

December 26, 2025

Tomiquia Moss, Secretary  
California Business, Consumer Services and Housing Agency  
500 Capitol Mall, Suite 1850  
Sacramento, CA 95814

Dear Secretary Tomiquia Moss,

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, 2025.

Should you have any questions please contact Marina O'Connor, Deputy Director, at (916) 263-2220, or via our [contact form](#).

## **GOVERNANCE**

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### **Mission and Strategic Plan**

The mission of the Medical Board of California is to protect health care consumers and prevent harm 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, policy, and regulatory functions.

#### Strategic Goals

Goal 1 – Licensing: Protect consumers by setting appropriate requirements for licensure, including education, experience, and demonstrated competence, and efficiently issuing licenses to individuals meeting those requirements.

Goal 2 – Enforcement: 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 licensees and consumers on the laws and regulations governing safe practices in California.

Goal 3 – Legislation and Regulation: Advocate for and sponsor legislation and adopt regulations, policies, and procedures that strengthen and support the Board's mandate, mission, vision, and goals.

Goal 4 – Outreach: Promote consumer protection through increasing public, licensee, and community partner awareness of the Board, its mission, activities, and services.

Goal 5 – Board Administration: 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.

Board executive management has established core values documented in the recently revised Workplace Guidelines and Employee Expectations 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. The Board meets quarterly each year to create policies, take disciplinary action and report on its progress to licensees and stakeholders.

### **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 an anonymous "suggestion box" available in the Board office, and management's "open door policy" that gives staff the opportunity to bypass the chain of command when proposing changes that may improve processes and procedures.

The Board understands the value of external communication with stakeholders to receive feedback and identify opportunities for improvement, as well as 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, the Board increased accessibility and participation for Californians by hosting public meetings in a hybrid manner and conducting webinars to expand stakeholder outreach.

To improve communications with internal and external stakeholders, the Board utilizes information technology tools. The Board's dedication to proactive and strategic communications has created long-term, positive relationships with consumers and licensees.

The Board has established communications with other healing arts boards to collaborate on shared issues for increased consumer protection.

## **MONITORING**

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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: Letitia Robinson, Research Consultant; Marina O'Connor, Deputy Director; Reji Varghese, Director.

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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**

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

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, 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**

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### **Risk: Fund Condition and Fees**

The Board's fees were raised effective January 1, 2022, pursuant to SB 806, but physician's and surgeon's fees were set almost \$300 below what MBC requested, and what a third-party fee study identified as appropriate levels. Prior to that, the Board's physician's and surgeon's initial licensure and renewal fees were increased effective January 1, 2006, from \$600 to \$790, its first increase since 1994, to support the Vertical Enforcement/Prosecution model. Effective January 1, 2007, the physician's and surgeon's initial licensure and renewal fees were increased by \$15 to \$805 based upon the average amount of cost recovery that the Board had received in the prior three fiscal years that would no longer be received by the Board. Effective July 1, 2009, the physician's initial licensure and renewal fees were decreased by \$22 to \$783, a reduction mandated because of the elimination of the Board's Diversion Program on July 1, 2008.

For the past three fiscal years the Board has relied on loans from another State agency under the Department of Consumer Affairs to fund its operations. SB 815 increased physician's and surgeon's initial licensure and renewal fees from \$863 to \$1,151 effective

January 1, 2024, which is \$138 less than requested. Effective January 1, 2027, the fee amount will increase to \$1,255. As of July 1, 2025, the Board is solvent and has paid off all outstanding loan balances and associated interest.

The Board will evaluate if an additional loan with alternative repayment terms is needed to ensure solvency while the January 1, 2027, fee increase takes effect.

### **Control: Revenue Collection Measures**

The Board plans to initiate improvements to its cite and fine and cost recovery collection measures. Specifically, cleaning up outstanding receivable records and employing collection agencies to ensure the Board receives prompt payment if fines have not been paid, utilizing accurate time-tracking measures to recoup investigative costs, and ensuring appropriate authority to complete the recovery process. Additionally, the Board plans to revise its rate development processes to improve reimbursement collection for probation monitoring and shared services efforts. These initiatives will allow the Board to create steady cash flow and reduce cite and fine write-offs.

### **Risk: Expert Reviewer Program Training**

The recruitment and retention of medical experts have historically been a challenge for the Board. The Expert Reviewer Program is a critical component needed to support the investigation and enforcement functions of the Board. Specifically, medical experts provide expert reviews and opinions that must be credible, unbiased and based on admissible evidence. The Board's enforcement program is reliant upon quality Expert Reviewers and the work they perform.

### Control: Hourly Rate Increase

To attract and maintain a diverse pool of quality experts, the Board will continue to seek an increase in the hourly pay rate to be aligned with the current market rates.

### Control: Mandatory Training

Optional training has been eliminated; new Expert Reviewers and Medical Consultants are scheduled to complete their respective online training before reviewing any cases.

## Risk: License Application Processing Time

**Historically, the Board aims to review a new Physician's and Surgeon's or Postgraduate Training License application within 45 days of receipt of both the application and required fees.**

While the Board has made progress in reducing the processing time, most applications received are deficient, which prevents the Board from issuing a license when the application is initially reviewed. Many other state medical regulatory agencies are able to issue a physician license in the same amount of time it takes the Board to review an application. In Fiscal Year 2024-2025, the average time to issue a Physician's and Surgeon's License from the date both the application and fee were received for a complete application was 38 days and the average time for an incomplete application was 130 days.

### Control: Technology Tools

The Board is pursuing technological changes to its current application processing systems and working with external entities that provide application information to the Board to further streamline processes and improve communications with applicants.

For example, the Board is collaborating with representatives from the Federation of State Medical Boards (FSMB) to increase efficiency in the licensing process, such as developing new interfaces to automatically transmit applicant examination history to the Board.

The Board is also researching possible enhancements to its licensing system, to allow applicants to check the status of their application in a more informational interface than what is currently available.

## 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.

**Reji Varghese, Director**

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