

# Audit Highlights



Highlights of performance audit report on the Nevada State Board of Medical Examiners issued on May 4, 2022.

Legislative Auditor report # LA22-13.

## Background

The Nevada State Board of Medical Examiners (Board) is an independent regulating body that was established in 1899. The Board determines the competence of medical providers including physicians, perfusionists, physician assistants, and practitioners of respiratory care. Its mission is to ensure only well-qualified and competent providers receive licenses to practice in Nevada and to respond to complaints against licensees by conducting fair and complete investigations.

As of the end of calendar year 2020, the Board had 13,317 active licensees and usually adds over 1,000 new licensees each year.

The Board consists of nine members appointed by the Governor to serve 4-year terms.

Operations are comprised of five divisions: Licensing, Investigations, Legal, Finance, and Administration.

The Board has offices in Reno and Las Vegas with 38 total staff as of February 2021. It is self-funded primarily from license and registration fees. During calendar year 2020, the Board had total revenues of \$5.3 and expenditures of \$4.9 million.

## Purpose of Audit

The purpose of the audit was to evaluate the Board's processes for licensing physicians and investigating complaints, and the Board's purchase of an office building. The scope of the audit focused on a review of the Board's activities for calendar years 2019 and 2020, and from 2016 for certain investigative cases, from 2017 for workload trends, and from 2008 for reserve balance analyses.

## Audit Recommendations

This audit report contains 10 recommendations to improve controls over investigative and disciplinary processes, including complaint intake, fines, and cost recoveries.

The Board accepted the 10 recommendations.

## Recommendation Status

The Board's 60-day plan for corrective action is due on August 1, 2022. In addition, the 6-month report on the status of audit recommendations is due on February 1, 2023.

# Nevada State Board of Medical Examiners

## Summary

Better monitoring and oversight of the investigative and disciplinary processes can help the Board provide more timely resolution of complaints and other issues. Additionally, enhancing controls over the administration of fines will ensure they are assessed consistently and fair. Further, maintaining support for investigative costs will help support its cost recovery efforts and provide equitable treatment of licensees.

Board procedures over licensing and publishing of disciplinary data adequately ensured timely and accurate processing. Delays in licensing physicians were largely attributable to applicants and other third parties gathering and providing necessary information. Additionally, disciplinary information on the Board's website and provided to the National Practitioner Data Bank was accurate. Finally, the Board's decision to purchase an office building was based on reliable and accurate analysis and information.

## Key Findings

The Board could improve the monitoring of its complaint resolution process which can take as long as several years to finalize. Large gaps of time existed between activities in certain cases where the Board could not provide explanations for delays. Timely resolution of cases is important for ensuring practicing physicians are competent and patients are safe from harm. (page 8)

There are opportunities for the Board to eliminate delays. We found:

- It took an average of 23 days for a complaint to be reviewed and assigned to an investigator. Five cases took significantly longer, up to 68 days. Management stated the intake turnaround goal is 7 days.
- Investigators took 31 days to review complaints, notify licensees they were under investigation, and request medical records, if needed. Seven cases took significantly longer, up to 134 days.
- The disciplinary process, when applicable, took over a year to resolve. Our review of cases showed little documentation existed detailing Board activities, if any, during this time period. (page 9)

Enhancing the process of assessing fines in disciplinary matters could help ensure equity. The Board has discretion in making the final disciplinary determinations and utilizes judgment and licensee history in this process. However, the Division has not established disciplinary guidelines or schedules that recommend penalties based on specific violations. We found such guidelines to be a best practice in our conversations with other states. (page 12)

The Board assessed licensees for the cost of investigations; however, these costs were not adequately supported to determine whether the amount assessed was accurate. For instance, the Board does not maintain a detailed record of the hours worked on each case by Board staff. In addition, invoices paid to external peer reviewers do not always include detail for the hours worked to determine the reasonableness of the charge. Assessing and recovering accurate investigative and disciplinary costs is important for ensuring fair and equitable treatment of licensees. (page 13)

The Board processed applications efficiently with nearly 75% of the time to issue a license related to applicants obtaining the proper documentation. We reviewed the licensing process for 50 applications and found it took the Board an average of 98 days to complete the licensing process, but the majority of those days were related to applicants and third parties gathering required information. (page 17)

Disciplinary information on the Board's website and the National Practitioner Data Bank was accurate for all cases reviewed. State law requires the Board's website to include a list of each licensee and a brief description of any disciplinary actions. This information allows individuals to make informed decisions when choosing health care providers. (page 19)

Board management performed sufficient analysis prior to purchasing a Reno office building in 2018 for \$3.4 million. We reviewed documentation provided by management to determine whether quality information was used to make an informed decision regarding this purchase. (page 19)