American Medical Association, and Federation of State Medical Board searches on-line for physicians, greatly reducing the overall licensing timeframe.

- **Documented Processes:** Over the last four years, the Board concentrated on systematically evaluating and documenting its processes. This year, the Board focused on its licensing processes and created policies and procedures for almost all aspects of the licensing system - from issuing an initial license to processing license inactivation and reactivation requests. These policies and procedures have led to decreased licensing timeframes and process transformation.

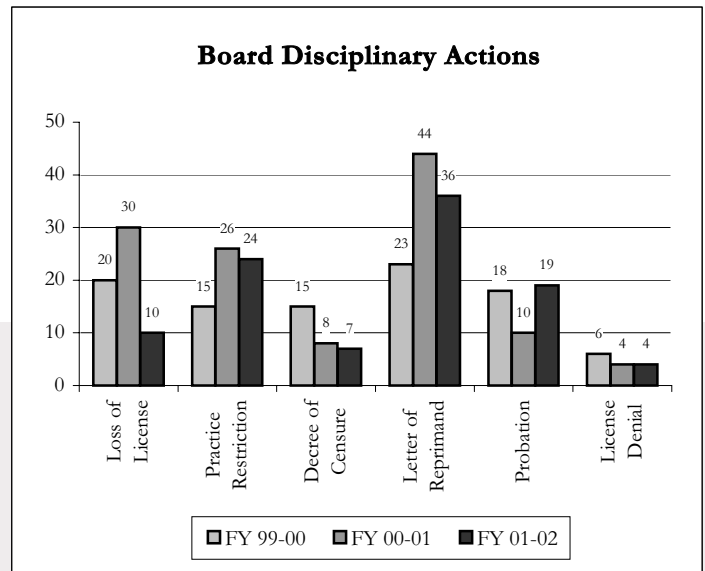
The Board is known for its tough stance on discipline, and this year, like the others, the Board consistently disciplined physicians who violated the Medical Practice Act - 100 disciplinary actions in just 12 months. What many don't know is that the Board may also take non-disciplinary actions to restrict or monitor a physician's practice if the physician is physically or mentally unable to safely practice medicine. These non-disciplinary actions (practice limitations, rehabilitation agreements and medical probationary licenses) give the Board authority to watch over a physician and make the physician's practice limitation or rehabilitation public without unfairly punishing the physician. The Board took 17 non-disciplinary actions this year that in previous years would have been disciplinary.

Board Actions~

As the chart below reflects, about one-third of the Board's actions were practice restrictions or practice limitations. These restrictions or limitations allow physicians to continue practicing those aspects of medicine where the physician has proven competency and/or physical or mental ability. Additionally, 4% of the Board's actions were non-disciplinary medical probations and rehabilitation agreements - actions, that in previous years, would have been considered disciplinary.



Four years ago, the Board had a backlog of cases dating back over a decade. The Board and investigative staff invested countless hours to eliminate that backlog and bring down the average number of cases per investigator to 55. During those years, the Board's disciplinary rates skyrocketed as it adjudicated both its backlog and the cases that were continually opened. This year, the Board's action rates reflect the even workflow that now exists.



Remarkably, in addition to reducing the number of cases per investigator, the Board also greatly reduced the number of days to complete an investigation. In FY 01, the Board took 461 days to complete an investigation. That number is now a fraction of what it used to be - just 256 days from complaint receipt to final Board action. The Board's investigative aides played a crucial role in this transformation. In the past, the assigned investigator handled almost every aspect of the case from initial contact with the complainant to subpoenaing records. The investigative aides now handle most preliminary case review and ensure cases move through the investigative process timely and accurately.

Balancing public protection with physician due process requires a well-designed system with multiple checks and balances. When considering the number one-ranked medical board in the country for physician discipline, this balance becomes increasingly critical. After more than a year of research and legislative changes, the Board implemented a 4-Stage Adjudication Process to ensure quality investigations and expedited case resolutions. The 4-stage process quickly resolves cases without disciplinary merit and places physicians who violate the law under increased scrutiny. It also gives physicians more opportunity to present evidence throughout the process and the public is assured that all evidence is considered in Board actions.

The 4-Stage Process~

As its name suggests, the 4-Stage Adjudication Process operates in four distinct components giving the Board the option to dismiss complaints as early as the first stage, forward disciplinary cases through all four stages, or bypass middle stages to quickly discipline physicians posing an immediate threat to the public. The 4-stage process, in short, works like this:

- *Stage 1 - Investigations:* A complaint is opened, evidence is gathered, and if necessary, medical expert reviews are conducted. If the case is without merit and there is no statutory violation, the Executive Director can dismiss it. Otherwise, it is forwarded to the next stage.
- *Stage 2 - Preponderance Committee:* This committee determines if a case has disciplinary merit, if additional interviews need to be conducted, or if additional evidence is needed. If the committee determines the case is without merit and there is no statutory violation, it can forward the case to the Executive Director for dismissal. Cases indicating statutory violations are forwarded to the Review Committee.
- *Stage 3 - Review Committee:* The review committees are designed to bifurcate the full Board into several smaller committees that conduct formal interviews more often. The review committees have limited authority; they may dismiss cases, issue advisory letters, and make disciplinary recommendations to the full Board.
- *Stage 4 - Adjudication:* This last stage is where all final Board decisions are made. The Board takes actions based on review committee recommendations and Office of Administrative Hearing recommendations. It also hears physician and complainant appeals and conducts all other business requiring full Board review.

While the structure of the 4-stage process provides a logical course of action, it is also flexibly designed to depart from the process and take immediate action when warranted. If at any time the Board determines a physician poses a serious threat to the public, it can expedite a hearing by the full Board through an emergency telephonic meeting or offer a physician a consent agreement to accept discipline without enduring a full Board review.

The 4-stage process is also designed to streamline Board functions so that Board members only hear cases with the possibility for discipline at a formal interview (conducted at the review committee level). Under the old system, last year, the Board took 34 disciplinary actions out of 95 formal interviews conducted - a 35% disciplinary rate per formal interview. This fiscal year, the Board took 63 disciplinary actions out of 124 formal interviews conducted - a 56% disciplinary rate per formal interview. Eventually, as it streamlines its processes further, the Board expects the ratio of discipline to formal interview to continually increase.

Legislation

Progressive regulatory government initiatives require laws and rules to set standards that are in the best interest of the public while maintaining licensee due process. As in past years, the Board set lofty initiatives including changing its given name, set in 1903, to the Arizona Medical Board. It also set out to convert seven Substantive Policy Statements delegating certain Board duties to the Executive Director into Rule. These new rules grant the Executive Director authority to: require evaluations and investigational interviews, refer cases to the Board for a formal interview, grant uncontested requests for inactive status and cancellation of a license, enter into a consent agreement, close cases resolved through mediation, directly refer cases to a formal hearing, dismiss complaints, and to deny licenses. Converting Substantive Policy Statements into Rule is an important process giving legal authority to advisory policies and increasing accountability. In the future, the Board intends to convert its remaining Substantive Policy Statements into Rule.

Legislative Achievements~

- *Consent Agreement for Practice Limitations:* In the past, during the course of a formal interview, if the Board found that a physician had a mental or physical limitation, it could only limit the physician's practice through a disciplinary order. Now, the Board has the option of offering a non-disciplinary consent agreement for a practice limitation if there is no evidence of patient harm.
- *Electronic Dispensing:* In the past, physicians were required to give patients a written prescription prior to dispensing drugs. This language was prohibitive to physicians converting to electronic offices and electronic forms of prescription writing. The statute was rewritten to strike the word "written", giving physicians the opportunity to offer faster and more convenient services to the public.
- *Malpractice Settlement and Award Reporting:* Receiving complete malpractice settlement reports are critical to thorough investigations. This year, House Bill 2043 strengthens malpractice reporting requirements to mandate that professional liability insurers provide the Board with the information it reports to the National Practitioner's Data Bank.
- *Probation Monitoring Costs:* Each year, the Board monitors a growing number of physicians in its Compliance program. Ensuring physicians meet the terms set in probationary orders is an extensive and often costly task. Legislation was passed this year requiring physicians to pay the costs associated with Compliance monitoring. Failure to pay the costs within 30 days of the Board's prescribed due date violates the terms of probation. Physicians have the option of paying on installment plans if financial hardships exist.

Compliance Monitoring	
Year	Cases Monitored
2000	166
2001	190
2002	221

The number of Compliance cases monitored over the last three fiscal years have steadily increased.

Budget

In a year where prospects of a statewide budget crunch loomed in the distance, the Board initiated a cost savings plan to continue to fund what was important and cut back on unnecessary expense. This cost savings plan included a reduction in the agency's fleet vehicles, converting a temporary staff member to permanent status, offering in-house computer training videos to staff, and a creating a staff resource center that includes a multitude of training opportunities. As a result, resources for continued website development, increased legal representation at formal hearings, and public information strategies remained intact.

Developing a budget in-line with the goals and objectives set in the Board's Strategic Plan is important when considering the future needs of the agency. For example, the agency set a goal for each of its employees to obtain continuing education each year. In order to accommodate this goal, funding was identified in the budget to make this goal possible. Future public awareness and physician education campaigns identified in the Strategic Plan are also budgeted in advance.

	FY 00-01	FY 01-02
<i>Full-time employee positions</i>	<i>54.5</i>	<i>58.5</i>
Personal services	1,801,200	2,279,600
Employee related expenditures	370,600	470,100
Professional and outside services	740,700	1,091,100
Travel in-state	65,900	65,900
Travel out-of-state	20,800	20,800
Other operating expenditures	461,400	475,600
Equipment	88,500	197,000
Operating Subtotal	3,549,100	4,600,100
Attorney General – legal fees	388,200	N/A*
Examinations	16,500	N/A**
Additional appropriations	727,500	N/A
Total	4,681,300	4,600,100
FY 00-01 JLBC Appropriations *Attorney General legal fees included in professional and outside services **The Board no longer gives examinations		

Budget figures are subject to change as final appropriation adjustments are made.

Focus on the Future

Few medical boards make the transition to excellence. Even more difficult than transitioning to excellence is maintaining excellence. That is why the Board has identified strategic goals for the future that focus on continued improvement in areas of physician education, public awareness and expanded policy initiatives. Research will be a major factor in the Board's ability to maintain excellence as it explores continuous process improvement and reorganizes its staff to meet upcoming challenges.

Future Policy Issues~

- *Disciplinary Guidelines:* The key to establishing an excellent organization is the administration of consistent and fair discipline. Last year, the Board worked with staff to draft Disciplinary Guidelines. It obtained legislative approval to bypass traditional rulemaking procedures and incorporate the Disciplinary Guidelines into rule by reference. The Board expects the Guidelines to be fully implemented in FY 03.
- *Closing a Practice:* While many local and national organizations have guidelines for the steps a physician should follow when closing a medical practice, there is nothing in statute that mandates a physician's obligation to notify patients and help patients transition to continuing medical care. The Board began research this year and will consider possible legislation to implement this policy next year.
- *Office-based Surgery:* The issue of office-based surgery, whether it should be regulated and to what extent it should be regulated, is a hot topic among medical boards and health care associations across the country. Some medical boards have adopted policies and guidelines with varying degrees of success. The Board formed a committee to research office-based surgery and has plans to discuss the significance of this issue next year.
- *Physician Health Program:* There are times when a physician may experience health problems that interfere with the safe practice of medicine. The Board expressed concern about a physician's propensity to inform the Board about a mental or physical limitation that would be made public when alternatively, the physician could cease practicing procedures that were affected by the limitation and never come to the Board's attention. The Board is currently researching the possibility of creating a Physician Health Program allowing physicians to report their limitations to the Board and confidentially enter into a treatment and monitoring program.

For additional information about the information contained in the Annual Report, contact the Arizona Board of Medical Examiners at (480) 551-2700, toll-free at (877) 255-2212, e-mail to questions@bomex.org or write to the following address:

9545 East Doubletree Ranch Road
Scottsdale, Arizona 85258

A complete copy of the Annual Report can also be downloaded from the Board's website at:
www.azdocinfo.org