

December 21, 2021

Lourdes M. Castro Ramirez, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Secretary Lourdes M. Castro Ramirez,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Medical Board of California submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact K. Danette McReynolds, Staff Services Manager I, at (916) 263-2703, kimberle.mcreynolds@mbc.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the Medical Board of California (Board) is to protect health care consumers through the proper licensing and regulation of physicians and surgeons and certain allied health care professionals and through the vigorous, objective enforcement of the Medical Practice Act, and to promote access to quality medical care through the Board's licensing and regulatory functions.

The vision of the Board is to be the premier consumer protection agency leading the effort to advance high quality, safe medical care.

The strategic goals of the Board include: Protect consumers by setting requirements for licensure, including education, experience, and demonstrated competence, and efficiently issue licenses to individuals meeting those requirements; Protect the health and safety of consumers by effectively investigating complaints, by enforcing the laws and regulations of the Medical Practice Act when violations occur, and by educating consumers on the laws and regulations governing safe practices in California; Advocate for and sponsor legislation and adopt regulations, policies, and procedures that strengthen and support the Board's mandate, mission, vision, and goals; Promote consumer protection through increasing public, licensee, and community partner awareness of the Board, its mission, activities, and services; and Protect the consumers of California by promoting organizational success through proper Board governance, effective leadership, and responsible management.

Control Environment

The Board is overseen by the Department of Consumer Affairs (DCA) and the Business, Consumer Services, and Housing (BCSH) Agency along with other state administrative control agencies. The Board has 15 Board members who serve on committees, task forces, and disciplinary panels to assist with the licensing and enforcement work of the Board. Board staff work under the direction of the Board Appointed Executive Director to accomplish the Board's mission of consumer protection. The Board

meets quarterly each year to create policies, take disciplinary action and report on its progress to licensees and stakeholders.

Board executive management has established core values documented in the Workplace Guidelines and Employee Expectations (August 21, 2007) that advise management in the promotion of a safe and supportive working environment, where integrity, consumer protection and data guide decision making. Managers are trained and encouraged to demonstrate integrity and establish control by; supporting staff in their daily work, listening to staff concerns and requests and following through with solutions, demonstrating professionalism, providing clear direction and objectives, assisting with staff development, and fostering professional growth. Management also considers these values when developing procedures and policies in each unit throughout the Board.

The Board seeks to actively recruit diverse and high performing individuals that display integrity, competence, and commitment to consumer protection when filling vacancies at the Board by developing strong screening criteria and interview questions that allow managers to evaluate these qualities and hire the most qualified individual for each position. Employee performance is a high priority for management and is monitored closely. When training can assist in employee development, it is offered. When employee performance is not meeting expectations, the necessary disciplinary actions are applied. Procedure manuals and cross training of employees are critical components to the Board's efficiency and overall organizational health.

Information and Communication

The Board values communication from stakeholders, employees, and other boards to enhance its mission of consumer protection, as well as best serve its licensees. Internal communication is fostered in a "top down" manner through executive management meetings, monthly manager meetings, semi-annual all staff meetings, monthly unit staff meetings, one-on-one meetings, as well as regular all-staff e-mail messages. This model ensures that the values and goals are regularly discussed and refined so that staff may all work together to accomplish a common goal. The Board also encourages "bottom up" communication through the implementation of staff satisfaction surveys, an anonymous "suggestion box" available in the Board office, and management's "open door policy" that gives staff the opportunity to step outside of the chain of command when proposing changes that may improve processes and procedures.

The Board understands the value of external communication with stakeholders to better educate and protect consumers, and provide quality and consistent customer service to its licensees. Outreach efforts in communities statewide, presentations by the executive director and management, Board meetings, panel meetings, committee meetings, interested parties meetings, and special task forces give consumers and licensees the opportunity to provide insight and feedback to Board members when directing decisions. Additionally, increasing social media outreach and enhancements to the Board's website have resulted in the release of podcasts and the creation of the first iOS mobile application in the country for Medical Boards. The Board's dedication to proactive and strategic communications has created long-term, positive relationships with consumers and licensees.

The Board establishes communication across entity lines by establishing special task forces with other healing arts boards to collaborate on issues that face both entities for increased consumer protection.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Medical Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: William Prasifka, Executive Director.

The Board's licensing and enforcement management teams conduct case reviews with staff to ensure individual caseloads are being appropriately worked and apply a course of correction when necessary. The Board's performance measures are reported at each quarterly Board meeting so the Board Members and stakeholders have an opportunity to review, monitor, and provide feedback.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Medical Board of California risk assessment process: executive management, middle management, and front line management.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Fiscal Risk

The Board has been in extreme financial distress due to increasing expenditures and stagnate revenue. The Board has taken a \$12 million loan from the Bureau of Automotive Repair. However, even with the loan, the fund is projected to become insolvent in 2022.

Control: Fee Increase and Expenditure Reduction

The Board plans to work toward balancing the budget with the implementation of a new fee increase and cost recovery, effective January 2022. The fee increase included in the Board's sunset legislation was less than the amount the Board requested. Board will work toward establishing regulatory reserves of two to four months. The Board will also request additional fee increases in 2022. The Board has implemented multiple reductions in expenses, such as moving from printing paper brochures to making them available on-line, and creating an electronic wallet card instead of printing a plastic ID card for physicians. The Board also reduced its expenses by having virtual meetings instead of in-person meetings. The Board reduced several costs by revisiting contracts annually. The Board is also considering consolidating office space to reduce space currently occupied.

Risk: Staffing and Employee Retention

The Board invests significant time and resources into hiring and training new employees who do not remain in their positions long enough to be effective. This challenge creates a cycle of continuous hiring and training.

Control: Hiring Practices

The Board is implementing a new hiring process by increasing the number of participants on the interview panels, offering telework, and improving the screening criteria for applicants. The Board is being more consistent with the verbiage in each job posting.

Control: Training

The Board recognizes that the key to succession planning is preparing staff to fill key leadership positions by developing their knowledge, skills and abilities in preparation for advancement into ever more challenging roles and positions of leadership. The Board is offering training to employees on how to promote, how to write a strong Statement of Qualification or Statement of Interest, and more. The Board is working on a training plan for hiring managers. The Board is promoting classes offered by SOLID through DCA's SOLID Training Unit.

Control: Employee Exit Survey

The Board's human resources staff conduct exit surveys with employees who are separating with the Board. The data from these surveys are shared with executive leadership and middle management to help them understand the demographics of employees who are attracted to DCA, as well as the reasons they seek other employment.

Risk: Regulations of Telehealth in California

As technology advances, the Board must be aware of situations where physicians are not complying with telehealth laws and not following the standard of care in providing services to patients. One of the most frequent violations involves physicians treating California patients via telehealth from outside the State of California without having a California license. In the past, complaints regarding telehealth were not prevalent. However, as technology advanced, more complaints have been received regarding care provided via telehealth, including complaints of unlicensed practice, inappropriate care, and the corporate practice of medicine. With future advances in technology, the Board needs to be vigilant to ensure consumer protection.

The pandemic has placed an emphasis on telehealth and most physicians are likely to adopt at least some form of telehealth services for their patients. There is a need to regulate telehealth, just as there is a need to regulate in-person medical examinations. Without ensuring physicians are following the standard of care in every practice setting, the patients in California can be put at risk.

Control: Development of Procedures

Board staff attend conferences regarding telehealth practices and have discussions with other state regulatory boards to develop best practices regarding telehealth as this new technology expands and becomes more widespread.

Control: Outreach

The Board is considering additional forms of outreach, potentially including live social media events featuring the Board President and Vice President. These events will provide the public the opportunity to engage directly with Board leadership and ask questions about the Board and its processes.

CONCLUSION

The Medical Board of California strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

William Prasifka, Executive Director

CC: California Legislature [Senate (2), Assembly (1)]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency