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# MEMORANDUM

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**To:** *Subcommittee on Human Services*

**From:** *Tim Walker, Legislative Fiscal Office*  
(503) 986-1827

**Date:** May 3, 2013

**Subject:** *Oregon Medical Board*  
Work Session Recommendations

## ***Oregon Medical Board – Agency Totals***

	<b>2009-11 Actual</b>	<b>2011-13 Legislatively Approved</b>	<b>2013-15 Current Service Level</b>	<b>2013-15 LFO Recommended</b>
General Fund	0	0	0	0
Lottery Funds	0	0	0	0
Other Funds	8,306,860	10,028,550	10,684,667	10,538,035
Federal Funds	0	0	0	0
<b>Total Funds</b>	<b>\$8,306,860</b>	<b>\$10,028,550</b>	<b>\$10,684,667</b>	<b>\$10,538,035</b>
Positions	40	40	40	40
FTE	38.46	38.79	38.79	38.79

Attached are the recommendations from the Legislative Fiscal Office for the *Oregon Medical Board*. It contains the following:

- Policy Option Package 101 – Renewal Fee Increase
  - Approve the Package.
- Policy Option Package 102 – Criminal Background Check Fees
  - Approve the Package.
- Policy Option Package 103 – Physician Assistant Fees
  - Approve the Package.
- Policy Option Package 104 – HPSP Increased Costs
  - Approve the Package as modified.

### **Adjustments to Current Service Level:**

See attached “Work Session Presentation Report” dated 05/03/2013.

**Accept LFO Recommendation**

*Move the LFO recommendation to HB 5026.*

**OR**

**Change LFO recommendation**

*Move the LFO recommendation to HB 5026, with modifications.*

**Performance Measures**

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form.

**Accept LFO Recommendation**

*Move the LFO recommendation on Key Performance Measures*

**OR**

**Change LFO recommendation**

*Move the LFO recommendation on Key Performance Measures, with modifications.*

**Recommended Changes to Appropriation Bill:**

The Legislative Fiscal Office recommends a budget of \$10,538,035 *Other Funds and 40 positions (38.79 FTE).*

*Move to amend HB 5026 with the following changes:*

**Section 1**

***Line 6 – Delete [\$10,625,050] and insert \$10,538,035.***

**HB 5026 Final Subcommittee Action:**

***Final Motion:***

**If changed the bill requires changes**

*Move HB 5026 to the full committee with a “do pass” recommendation, as amended.*

**OR**

**If the bill requires no changes**

*Move HB 5026 to the full committee with a “do pass” recommendation*

**Oregon Medical Board**

**LFO Analyst Recommended**

**Agency Number: 84700**

LFO102 - Work Session Presentation Report  
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 84700-000-00-00-00000

Oregon Medical Board

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	10,028,550	-	-	-	10,028,550	40	38.79
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg. Approved Budget	-	-	10,028,550	-	-	-	10,028,550	40	38.79
2011-13 Leg. Approved Budget (Base)	-	-	10,028,550	-	-	-	10,028,550	40	38.79
Summary of Base Adjustments	-	-	487,755	-	-	-	487,755	-	-
2013-15 Base Budget	-	-	10,516,305	-	-	-	10,516,305	40	38.79
010: Non-PICS Pers Svc/Vacancy Factor	-	-	98,010	-	-	-	98,010	-	-
030: Inflation & Price List Adjustments	-	-	70,352	-	-	-	70,352	-	-
2013-15 Current Service Level	-	-	10,684,667	-	-	-	10,684,667	40	38.79
Adjusted 2013-15 Current Service Level	-	-	10,684,667	-	-	-	10,684,667	40	38.79
Total LFO Recommended Packages	-	-	(146,632)	-	-	-	(146,632)	-	-
2013-15 Legislative Actions	-	-	10,538,035	-	-	-	10,538,035	40	38.79
Net change from 2011-13 Leg. Approved Budget	-	-	509,485	-	-	-	509,485	-	-
Percent change from 2011-13 Leg. Approved Budget	0.0%	0.0%	5.1%	0.0%	0.0%	0.0%	5.1%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(146,632)	-	-	-	(146,632)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.4%)	0.0%	0.0%	0.0%	(1.4%)	0.0%	0.0%

**Oregon Medical Board**

**LFO Analyst Recommended**

**Agency Number: 84700**

**LFO102 - Work Session Presentation Report  
2013-15 Biennium**

**Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 84700-015-00-00-00000**

**Operations**

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	10,028,550	-	-	-	10,028,550	40	38.79
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	10,028,550	-	-	-	10,028,550	40	38.79
2011-13 Leg Approved Budget (Base)	-	-	10,028,550	-	-	-	10,028,550	40	38.79
Summary of Base Adjustments	-	-	487,755	-	-	-	487,755	-	-
2013-15 Base Budget	-	-	10,516,305	-	-	-	10,516,305	40	38.79
010: Non-PICS Pers Svc/Vacancy Factor	-	-	98,010	-	-	-	98,010	-	-
030: Inflation & Price List Adjustments	-	-	70,352	-	-	-	70,352	-	-
2013-15 Current Service Level	-	-	10,684,667	-	-	-	10,684,667	40	38.79
Adjusted 2013-15 Current Service Level	-	-	10,684,667	-	-	-	10,684,667	40	38.79
Total LFO Recommended Packages	-	-	(146,632)	-	-	-	(146,632)	-	-
2013-15 Legislative Actions	-	-	10,538,035	-	-	-	10,538,035	40	38.79
Net change from 2011-13 Leg Approved Budget	-	-	509,485	-	-	-	509,485	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	5.1%	0.0%	0.0%	0.0%	5.1%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(146,632)	-	-	-	(146,632)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.4%)	0.0%	0.0%	0.0%	(1.4%)	0.0%	0.0%

**Oregon Medical Board**

**LFO Analyst Recommended**

**Agency Number: 84700**

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Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 Renewal fees**

Package Description OMB licenses expire 12/31 of odd numbered years. Thus, the board receives the bulk of revenues at the end of the second quarter of each biennium. This requires the board to maintain a minimum of six months of ending cash balance at the end of each biennium. With its 2011-13 budget, the board requested its first fee increase since 1998.

Historically, the board has requested significant fee increases on an infrequent basis. In the board's 2011-13 budget report, the 2011 Legislature directed the board to impose smaller, more frequent fee increases. Thus, the OMB proposes to increase all license renewal fees by 9% each biennium, beginning in 2013. The additional revenue is critical to allow the board to maintain its current level of service, given projected inflation. The 6% fee increase approved by the 2011 Legislature is insufficient to adequately carry the board through 2013-15 to the 2015-17 biennium. The board will have less than six months operating expenses to begin 2015-17, unless fees are increased during 2013-15. The additional revenue is crucial to allow the board to maintain current services, fund the increased costs of the Health Professionals Services Program (HPSP) and provide adequate funds to begin the 2015-17 biennium.

LFO Recommendation LFO recommends approval of POP 101.

LFO Analyst Notes Recommend package.

LFO Recommended

Revenues

743,917

Expenditures

743,917

Operations

General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 102 Criminal Background Check Fees**

Package Description: OMB performs criminal background checks on licensees to ensure the safety of Oregonians. During the 2005-07 biennium, the board implemented finger print criminal background checks for all applicants for licensure. The checks performed through the Oregon State Police records and federal records were instituted without assessing actual costs by raising fees. To date, these criminal background checks have cost the board over \$350,000, funded through board savings. The board can no longer afford to absorb these costs. Applicants for licensure would pay the cost of the background checks, and henceforth the fee will be the board's actual cost.

This is a pass through fee only. The revenue generated will offset the criminal background check fees the board pays to the Oregon State Police for performing criminal background checks.

LFO Recommendation: LFO recommends approval of POP 102.

LFO Analyst Notes: Recommend package.

LFO Recommended

Revenues	-	-	103,610	-	-	-	-	103,610
Expenditures	-	-	-	-	-	-	-	-

Operations

General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 103 Physician Assistant Fees**

**Package Description** Senate Bill 224 (2011) and Senate Bill 1565 (2012) significantly modified the regulation and supervision of physician assistants and the dispensing authority for physician assistants in Oregon. Both bills were passed without providing additional funding for the OMB to implement the changes required. The board proposes to implement recovery fees to compensate for implementation costs and increased ongoing costs related to physician assistant supervision and dispensing authority.

LFO Recommendation LFO recommends approval of POP 103.

LFO Analyst Notes Recommend package.

LFO Recommended

Revenues	-	-	-	-	-	109,850	-	-
Expenditures	-	109,850	-	-	-	-	-	-

Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 HPSP Increased Costs

Package Description The Health Professionals Services Program is administered by the Oregon Health Authority (OHA). Health care boards may choose to participate in and refer their licensees to this program for monitoring of substance abuse or mental health issues. OHA administers the program, and Reliant Behavioral Health (RBH) provides monitoring services for program participants. Participating agencies pay special payment amounts established by OHA. 93% of the cost is for RBH services.

In July 2012, the participating agencies were notified that RBH had proposed a significant cost increase in their contracted compensation. The OMB proposes to increase special payment spending authority to pay the expected RBH contract increase.

LFO Recommendation LFO recommends approval of POP 104 adjusted for decreased costs associated with the HPSP.

LFO Analyst Notes Recommend package.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	121,736	-	-	-	121,736	-	-



## Legislatively Proposed 2013-2015 Key Performance Measures

**Agency: OREGON MEDICAL BOARD**

Mission: Protect the health, safety, and well being of Oregonians by regulating the practice of medicine in a manner that promotes quality care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - LICENSE APPROPRIATELY - Percentage of Board-Issued license denials that were upheld upon appeal.		Approved KPM	100.00		
2 - DISCIPLINE APPROPRIATELY - Percentage of disciplinary actions not overturned by appeal.		Approved KPM	100.00		
4 - MONITOR LICENSEES WHO ARE DISCIPLINED - Percentage of total probationers with a new complaint within 3 years.		Approved KPM	5.00		
6 - RENEW LICENSES EFFICIENTLY - Average number of calendar days to process and mail a license renewal.		Approved KPM	7.16		
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Accuracy	Approved KPM	79.00	80.00	80.00
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Availability of Information	Approved KPM	76.00	80.00	80.00
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Expertise	Approved KPM	85.00	80.00	80.00
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Helpfulness	Approved KPM	85.00	80.00	80.00

**Agency: OREGON MEDICAL BOARD**

Mission: Protect the health, safety, and well being of Oregonians by regulating the practice of medicine in a manner that promotes quality care.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2014</b>	<b>Target 2015</b>
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Overall	Approved KPM	82.00	80.00	80.00
7 - ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Timeliness	Approved KPM	79.00	80.00	80.00
8 - BOARD BEST PRACTICES - Percent of total best practices met by the Board.		Approved KPM	100.00		
9 - LICENSE EFFICIENTLY - Average number of calendar days from receipt of completed license application to issuance of license.		Approved KPM	1.26		

**LFO Recommendation:**

LFO recommends no changes to KPM's.

**Sub-Committee Action:**