

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



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#### MEMORANDUM

**TO:** Members of the Legislative Budget  
and Audit Committee

**FROM:** Kris Curtis, CPA, CISA *KL*  
Legislative Auditor

**DATE:** April 21, 2021

**RE:** Interim Report: Status of State Medical Board Audit Recommendations

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In accordance with chapter 20 SLA 2019 (Senate Bill 172), we have determined the status of recommendations contained in our sunset audit of the State Medical Board (board) dated April 25, 2019 (Audit Control No. 08-20118-19). Recommendations include:

1. The board should adopt regulations to guide the process for registering with the controlled substance prescription database.
2. The board should develop procedures to ensure licensees with a Drug Enforcement Administration (DEA) number register in the controlled substance prescription database.
3. The board chair should work with Division of Corporations, Business, and Professional Licensing's (DCBPL) director to establish and implement procedures to ensure board disciplinary actions are reported in accordance with state law.

Our limited review does not constitute an audit and was not conducted in accordance with auditing procedures. During this limited review, auditors interviewed the board chair and DCBPL staff regarding status of the recommendations; obtained and reviewed new regulations and registration procedures to ensure the regulations and procedures addressed the prior findings; obtained and reviewed initial licensure applications to ensure the prescription drug monitoring program registration requirements were included; and verified that board actions were reported to the Federation of State Medical Boards (FSMB).

Our review concluded that, of the three audit recommendations, two were resolved and one is in progress. The board and DCBPL staff should continue to develop procedures to ensure licensees with a DEA number register in the controlled substance prescription database. As discussed below, only 66 percent of licensees with a DEA number had registered as of February 11, 2021. The following are the details regarding the status of the sunset recommendations.

**Implementation Status as of March 2021**

#	Quick Status	Recommendation	Status Detail
1	<b>RESOLVED</b>	The board should adopt regulations to guide the process for registering with the controlled substance prescription database.	<p>The board drafted regulations which were publicly noticed August 2020 and adopted by the board at the November 2020 meeting. The regulations were approved by the lieutenant governor February 2021 and became effective March 2021.</p> <p>The new regulations include licensee registration requirements for the controlled substances prescription database.</p>
2	<b>IN PROGRESS</b>	The board should develop procedures to ensure licensees with a DEA number register in the controlled substance prescription database.	<p>No progress in drafting the procedures was made until auditors inquired regarding the status. Procedures were drafted and became effective February 2021. The procedures outlined the process to ensure that, during the initial licensure process, applicants register with the controlled substance prescription database; however, the procedures did not include a process for renewal licensure. Once the auditors brought the deficiency to the attention of the board's executive administrator, procedures were updated to include renewal licensure. Revised procedures became effective March 2021.</p> <p>Although procedures were developed, not all initial application forms were updated to include the</p>

			<p>controlled substance prescription database registration requirement. According to the board's executive administrator, all initial applications will be revised by the end of March 2021 to include the controlled substance prescription database registration requirement and registration fee.</p> <p>The compliance rate for the board licensees' registration with the controlled substance prescription database was 66 percent, as reported in the controlled substance prescription database board report dated February 2021.</p>
3	<b>RESOLVED</b>	The board chair should work with the DCBPL director to establish and implement procedures to ensure board disciplinary actions are reported in accordance with state law.	Procedures were written by DCBPL's chief investigator and became effective January 2020. Eight licensees with 11 board actions issued between January 2020 and January 2021 required FSMB reporting. Based on auditor review, all board actions were reported to the FSMB.