

# Report Highlights

## Why DLA Performed This Audit

The audit was performed to determine if there is a continued need for the board and if its termination date should be extended. The board is set to sunset on June 30, 2021, and will have one year from that date to conclude its operations.

## What DLA Recommends

1. The board should recommend statutory changes that benefit the public.
2. DCBPL's chief investigator should ensure investigations are completed timely.
3. The board should improve oversight of the peer review process.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Certified Direct-Entry Midwives (board)

June 19, 2020

**Audit Control Number 08-20123-20**

## REPORT CONCLUSIONS

Overall, the audit concluded that the board served the public's interest by conducting meetings in accordance with state laws and effectively certifying midwives. The board adopted regulatory changes to improve the profession, but failed to pursue statutory changes due to concerns over related costs. Additionally, the audit found the peer review process was not effectively monitored by the board and improvements were needed over the Division of Corporations, Business and Professional Licensing's (DCBPL) investigative process.

In accordance with AS 08.03.010(c)(8), the board is scheduled to terminate on June 30, 2021. We recommend the legislature extend the board's termination date two years, to June 30, 2023, which is significantly less than the eight-year maximum allowed in statute. The reduced extension is due to an issue identified during the audit that may impact the board's ability to protect the public and the board's reluctance to recommend statutory changes in the public's best interest. The details of the issue are not included in this report to preserve the confidentiality of an ongoing investigation. The reduced extension reflects the need for continued oversight.

(Intentionally left blank)

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
legaudit@akleg.gov

September 28, 2020

Members of the Legislative Budget  
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Certified Direct-Entry Midwives and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
BOARD OF CERTIFIED DIRECT-ENTRY MIDWIVES  
SUNSET REVIEW

June 19, 2020

08-20123-20

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(8), the board is scheduled to terminate on June 30, 2021. We recommend the board's termination date be extended to June 30, 2023.

The audit was conducted 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. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in blue ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA  
Legislative Auditor

## ABBREVIATIONS

---

AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
CDM	Certified Direct-Entry Midwife
CISA	Certified Information Systems Auditor
CPA	Certified Public Accountant
DCBPL	Division of Corporations, Business and Professional Licensing
DCCED	Department of Commerce, Community, and Economic Development
DLA	Division of Legislative Audit
FY	Fiscal Year
MAAC	Midwives Association of Alaska's Action and Accountability Committee

---

# CONTENTS

---

<b>Report Sections</b>	Organization and Function	1
	Background Information	3
	Report Conclusions	5
	Findings and Recommendations	11
	Objectives, Scope, and Methodology	15
<b>Agency Responses</b>	Department of Commerce, Community, and Economic Development	23
	Board of Certified Direct-Entry Midwives	27
	Legislative Auditor’s Additional Comments	29
<b>Appendix</b>	Appendix Summary	19
	Appendix A: Analysis of Public Need Criteria	21
<b>Exhibits</b>	Exhibit 1: Board of Certified Direct-Entry Midwives as of June 30, 2020	1
	Exhibit 2: Board of Certified Direct-Entry Midwives Certificates and Apprentice Permits, FY 17 through FY 19	7
	Exhibit 3: Board of Certified Direct-Entry Midwives Certificate and Permit Fees, FY 16 through FY 20	8
	Exhibit 4: Board of Certified Direct-Entry Midwives Schedule of Revenues and Expenditures, FY 17 through January 31, 2020	9

(Intentionally left blank)

---

# ORGANIZATION AND FUNCTION

---

## Board of Certified Direct-Entry Midwives

The Board of Certified Direct-Entry Midwives (board) was established under the provisions of AS 08.65.010. The board is composed of five members: two certified direct-entry midwives (CDM), one physician licensed by the State Medical Board, one certified nurse midwife licensed by the Board of Nursing, and one public member.

Board members are approved by the governor to serve staggered four-year terms and may not serve more than two consecutive terms. The public member must not be engaged in the midwifery profession, have association by legal contract with a midwife, or have direct financial interest in the midwifery profession. Board members, as of June 30, 2020, are listed in Exhibit 1.

Alaska Statute 08.65.030(a) authorizes the board to:

- examine and issue certificates and permits to qualified applicants;
- establish regulations for certification and practice requirements;
- order disciplinary sanctions when a person violates midwifery-related statutes or regulations;
- approve curricula and adopt standards for basic education, training, and apprentice programs; and
- review and approve education, training, and apprentice programs.

---

### Exhibit 1

---

#### Board of Certified Direct-Entry Midwives as of June 30, 2020

Amanda Penwell, Chair  
*CDM*

Bethel Belisle  
*CDM*

Dianna Kristeller  
*Certified Nurse Midwife*

Dana Espindola  
*Physician*

Hanna St. George  
*Public*

---

Source: Office of the Governor, Boards and Commissions website.

---

---

**The Department  
of Commerce,  
Community,  
and Economic  
Development's Division  
of Corporations,  
Business and  
Professional Licensing**

Further, AS 08.65.030(b) states the board may, by regulation, require CDMs undergo a uniform or random period of peer review to ensure the quality of care.

The Division of Corporations, Business and Professional Licensing (DCBPL) provides administrative and investigative assistance to the board. Administrative assistance includes providing budgetary services, collecting fees, maintaining files, receiving application forms, publishing notices for meetings, and assisting with board regulations. The Department of Commerce, Community, and Economic Development (DCCED) is required by AS 08.01.065 to adopt regulations that establish the amount and manner of payment of application, examination, license, permit, and investigation fees.

Alaska Statute 08.01.087 gives DCCED authority to act on its own initiative or in response to a complaint. DCBPL staff may:

- conduct an investigation if it appears a person is engaged or about to engage in a prohibited professional practice;
- bring an action in Superior Court to enjoin the act;
- examine or have examined the books and records of a person whose business activities require a business license or licensure by a board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010; and
- issue subpoenas for the attendance of witnesses and records.



---

## BACKGROUND INFORMATION

---

### **Peer Review of Certified Direct-Entry Midwives**

Peer reviews that monitor the quality of care have been required since the Board of Certified Direct-Entry Midwives (board) was created in 1992. Regulations<sup>1</sup> require peer reviews to be performed randomly on a sample of birth summaries submitted by midwives each year. Additionally, peer reviews are required for all cases in which a client died, required emergency medical transport, required intensive care during the first week after birth, or had any complications identified by the board's scope of practice regulations. Regulations allow the board to designate a qualified organization to perform the reviews.

The board contracts with the Midwives Association of Alaska's Action and Accountability Committee (MAAC) to carry out the peer review function. MAAC consists of five to seven certified direct-entry midwives that review selected birth summaries for consistency with the board's standards of care regulations. MAAC is not paid for the peer review services provided to the board and MAAC members participate on a voluntary basis. MAAC is required to report peer review activities and results to the board or Division of Corporations, Business and Professional Licensing (DCBPL) investigative staff.

### **Peer Review Results May Be Considered During Investigations**

Under AS 08.01.087, DCBPL is authorized to conduct investigations for occupational licensing boards. The board's peer review process differs from DCBPL's investigative process in that peer reviews are limited to reviewing birth summaries (to assess quality of care), while DCBPL's investigative function has broader authority to investigate any violation of statutes or regulations, and includes the power to subpoena witnesses and records from individuals and other entities. Peer review results may be considered by DCBPL investigators.

---

<sup>1</sup> 12 AAC 14.900.

(Intentionally left blank)

---

# REPORT CONCLUSIONS

---

In developing our conclusions regarding whether the Board of Certified Direct-Entry Midwives' (board) termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A. Under the State's "sunset" law, these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

Overall, the audit concluded that the board served the public's interest by conducting meetings in accordance with state laws and effectively certifying midwives. The board adopted regulatory changes to improve the profession, but failed to pursue statutory changes due to concerns over related costs. Additionally, the audit found the peer review process was not effectively monitored by the board and improvements were needed over the Division of Corporations, Business and Professional Licensing's (DCBPL) investigative process.

In accordance with AS 08.03.010(c)(8), the board is scheduled to terminate on June 30, 2021. We recommend the legislature extend the board's termination date two years, to June 30, 2023, which is significantly less than the eight-year maximum allowed in statute. The reduced extension is due to an issue identified during the audit that may impact the board's ability to protect the public and the board's reluctance to recommend statutory changes in the public's best interest. The details of the issue are not included in this report to preserve the confidentiality of an ongoing investigation. The reduced extension reflects the need for continued oversight.

Detailed report conclusions are as follows.

**The board operated in the public interest, except for failing to recommend statutory changes.**

The board conducted its meetings in an effective manner. From FY 17 through January 2020 the board held at least two meetings each year as required by statute. A review of 12 board meetings during that timeframe found the meetings were appropriately publicly noticed, allowed time for public comment, and a quorum was consistently met. The audit also determined that the board

---

does not duplicate the efforts of another governmental or non-governmental agency.

The board adopted regulatory changes to improve the profession. Between FY 17 and January 2020 the board completed several regulatory projects, including:

- grammatical changes to prenatal and intrapartum care regulations to provide clarity;
- medical regulation amendments to specify drug name and allowable usage; and
- updates to the certification renewal courses to reflect available courses.

Although the board identified a need for statutory changes, it did not recommend changes due to concerns over the impact on certification fees. The board's FY 17 through FY 19 annual reports identified a need to change the certification statutes to align statutes with national requirements; however, no action was taken. The former board chair stated the board did not recommend statutory changes because doing so would increase legal costs that would, in turn, increase certification fees. (See Recommendation 1)

## **The board certified individuals in accordance with statutes and regulations.**

The audit concluded that the board certified midwives in accordance with statutes and regulations. From FY 17 through FY 19 the board issued 23 new certificates and permits. Auditors reviewed a random sample of three new and three renewed certificates or permits issued during the audit period, and found all six were issued in accordance with applicable laws and regulations. As shown in Exhibit 2, there were 51 active midwife certificates and permits as of January 2020, which reflected a decrease of three when compared to the prior 2016 sunset audit.<sup>2</sup>

---

<sup>2</sup> *Department of Commerce, Community, and Economic Development, Board of Certified Direct-Entry Midwives, Sunset Audit, April 30, 2016 (ACN: 08-20095-16).*

**Exhibit 2**

<b>Board of Certified Direct-Entry Midwives            Certificates and Apprentice Permits            FY 17 through FY 19</b>				
<b>Certificate or Permit Type</b>	<b>New Issued            (Exclusive of Renewals)</b>			<b>Total Certificates            as of            January 31, 2020</b>
	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	
Certified Direct-Entry Midwives	3	4	3	40
Apprentice Direct-Entry Midwives	6	3	4	11
Totals	9	7	7	51

Source: DCBPL's licensing database.

**DCBPL investigative staff did not efficiently address complaints and investigations.**

Nine cases were open or opened between July 2016 and January 2020, and three of the cases were open over 180 days during the period. Auditors reviewed the three cases open for over 180 days and found all had multiple periods of unjustified inactivity ranging from 54 to 114 days. Staff turnover and competing priorities contributed to the delays. Although DCBPL policy required a supervising investigator review a case if open for more than 180 days and the chief investigator review a case if open more than a year, auditors found no documentation to support that the supervisory reviews occurred for two of three cases. (See Recommendation 2)

**Areas of concern identified during the audit have been omitted from this report.**

Certain details identified during the audit relating to DCBPL's investigative process and the board's peer review process have been omitted from this report. The details were omitted to preserve the confidentiality of an ongoing investigation.

**DCBPL management, in consultation with the board, increased fees to cover the costs of regulating the profession.**

The board primarily receives its revenue from certification and renewal fees. Renewals are conducted on a biennial basis, creating a two-year cycle in board revenues. Exhibit 3 presents a schedule of board fees from FY 16 through FY 20.

In response to a deficit during FY 16, DCBPL management worked with the board to increase FY 17 fees. As shown in Exhibit 4, the increase in certification revenue reduced the board’s deficit. DCBPL management expects the board’s deficit to be resolved during FY 21.

**Exhibit 3**

<b>Board of Certified Direct-Entry Midwives Certificate and Permit Fees FY 16 through FY 20</b>		
	<b>FY 16</b>	<b>FY 17—FY 20</b>
Nonrefundable Midwife Application Fee	\$ 250	\$ 500
Midwife Initial Certification and Renewal Fee	1,750	3,800
Nonrefundable Apprentice Application Fee	125	250
Apprentice Permit and Renewal Fee	825	1,275

Source: DCCED management.

**The board provided minimal oversight of the peer review process.**

The board had no procedures to monitor the quality or adequacy of peer reviews. A review of board meeting minutes and interviews with board members revealed that the board’s peer review organization, the Midwives Association of Alaska’s Action and Accountability Committee (MAAC), operates independently without oversight and only communicates with the board annually when reporting a summary of peer review results. MAAC is responsible for

**Exhibit 4****Board of Certified Direct-Entry Midwives  
Schedule of Revenues and Expenditures  
FY 17 through January 31, 2020  
(Unaudited)**

	FY 17	FY 18	FY 19	July 1, 2019 – January 31, 2020
Revenues: Certification Fees	\$123,575	\$24,565	\$135,595	\$12,905
Direct Expenditures:				
Personal Services	18,888	14,026	10,962	6,389
Travel	2,523	-	-	-
Contractual	3,441	3,237	5,127	290
Supplies	111	52	13	-
Total Direct Expenditures	<u>24,963</u>	<u>17,315</u>	<u>16,102</u>	<u>6,679</u>
Indirect Expenditures	<u>9,531</u>	<u>7,064</u>	<u>6,056</u>	<u>3,512*</u>
Total Expenditures	<u>34,494</u>	<u>24,379</u>	<u>22,158</u>	<u>10,191</u>
Annual Surplus (Deficit)	89,081	186	113,437	2,714
Beginning Cumulative Surplus (Deficit)	<u>(224,805)</u>	<u>(135,724)</u>	<u>(135,538)</u>	<u>(22,101)</u>
Ending Cumulative Surplus (Deficit)	<u>(\$135,724)</u>	<u>(\$135,538)</u>	<u>(\$22,101)</u>	<u>(\$19,387)</u>

Source: DCBPL management.

\* Indirect expenditures are estimated based on actual expenditures as of January 31, 2020, using the board's prior year allocation percentage.

---

---

establishing peer review procedures; performing peer reviews; interpreting state laws and regulations; and, if necessary, making disciplinary recommendations to midwives without consultation or involvement from the board. The board relies on MAAC to perform peer reviews without assurance that reviews are completed thoroughly, accurately, uniformly, or timely. (See Recommendation 3)



---

# FINDINGS AND RECOMMENDATIONS

---

The prior 2016 sunset audit made three recommendations:

- Division of Corporations, Business and Professional Licensing (DCBPL) management, in consultation with the Board of Certified Direct-Entry Midwives (board), should increase licensing fees to eliminate the board's deficit.
- DCBPL's director should take steps to ensure certification records are accurately recorded.
- The legislature should consider alternate forms of regulating the midwifery profession.

The prior audit recommendation to increase licensing fees was materially addressed. DCBPL, in consultation with the board, increased certification fees to help reduce the board's deficit. DCBPL management expects the deficit to be fully eliminated during FY 21.

The prior audit recommendation to accurately document certification records was resolved. Testing of records as part of the 2020 sunset audit found no errors.

The prior audit recommendation to consider alternate forms of regulating the midwifery profession was addressed. The recommendation was presented to legislative committees during consideration of the 2016 sunset extension bill and no action was taken to change the form of regulating the profession.

This audit makes three new recommendations.

## Recommendation 1

**The board should recommend statutory changes that benefit the public.**

The board identified a need to change certification statutes to align Alaska's midwifery laws with national standards. However, due to the legal costs involved with the project, the board did not recommend statutory changes.

Certified direct-entry midwife (CDM) certification statutes are defined in AS 08.65.060 through AS 08.65.080. Although the board

---

has the authority to establish regulations over the certification process, regulations must conform with governing statutes. Therefore, certain changes to the certification process require a statutory change. The board's reluctance to recommend a statutory change, when determined necessary, was not in the public interest. High certification fees influenced the board's unwillingness to take action.

We recommend the board pursue statutory changes that benefit the public.

## **Recommendation 2**

**DCBPL's chief investigator should ensure investigations are completed timely.**

Three cases open over 180 days from July 2016 through January 2020 were evaluated by auditors. All three were found to have unjustified periods of inactivity ranging between 54 and 114 days. It was also noted that supervisory review of two of the three cases was not documented as required by DCBPL procedures, indicating review did not occur or did occur and was not documented. According to DCBPL staff, the inactivity was the result of turnover and competing priorities.

Per AS 08.01.050(a)(19), DCBPL is responsible for investigating licensing activity. Investigations and complaints that sit idle for extended periods increase the public risk.

We recommend DCBPL's chief investigator ensure investigations are completed timely, including monitoring outstanding investigations as required by DCBPL procedures.

## **Recommendation 3**

**The board should improve oversight of the peer review process.**

The board delegated peer reviews to the Midwives Association of Alaska's Action and Accountability Committee. However, the board did not establish procedures to provide assurance that reviews were adequately completed. The board did not consider the need for or importance of monitoring the peer review process.

---

According to AS 08.65.030(b), the board may, by regulation, require a CDM undergo a uniform or random period of peer review to ensure quality of care. Inadequate monitoring of the peer review process increases the risk that the reviews will be deficient, which increases the risk to public safety.

We recommend the board chair improve oversight of the peer review process.

(Intentionally left blank)

---

# OBJECTIVES, SCOPE, AND METHODOLOGY

---

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Certified Direct-Entry Midwives (board) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 08.03.010(c)(8) the board will terminate on June 30, 2021, and will have one year from that date to conclude its administrative operations.

## Objectives

The three central, interrelated objectives of our audit are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public's interest.
3. To determine the status of recommendations made in the prior sunset audit.

## Scope

The assessment of board operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities from July 1, 2016, through January 31, 2020. Financial information is presented, unaudited, from FY 17 through January 31, 2020.

## Methodology

During the course of our audit we reviewed and evaluated the following:

- The prior sunset audit report (ACN 08-20095-16) to identify issues affecting the board and to identify prior sunset audit recommendations.

- 
- Applicable statutes and regulations to identify board functions and responsibilities, determine whether statutory or regulatory changes enhanced or impeded board activities, and help ascertain if the board operated in the public's interest.
  - Board meeting minutes and annual reports to gain an understanding of board proceedings and activities, the nature and extent of public input, whether a quorum was maintained, and whether board vacancies impeded operations.
  - The State's Online Public Notices system to verify meetings and exams were adequately public noticed.
  - Expenditures, revenues, and fee levels for the board to determine whether fee levels covered the costs of operations.
  - Board investigation data to assess the efficiency of the investigative process.
  - Various websites to identify complaints against the board or other board-related concerns.
  - Hearings and committee minutes related to the creation of AS 08.65.030(b) to understand the statutory intent of the peer review process.
  - A Division of Legislative Legal analysis regarding 12 AAC 14.900, related to peer review services provided to the board.

Internal controls over the licensing database and investigative case management system were assessed to determine if controls were properly designed and implemented.

Interviews with State agency staff and board members were conducted to identify and evaluate board activities. Specific areas of inquiry included: board operations, regulations, duplication of efforts, fee levels, and complaints against the board.

---

The audit utilized the following samples:

- Cases open for over 180 days from July 2016 through January 2020: a judgmental sample of three of nine cases was reviewed for unjustified periods of inactivity. Additionally, cases were reviewed to determine if the case status and violation type were reasonable given the nature of the case. The results were not projected to the population.
- Certificates or permits issued from July 2016 through January 2020: three of 26 new certificates or permits and three of 30 renewed certificates or permits were assessed for statutory and regulatory compliance. Test results were projected to the population.

(Intentionally left blank)



---

# APPENDIX SUMMARY

---

**Appendix A** provides the sunset criteria used in developing the conclusion regarding whether the Board of Certified Direct-Entry Midwives' termination date should be extended.

(Intentionally left blank)

---

## APPENDIX A

---

### **Analysis of Public Need Criteria AS 44.66.050(c)**

A determination as to whether a board or commission has demonstrated a public need for its continued existence must take into consideration the following factors:

1. the extent to which the board or commission has operated in the public interest;
2. the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters;
3. the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest;
4. the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided;
5. the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions;
6. the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved;
7. the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public;

---

## APPENDIX A (Continued)

---

8. the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission to its own activities and the area of activity or interest;
9. the extent to which statutory, regulatory, budgetary, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection;
10. the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated; and
11. the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

# Agency Response from the Department of Commerce, Community, and Economic Development



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
and Economic Development

OFFICE OF THE COMMISSIONER  
Anchorage Office

550 West Seventh Avenue, Suite 1535  
Anchorage, Alaska 99501  
Main: 907.269.8100  
Fax: 907.269.8125

November 24, 2020

Kris Curtis, Legislative Auditor  
Division of Legislative Audit  
P.O. Box 113300  
Juneau, AK 99811-3300

RECEIVED

NOV 27 2020

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the opportunity to comment on the Confidential Preliminary Audit Report regarding the Board of Certified Direct-Entry Midwives.

**Conclusion 1: The board operated in the public interest, except for failing to recommend statutory changes.**

Please see comments below under Recommendation #1.

**Conclusion 2: The board certified individuals in accordance with statutes and regulations.**

Since this conclusion is directed toward board governance, the department does not have a response.

**Conclusion 3: DCBPL investigative staff did not efficiently address complaints and investigations.**

Please see comments below under Recommendation #2.

**Conclusion 4: Areas of concern identified during the audit have been omitted from this report.**

The department appreciates the auditor's protection of confidential information relevant to this audit.

**Conclusion 5: DCBPL management, in consultation with the board, increased fees to cover the costs of regulating the profession.**

The department acknowledges the statutory necessity to increase fees to cover expenses and will continue to advise the board on ways to reduce costs without compromising public safety.

**Conclusion 6: The board provided minimal oversight of the peer review process.**

Please see comments below under Recommendation #3.

**Recommendation #1: The board should recommend statutory changes that benefit the public.**

Since this conclusion is directed toward board governance, the department does not have a response other than to note that staff advised the board that statutory changes would not incur a cost to licensees.

**Recommendation #2: DCBPLs chief investigator should ensure investigations are completed timely.**

Legislative Audit  
November 24, 2020

The department agrees continuous improvement is necessary to efficiently handle an investigative workload that is increasing in both volume and complexity.

- The division has created an additional supervisory Investigator III position to assist with individual caseload and review. This position was filled this month.
- The division has updated case review timelines and procedures so they are more likely to be achieved with available resources.

**Recommendation #3: The board should improve oversight of the peer review process.**

Since this conclusion is directed toward board governance, the department does not have a response. We will continue to support the board in understanding and following their own regulations and requiring contractors to do the same.

The department appreciates the opportunity respond to the Confidential Preliminary Audit Report and looks forward to further conversation, as necessary, on this audit.

Sincerely,



John Springsteen for  
Julie Anderson  
Commissioner

cc: Sara Chambers, Division Director  
Glenn Hoskinson, Special Assistant



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community,  
and Economic Development

OFFICE OF THE COMMISSIONER  
550 West Seventh Avenue, Suite 1535  
Anchorage, AK 99501-3587  
Main: 907.269.8100  
Toll free fax: 907.269.8125

## Standing Order of Delegation

**March 6, 2020**

This delegation of authority amends the previous Standing Order of Delegation dated 1/9/2020.


### Absence Delegation

Except as otherwise indicated, I Julie Anderson, Commissioner of Commerce, Community, and Economic Development, hereby delegate the authority to serve in my absence as Commissioner of the Department of Commerce, Community, and Economic Development for all purposes to the following departmental officials:

First, John Springsteen, Deputy Commissioner  
Second, Amy Demboski, Assistant Commissioner  
Third, Lori Wing-Heier, Director, Division of Insurance  
Fourth, Sara Chambers, Director, Division of Corporations, Business and Professional Licensing

This order only updates my delegation of authority in the event of an absence; all delegations outlined in the previous Standing Order of Delegation, dated 1/9/2020, relating to statutory appointments, administrative order appointments, or additional appointments remain unchanged.

This Standing Order of Delegation will remain in effect until modified or revoked by a subsequent order by me or by my successor.

  
Julie Anderson, Commissioner

3/6/2020  
Date

(Intentionally left blank)



# Agency Response from the Board of Certified Direct-Entry Midwives

RECEIVED

NOV 27 2020

LEGISLATIVE AUDIT

November 18, 2020

Kris Curtis, CPA, CISA  
Alaska State Legislature  
PO Box 113300  
Juneau, AK 99811-330

Dear Mr. Curtis

Thank you for the opportunity to read and respond to the 2020 Audit of the Board of Certified Direct Entry Midwives.

As the Chair of the Board of Certified Direct Entry Midwives, I take my role to protect public safety seriously. The audit produced 3 concerns which I would like to address. I am disappointed that the audit recommended a sunset in 2 years and not extended for at least 6 years as the 2020 COVID crisis has taken precedence with board's time and direction- a current public safety concern.

Recommendation #1- I do not concur with this finding. While the board did not pursue regulatory changes it did change the education requirement to schools with a Midwives Education and Accreditation Council (MEAC) accreditation. This is, in and of itself, a huge step towards national alignment. Graduation from a MEAC school is "recognized by the U.S. Secretary of Education as a national accrediting agency for direct-entry midwifery education programs and institutions ([NARM.ORG](http://NARM.ORG))."

The board's movement towards this education path is a huge step towards aligning the rest of our regulations with the CPM standard.

We have also been committed to fiscal responsibility by paying down our debt, thus reducing the burden of our board on our government. I do not believe that the CDM board should be penalized for fiscal responsibility.

Recommendation #2- I concur with this finding. DCBPL does have "unjustified periods of inactivity" but this should not fall on the Board of Midwives. We are not in a position to make activity happen when the DCBPL can not keep staff members or prioritize midwifery investigations. The board would love to see timely investigations and closure of cases. I do not believe that this finding should limit our sunset because the Board has no direct say in this department.

BETHEL BELISLE CDM, CPM 12901 VON SCHEBEN DR., ANCHORAGE, AK 99516

Recommendation #3- I concur with this finding. There has long been a disconnect between the Peer Review Committee, called the AAC or Action Accountability Committee and the Board. This disconnect was in no way purposeful. The AAC committee was set up to review charts that fell within the boundaries of 12 AAC 14.900. According to 12 AAC 14.900 (2) and (3), the AAC committee and the CDM's at large did believe that sending charts to the "organization providing peer review" was meeting the letter of the law. There was no other clear indication of chain of commanding our regulations once the peer review committee received and responded to the charge submitted.

The CDM board has been working to change the current peer review process as well as give the Board more control and authority regarding submitted charts. We are working to remove the AAC as the middle man for peer review. The peer review process will now align with the CPM standard of community peer review ( also meeting the continuing criteria of recommendation #1) as" being used for professional advancement and education purposes ( proposed regulation change, 2020)". The Board will now directly oversee any concerns listed in 12 AAC 14.900 section 3, A-D. This will be reported to the Board by the licensee through a form provided by the State allowing the Board to request to review any chart that meets the criteria of 12 AAC 14.900. I believe these current changes will meet and exceed the concerns stated in Recommendation #3.

2020 has brought great challenges to our State. The Board of Certified Direct Entry Midwives has worked diligently to provide for the public safety for birthing women and their families during the COVID19 outbreak. Midwives have seen greater numbers of women choosing community birth options and we have continued to provide exemplary care for our communities. Our current Statues and Regulations do protect public safety and we are working towards bringing all areas of our Statues and Regulations into the national standard, which we have begun with our education component and peer review changes.

Sincerely,



Bethel Belisle CDM, CPM

Chair, Board of Certified Direct Entry Midwives

# Legislative Auditor's Additional Comments

ALASKA STATE LEGISLATURE  
LEGISLATIVE BUDGET AND AUDIT COMMITTEE  
Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
legaudit@akleg.gov

November 30, 2020

Members of the Legislative Budget  
and Audit Committee:

I have reviewed the chair of the Board of Direct-Entry Midwives response to this audit. Nothing contained in the response causes me to revise or reconsider the report conclusions or recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA  
Legislative Auditor