

Naturopathic Physicians Board of Medical Examiners

A.R.S. § 32-1501

Acting Director: Elaine LeTarte

JLBC Analyst: Steve Grunig

| | FY 2000 Actual | FY 2001 Estimate | FY 2002 Approved | FY 2003 Approved |
|---|---------------------------|-----------------------------|----------------------------------|--------------------------------|
| PROGRAM BUDGET | | | | |
| Naturopathic Physicians Board of Medical Examiners | | | | |
| Inspection and Evaluation SLI | 135,800 | 151,700 | 159,900 | 164,300 |
| | <u>0</u> | <u>0</u> | <u>50,500</u> ^{1/} | <u>52,100</u> ^{1/} |
| TOTAL APPROPRIATIONS | 135,800 | 151,700 | 210,400 | 216,400 |
| OPERATING BUDGET | | | | |
| Full Time Equivalent Positions | 3.0 | 3.0 | 3.0 | 3.0 |
| Personal Services | 79,200 | 85,400 | 93,900 | 97,600 |
| Employee Related Expenditures | 13,600 | 16,000 | 12,200 | 12,500 |
| Professional and Outside Services | 21,900 | 31,800 | 33,800 | 34,200 |
| Travel - In State | 1,900 | 2,000 | 3,500 | 3,500 |
| Other Operating Expenditures | 19,100 | 16,500 | 16,500 | 16,500 |
| Equipment | <u>100</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Operating Subtotal</i> | 135,800 | 151,700 | 159,900 | 164,300 |
| Special Line Items (SLI) | <u>0</u> | <u>0</u> | <u>50,500</u> | <u>52,100</u> |
| TOTAL APPROPRIATIONS | 135,800 | 151,700 | 210,400 ^{2/3/4/} | 216,400 ^{2/4/} |
| FUND SOURCES | | | | |
| Naturopathic Physicians Board of Medical Examiners Fund | | | | |
| Subtotal - Other Appropriated Funds | <u>135,800</u> | <u>151,700</u> | <u>210,400</u> | <u>216,400</u> |
| TOTAL APPROPRIATIONS | 135,800 | 151,700 | 210,400 | 216,400 |

AGENCY DESCRIPTION — *The board licenses and regulates physicians and medical assistants who practice naturopathic medicine; certifies physicians to dispense natural remedies; and accredits and approves naturopathic medical schools, internships, and programs. Naturopathic medicine is a system of medical diagnosis and treatment based on the use of natural remedies and non-invasive methods. This agency is one of several, housed within the State Boards' Office, contracting with the Department of Administration for administrative services.*

^{1/} The Naturopathic Physicians Board of Medical Examiners shall report all expenditures in the prior fiscal year from the Inspection and Evaluation Special Line Item to the Joint Legislative Budget Committee by August 1, 2002 and August 1, 2003. (General Appropriation Act footnote)
^{2/} Of the appropriated amount, \$5,900 reverts to the Naturopathic Physicians Board of Medical Examiners Fund in each year if the Department of Administration does not reclassify the secretary position. (General Appropriation Act footnote)
^{3/} This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2003. (General Appropriation Act footnote)
^{4/} General Appropriation Act funds are appropriated as a Modified Lump Sum by Agency with Special Line Items.

| PERFORMANCE MEASURES | FY 1999 Est./Actual | FY 2000 Est./Actual | FY 2001 Estimate | FY 2002-03 Estimate |
|--|------------------------|------------------------|---------------------|------------------------|
| • Number of licensees (new and existing) | 629/629 | 337/495 | 340 | 540/734 |
| • Number of complaints received about licensees | 13/13 | 25/9 | 15 | 18/22 |
| • Average calendar days to resolve a complaint | 120/120 | 120/120 | 120 | 120 |
| • Number of inspections | 0/0 | 20/2 | 80 | 120/160 |
| • Average calendar days to renew a license (from receipt of application to issuance) | 60/60 | 60/120 | 180 | 180 |
| • Administration as a % of total cost | NA | 13/NA | 13 | 13 |
| • Customer satisfaction rating (Scale 1-8) | NA | NA | NA | 6.0 |

State Boards' Office — The approved amount includes an increase of \$200 in both FY 2002 and FY 2003 above FY 2001 for an increase in the agency's share of joint office costs of the State Boards' Office. The State Boards' Office provides office space and equipment as well as accounting, clerical and phone answering services to the board.

Office of Administrative Hearings Costs — The approved amount includes an increase of \$700 in both FY 2002 and FY 2003 from FY 2001 for increased Office of Administrative Hearing (OAH) costs. OAH charges have increased under a new OAH cost allocation plan in which all agencies utilizing OAH services are charged based on actual usage. It is the intent of the Legislature that the agency pay the total amount charged under the cost allocation plan.

Inspection and Evaluation Special Line Item — The approved amount includes an increase of \$50,000 in both FY 2002 and FY 2003 above FY 2001 for inspection and evaluation. A.R.S. § 32-1504 requires the board to periodically inspect and evaluate schools of naturopathic medicine, clinical, internship, preceptorship and postdoctoral training programs, naturopathic graduate medical education programs and randomly evaluate naturopathic continuing medical education programs. In order to fulfill this requirement Laws 1999, Chapter 308 permitted the board to employ 1 FTE Position and made a one-time appropriation of \$50,000 from the Naturopathic Physicians Board of Medical Examiners Fund. The board was directed by Laws 1999, Chapter 308 to report its expenditures for this purpose to the Joint Legislative Budget Committee at the end of each fiscal year. The approved amount continues the appropriation as a Special Line Item beginning in FY 2002. The previous reporting requirement for inspection and evaluation expenditures is continued.

Other Issues: Auditor General Performance Audit — An Auditor General Performance Audit found that naturopathic physicians in Arizona have the widest scope of practice in the United States. Arizona naturopaths may prescribe drugs and perform certain kinds of minor surgery. The report's first finding suggested that legislative intent regarding the appropriate scope of

practice for Naturopaths is not clear may need to be addressed in the future. The performance audit of the board contained 3 other findings which have potential budget implications.

The second audit finding was that the board's use of its own licensing examination might require additional funding in order to develop and maintain the exam. The board was appropriated \$7,900 in FY 2000 for this purpose. Only \$100 of these funds were spent in FY 2000. Since the release of the Auditor General's findings, the board has indicated it will begin to use a national examination which should require no additional funding.

The third audit finding was that the board's complaint processing was inadequate. The report stated that the implications of this finding should be minimal since the board already has monies in its budget for a contract investigator.

The fourth audit finding was that the board has had a history of fiscal management problems and the report recommended that the board be placed on a Modified Lump Sum budget to allow for added oversight. The Legislature approved a Modified Lump Sum budget for FY 2002 and FY 2003.

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