

Oregon Board of Pharmacy  
2013-15 Budget Presentation  
*(Governor's Balanced Budget)*



Joint Ways and Means  
Education Subcommittee  
February 20, 2013  
8:30 am

Presented by:

Gary A. Schnabel, R.Ph., R.N.  
Executive Director

Karen S. MacLean  
Administrative Director

*"The mission of the Oregon State Board of Pharmacy is to promote, preserve and protect the public health, safety and welfare by ensuring high standards in the practice of pharmacy and by regulating the quality, manufacture, sale and distribution of drugs".*

## **Executive Summary**

The Oregon Board of Pharmacy (OBOP) under ORS Chapter 689 regulates the practice of pharmacy and the quality and distribution of drugs within and into the State. The practice of pharmacy in the State of Oregon has been declared by the Oregon Legislature to be a professional practice affecting public health, safety and welfare and is subject to regulation and control in the interest of Oregon Citizens. The Legislature further declared it to be a matter of public interest and concern that the practice of pharmacy merit and receive the confidence of the citizens of Oregon and that only qualified persons be permitted to engage in the practice of pharmacy in the State.

The Board of Pharmacy consists of *seven* board members who are appointed by the Governor and subject to Senate confirmation, comprised of *two* public members and *five* pharmacists in active practice. One of the public member positions is currently vacant. The agency currently staff consists of *eighteen* full or part-time employees. An organizational chart is on page 5 of this presentation. A detailed description of ongoing operational tasks can be found in the Governor's Balanced Budget binder.

## **Program Description**

The purpose of the Board of Pharmacy under ORS Chapter 689 is to promote, preserve, and protect the health, safety and welfare of Oregon citizens by control and regulation of the practice of pharmacy and the quality and distribution of drugs through outlets involved in the manufacture, production, sale and distribution of legend drugs (*prescription*), over-the-counter drugs (*non-prescription*), controlled substances (*drugs identified by the U.S. Drug Enforcement Administration (DEA) as having abuse or addiction potential*) and devices and other materials as may be used in the diagnosis, cure, mitigation, prevention and treatment of injury, illness and disease.

This is accomplished through:

**Examinations:** Any individual wishing to practice as a pharmacist in the State must take and pass an entry level competency exam, the North American Pharmacy Licensure Examination (NAPLEX). This exam has been standardized throughout all fifty states. Candidates for licensure in Oregon must also take and pass a pharmacy law exam, the Multistate Pharmacy Jurisprudence Examination (MPJE). These exams are administered by the National Association of Boards of Pharmacy (NABP). The exam questions are written and maintained and updated by OBOP staff and members through annual review of the exam question pool and psychometric analysis of the questions by NABP.

**Licensing:** Upon verifying that the exams have been taken and passed, the candidate is allowed to submit an application. The application and required documents are vetted through the NABP Disciplinary Clearinghouse and a criminal background check is performed. Licenses are renewable annually. The OBOP has established an electronic online renewal process for licensees. Pharmacy technicians must be licensed in the State and must become nationally certified within one year of their initial Oregon license. Pharmacies, pharmaceutical manufacturers & wholesalers, non-prescription drug

outlets, practitioner dispensing outlets and a variety of other drug outlets must also be licensed with the OBOP to do business in the State.

Establishments seeking licensure undergo similar scrutiny and vetting of applications and documents for licensure.

Investigations: The OBOP investigates complaints and allegations of violations of the Oregon Pharmacy Act (ORS Chapter 689) and corresponding administrative rules (OAR Chapter 855). The OBOP also investigates allegations of drug diversion, illegal online drug distribution operations or unlicensed pharmacies and local prescription fraud activity.

Information and Education: A receptionist answers questions and routes calls to a designated pharmacist investigator and to one of three licensing representatives who are available to answer questions regarding licensure requirements and processes as well as general questions from the public. OBOP staff also responds to many requests for appearances and presentations to pharmacy professional associations and pharmacy schools regarding pharmacy and drug law and licensing issues.

Agency costs are primarily reflected in staff payroll. Ongoing expenses for “services and supplies” are inherent and tend to not fluctuate significantly. Major cost drivers are described below.

Staffing is the largest single expenditure since what the agency does involves people working with people.

Instate travel is another cost. The OBOP’s authority is statewide, therefore, onsite inspections and investigations occur throughout the State. Board members also reside throughout the State, therefore, wherever meetings are held, some Board members are required to travel. Most meetings are held in Portland.

Administrative initiatives and projects such as budget preparation, document security, business continuity, workforce data, disaster planning, Program Funding Teams and cultural competence are some of the many activities that consume an increasing portion of staff time.

Legislative mandates utilize an increasing portion of staff time. Such Legislative mandates include supervising physician dispensing outlets, charitable pharmacies, expedited partner therapy and Health Professionals Service Program, among many others.

Prescription drug abuse requires an increasing amount of staff time. Staff investigates illegal Internet drug distribution, local fraudulent prescription scams and diversion and theft of controlled substances from pharmacies. Many drug related issues such as these are also covered by the news media and requests for information, interviews and statements from Board members and staff are common.

Prescription drug overutilization continues to affect staff work load. Prescription drugs have become ubiquitous and efforts to educate citizens in areas such as medication safety, proper drug disposal and the dangers of polypharmacy are needed more and more. Prescription drugs appear in our medicine cabinets, in the pockets of our sons & daughters and in our schools. Drugs are advertized on television and radio, in

newspapers and in magazines, on bill boards. The nation's health care delivery system is so rushed that the standard solution to each medial office visit is a "quick fix" prescription. Staff allocates a significant amount of time to patient education to promote awareness and help ensure public safety.

### **Major Changes in the Last 10 Years**

The most significant change to the agency in the past ten years has been elimination of the Pharmacy Recovery Network in 2010. This program for impaired professionals was transitioned to the Health Professionals Service Program (HPSP) within the Oregon Health Authority, however not all at risk individuals are eligible for the HPSP program, so the Board continues to monitor these individuals through probation agreements.

Equally important, in the Board's 2011-13 budget, there were reductions in staff, however the 2013-15 budget requests reinstatement of one of those positions, the Pharmacist Consultant. Without this position the last two years, the impact has been significant. Board projects have been delayed or not completed at all, other staff that absorbed that workload now have delayed performance and are challenged to meet the ever growing requirements of their positions. For example, the loss of this position put pressure on the investigative staff who had to cover that workload, this directly impacted the KPM #4.

### **Process Changes for Efficiency**

Examples of changes the Board has implemented in the past few years to save resources and create efficiency include:

- Increased use of the Board's website to provide self-inspection forms that were previously printed and mailed annually.
- Move to a flat-rate agreement with the Department of Justice
- Move to online banking.
- For more efficient orientation of new employees, complete and detailed desk manuals have been created for key positions.
- Continue to move towards paperless operations and record storage.
- Implemented more categories for online license renewals for interns and non-prescription drug outlets.
- The Board continues to conduct the Board's meetings in Portland, rather than in locations around the state in order to reduce travel expenses.
- The Board continues to utilize a facilitator for strategic planning only every other year, instead of every year, to control costs.
- Executive Director or designee meets monthly with other Health Professional Regulatory Boards to foster interagency communication, eliminate duplication and share resources.
- The Board is in a position to consider certain categories for biennial licensure.

### **2013-15 Program Priorities**

The Agency is budgeted as one Program Unit. For management efficiency, we have broken out the key areas of agency function, which include:

- Operations and Administration
- Licensing
- Compliance
- Board member activities
- Interagency activities

All areas are by their nature intricately connected and required to accomplish the statutory mission of the agency.

### **To Achieve the Agency's Mission and Deliver Services to Oregonians**

Agency staff engages in a variety of ongoing operational responsibilities to achieve the Agency's mission and deliver regulatory services to Oregonians. The 2013-15 Governor's Balanced Budget supports these activities adequately based on current projections. These operational responsibilities and services include:

- Efficient management of office and agency
- Efficient processing of examinations & licenses
- Perform regular pharmacy inspections
- Provide responsive research, information & assistance services
- Provide effective regulatory efforts
- Provide responsive consumer & other stakeholder services

Boards of pharmacy, unlike other health regulatory boards, are required to interface and interact with many other state and federal regulatory agencies including:

- U.S. Food and Drug Administration (FDA), with federal authority over prescription, and non-prescription drugs and devices
- U.S. Drug Enforcement Administration (DEA), with federal authority over controlled substances
- State health regulatory boards for every discipline with the authority to prescribe, dispense, administer or possess drugs and devices.

Boards of pharmacy also uniquely differ from other health regulatory boards in that they:

- regulate the licensed professional individual
- regulate the quality and distribution of products and services and register the various types of drug outlets.

This dual role creates a variety of unique circumstances affecting pharmacy boards which are not shared by the other health regulatory boards.

### **Short Term Plan & Environmental Factors**

As previously mentioned, the Board of Pharmacy has an annual Strategic Planning Session during which the board members and staff review the priorities for the next two years. The Board's current strategic priorities include: Continuing Education monitoring, animal euthanasia, technician duties, auto refills, case review evaluation and presentation, prescription fraud, medication errors, multicultural issues, patient information and empowerment, medical marijuana, pharmacy benefit managers, practitioner dispensing, probationer policy, semi independence and succession planning.

Current environmental factors include: Expanding automation and technology in drug distribution, Increasing prevalence of practitioner dispensing, increasing complexity and scope of investigations, changing pharmacist and pharmacy technician roles (CCO's, ACO's) and Challenges to drug supply security and integrity. Additionally, workload issues related to legislative mandates from 2011 and 2012 have become a challenge to the staff, including: Charitable Pharmacy program and rules, Expedited Partner Drug Therapy program and rules, Supervising Physician Dispensing Outlets (SPDO) rules, training and inspections, and the following 2013 proposed legislation:

HB 2740 - Charitable Pharmacy update that authorizes the Board to allow for exceptions.

HB 2077 – Directs the Board to adopt rules making nicotine a Schedule III controlled substance.

HB 2075 – The Board is directed to adopt rules and implements a drug disposal program at hospitals and long term care facilities.

HB 2123 – Requires the Board to license pharmacy benefit managers. Directs the Board to adopt rules and manage program.

HB 2120, 2124, 2130 – Relates to changes for the Impaired Health Professional Program.

HB 2705 / SB 460 – Restricts the substitution of biosimilar product for prescribed biological product. The Board will need to adopt rules and regularly update a list of biosimilar products determined to be interchangeable by the FDA.

SB 8 – Removes certain restrictions for certified nurse practitioners or certified clinical nurse specialists to dispense prescription drugs. The Board will need to work with the Board of Nursing to update the existing training program for advanced practice nurses who are authorized to dispense.

SB 136 – Authorizes the Board of Nursing to certify registered nurse anesthetists to write prescriptions and dispense prescription drugs. The Board will need to work with the Board of Nursing to update the existing training program for advanced practice nurses who are authorized to dispense.

SB 384 – Requires the Board of Pharmacy to write rules to identify individuals other than a pharmacist or other health care professional with prescription and dispensing privileges who may distribute unit of use packages of naloxone and necessary medical supplies to a person who conducts training or has successfully completed training that meets criteria established by the Oregon Health Authority for administration to a person who is experiencing a drug overdose. Also requires the Board to determine by rule how to identify a person authorized to receive naloxone.

### **Program Justification and Link to 10-Year Outcome**

The Board of Pharmacy is linked to the Governor’s Safety outcome area.

Desired Program Outcomes:

1. The security and integrity of the drug supply in Oregon is maintained.
2. Oregon pharmacists are adequately trained, appropriately licensed and professionally competent.
3. Oregon citizens have convenient access to high quality professional pharmacy products and services.

Because of the efforts and diligence of the OBOP in administering the Oregon Pharmacy Act and the Oregon Controlled Substances Act, the safety of Oregon’s citizens is enhanced and protected. Active participation by Board members and staff with the NABP, DEA and U.S. Food and Drug Administration evokes national best practice standards on behalf of Oregonians.

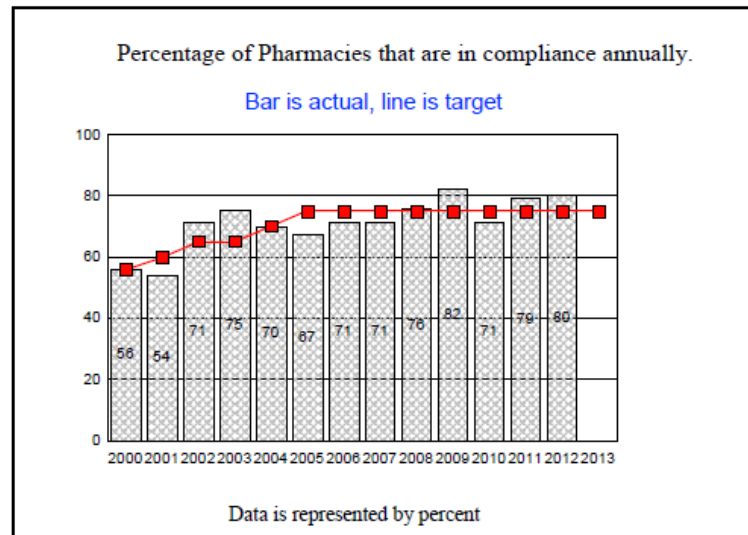
## Agency Key Performance Measures

### Goals

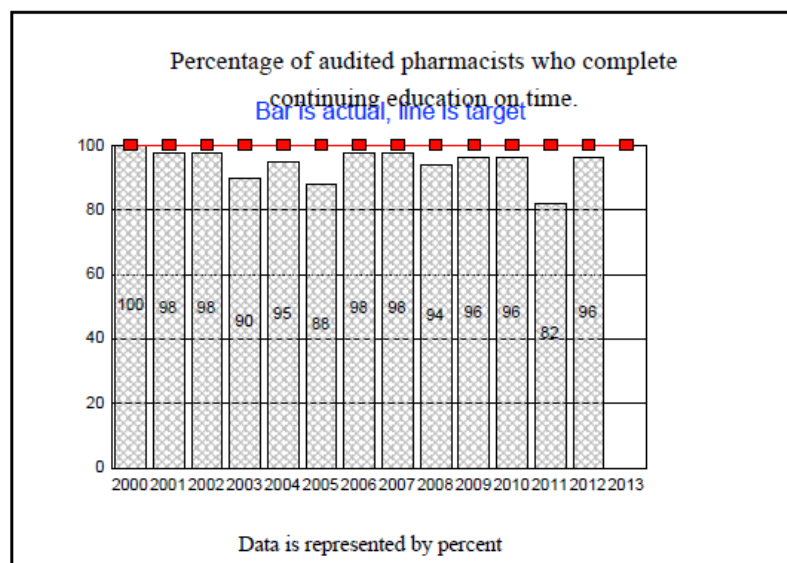
The Agency has identified three long-term strategic goals to align with Key Performance Measures (KPM) that are consistent with its mission statement and that will provide direction for ongoing activities and resource allocation. The goals and measures are:

1. Protect consumers by regulating the practice of pharmacy and the distribution of drugs;

KPM #1 - Percent of annually inspected pharmacies that are in compliance with pharmacy laws & rules

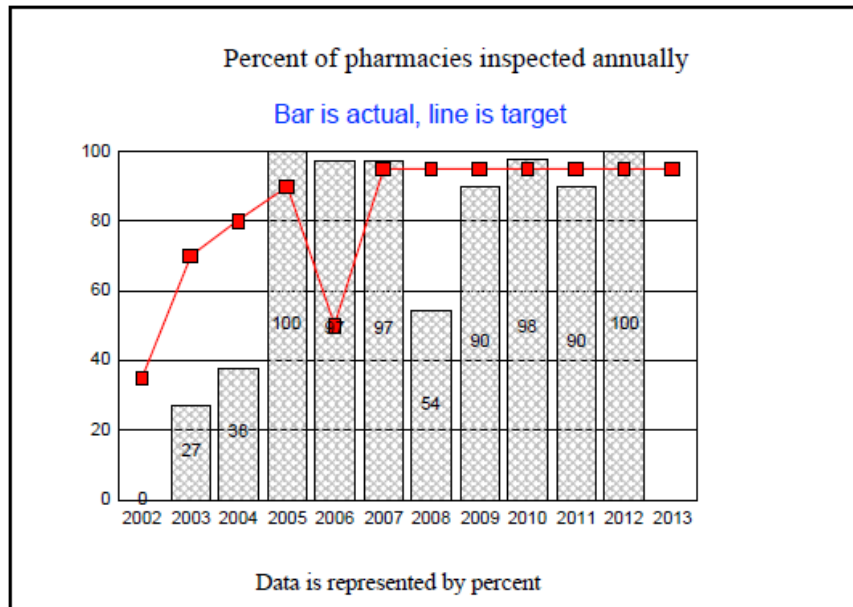


KPM #2 - Percent of audited pharmacists who have completed their continuing education on time





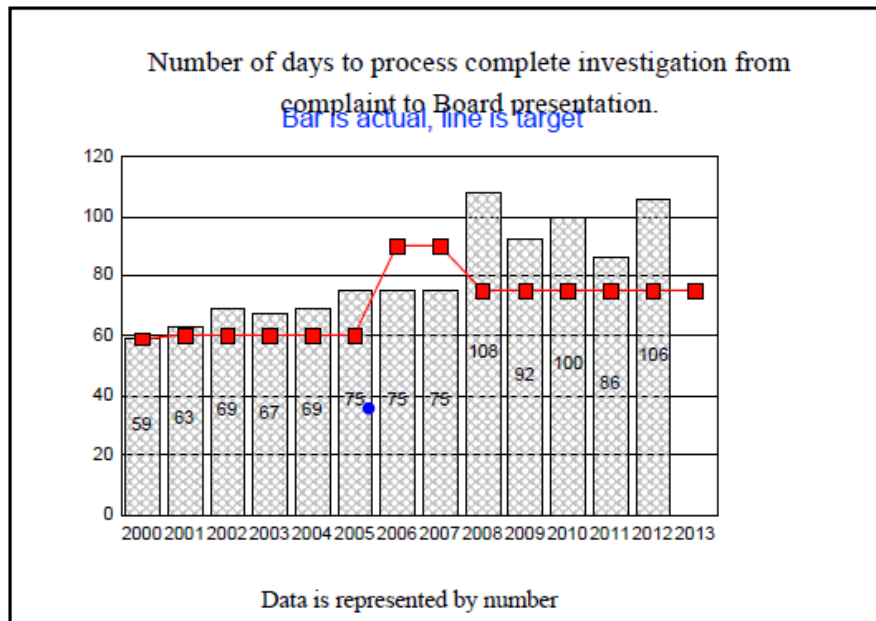
KPM # 3 - Percent of pharmacies inspected annually



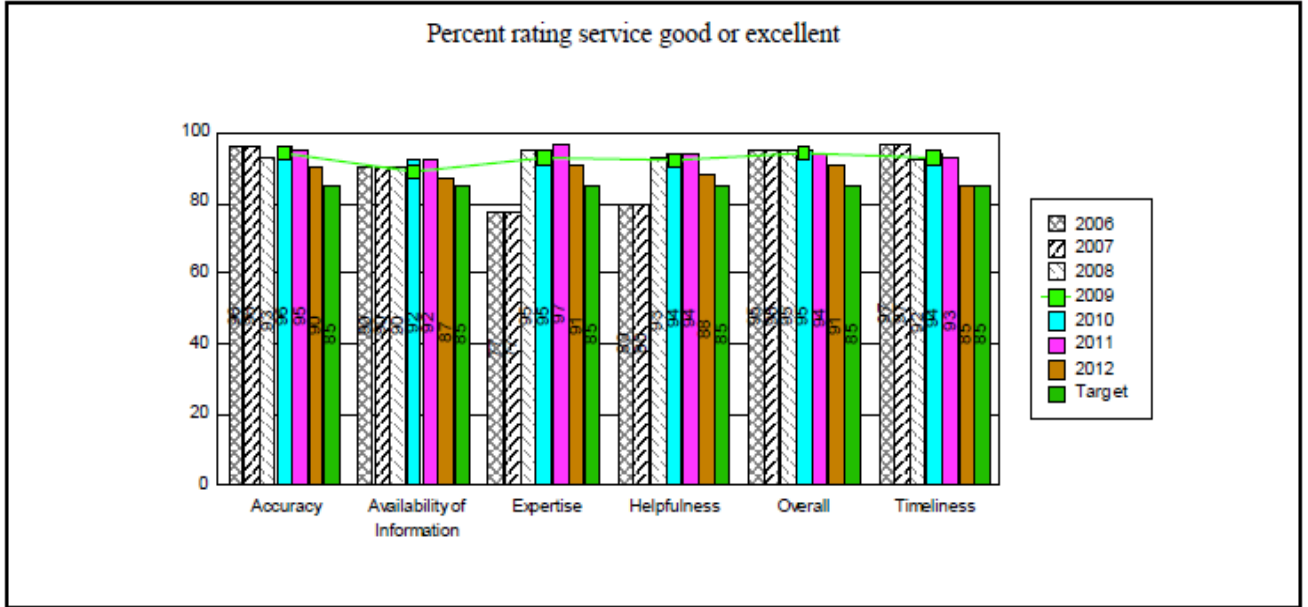
2. Provide excellent customer service; and,

KPM #4 - Average number of days required to complete an investigation

*We request this target be changed to 100 days as the statutory requirement is 120 days and the 75 day target has not been attainable in the last five years.*

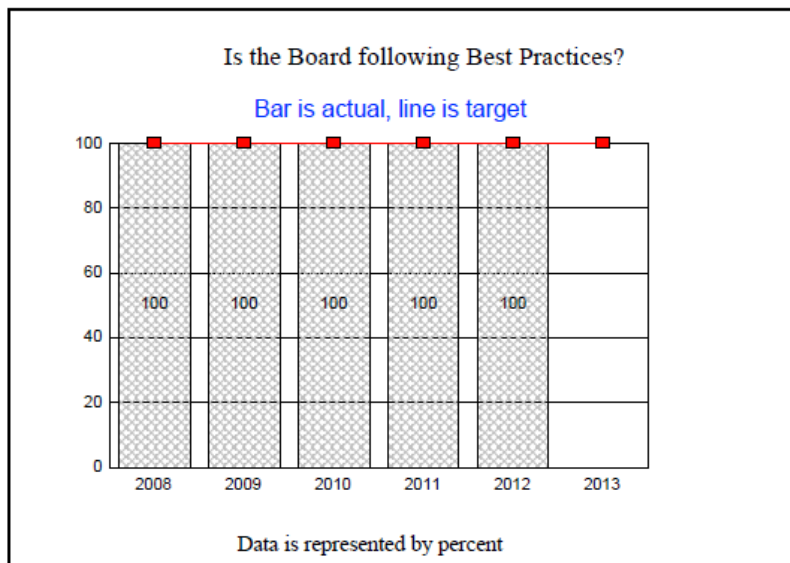


KPM #5 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall, timeliness, accuracy, helpfulness, expertise, availability of information.



3. Conduct business in a manner that supports a positive environment for the pharmacy industry.

4. Follow board best practices (established by the 2007 Legislature)  
 KPM #6 - Percent of total best practices met by the Board.

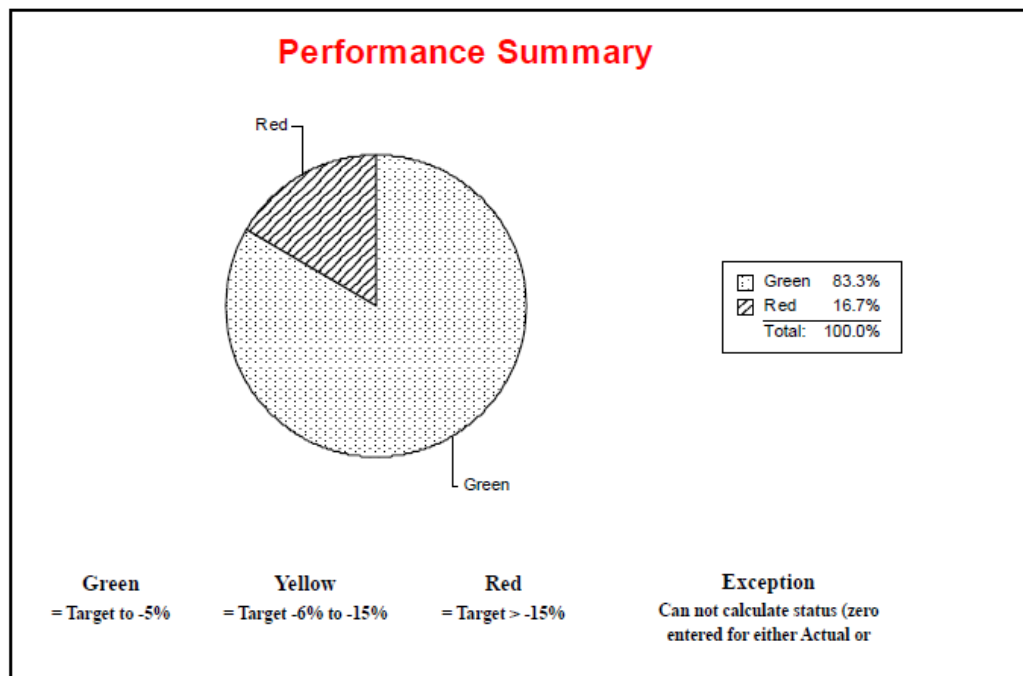


In its ongoing efforts to achieve these goals the Board will:

- Continue to assure the competency level of pharmacists through testing, peer review, and improved continuing education
- Maximize the use of on site inspections of the various drug outlets
- Focus on timely investigation of consumer complaints and allegations of diversion and other drug distribution violations and medication dispensing errors.
- Work closely with the Medical, Nursing, Dental, Optometry, Naturopathic and Veterinary Boards and their Associations (i.e. health professions with authority to prescribe drugs), the Oregon State University College of Pharmacy and the Pacific University College of Health Professions School of Pharmacy, and the state and federal drug enforcement agencies in the ongoing effort to eliminate the diversion of drugs from legitimate distribution channels to illegal street markets and harmful recreational use (*prescription drug abuse*).

To measure the Agency's progress toward achieving its stated goals, the Board continues to track the outcome measures listed above. The Agency Management Report for KPM's reporting year 2012 (*calendar year 2011 data*) indicates the following:

Over all, the 2012 report reflects improvement in two out of the three areas.



For the 2013-15 Biennium, the Board requests an adjustment to the target for Key Performance Measure #4.

A complete copy of the 2012 Annual Performance Progress Report can be found in the Appendix of this document, starting at page 22.

## **2013-15 Budget**

The Board's 2013-15 proposed budget includes an other fund expenditure limitation request of **\$5,817,527**, a 13.08% increase over the 2011-13 Legislatively Adopted Budget.

## **2013-15 Policy Packages**

### **Package 100 Personnel Management**

This package encompass four Personnel Management adjustments that reclassifies two positions, makes one 0.75 FTE position full time and adds one FTE position. This package aligns agency staffing to better meet the needs and performance expectations set forth by the legislature, licensees, stakeholders and requirements of the State as well as the ability to be responsive to the 2012 Agency Operational Review recommendations. Without these adjustments, important projects will remain unattended and workload pressures will continue to escalate for the existing staff. In addition, potential responsibilities resulting from anticipated legislation will suffer. Inability to make these enhancements will affect the Agency's ability to effectively meet operational goals and Key Performance Measures as well as Board and Stakeholder expectations. The total cost of this package is **\$301,027**.

### **Package 101 Fee Increase, Phase 2 - *package proposed to be withdrawn***

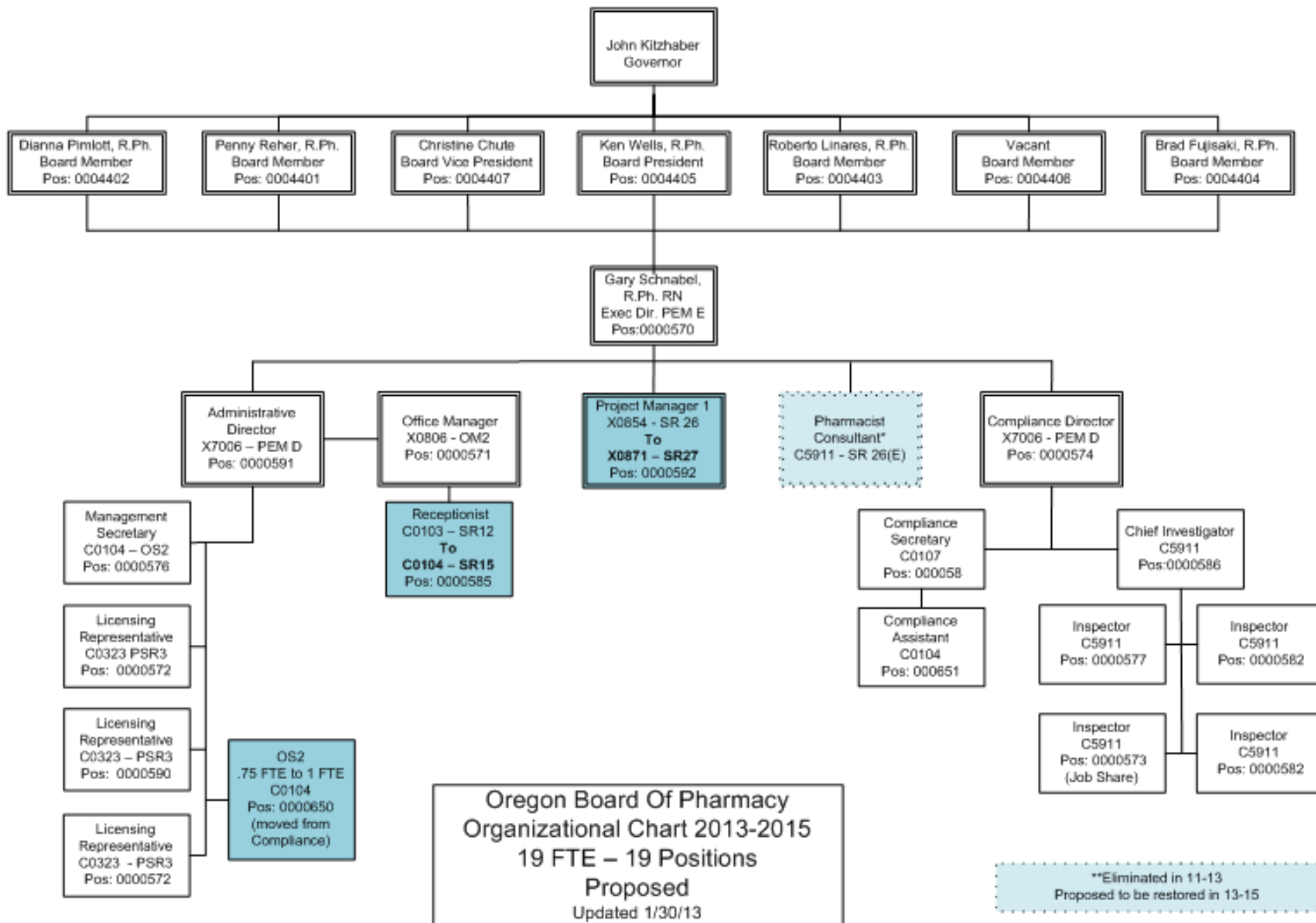
After additional review of revenues, the Board has determined that this fee increase is not necessary at this time. This package would have implemented the second phase of fee increases that have been planned for the past four years and would have increased revenue by approximately \$1,124,960.

### **Package 102 Paperless Records Retention Part 1**

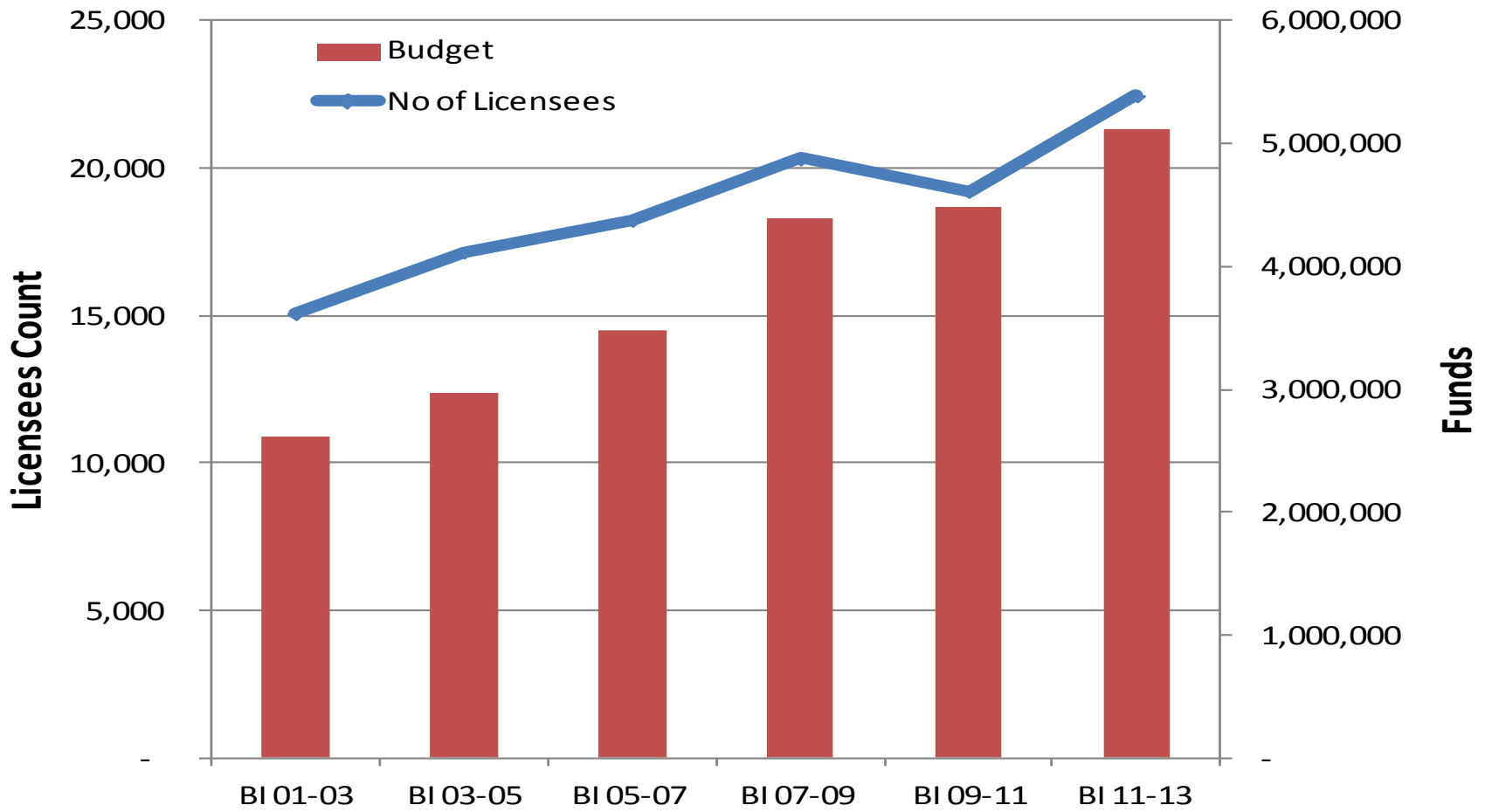
This package implements the first phase of Paperless Records Retention. This establishes a paperless mechanism for organizational efficiency and effectiveness. It will ultimately reduce the expense for physical space and filing cabinets and the cost of additional new cabinets and supplies needed to facilitate paper licensing and compliance files. The cost of this package is: **\$85,000**.

## **APPENDIX**

- Page 14 - Organizational Chart
- Page 15 - Licensee count / Funds /FTE
- Page 16 - 13-15 Program Allocation
- Page 17 - 13-15 Expenditures by type
- Page 18 - Growth of Licensees 2001-2011
- Page 19 - Licensee Category by type
- Page 20 - Compliance Cases 2001 – 2011
- Page 21 - 2011-2013 Recruitment/New Hire Information
- Page 22 - 2012 Annual Performance Measure Report

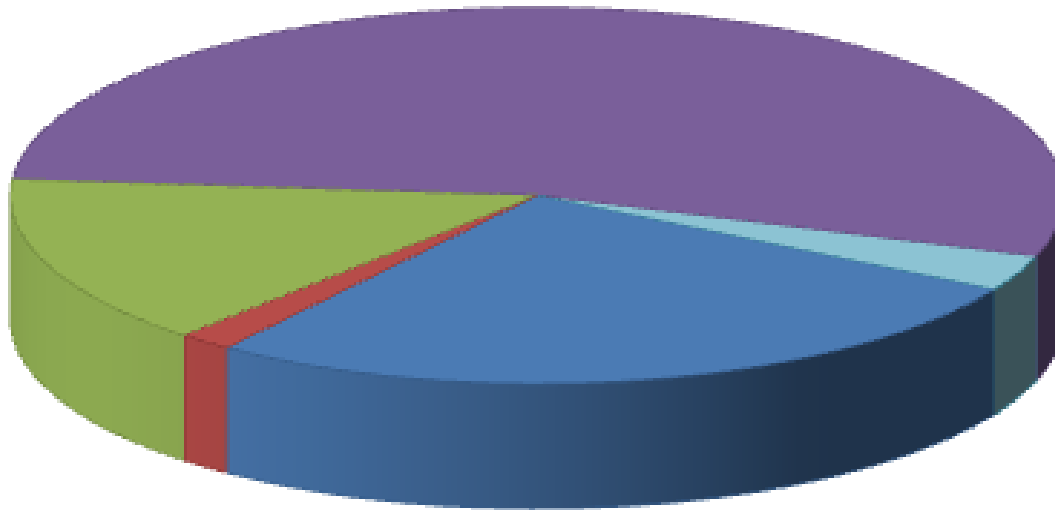


□



FTE	15	15.5	17.5	18.5	19	17.5
-----	----	------	------	------	----	------

## 2013-2015 Program Allocation



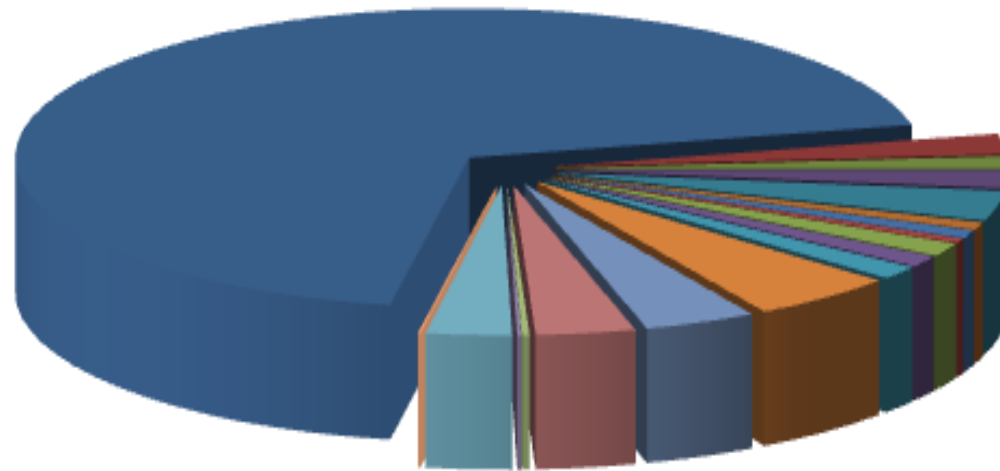
- Operations & Admin 26.68% (Includes fingerprinting \$220,000 pass-thru)\*
- Board Member Activities 1.66%
- Licensing 14.68%
- Compliance 53.91%
- Health Professionals Service Program (HPSP) 3.07%\*

\* InterAgency Activities – Payment for PMP & WDC of \$319,775 are now reflected in revenue as a pass through.



## 2013-2015 Expenditures by Type

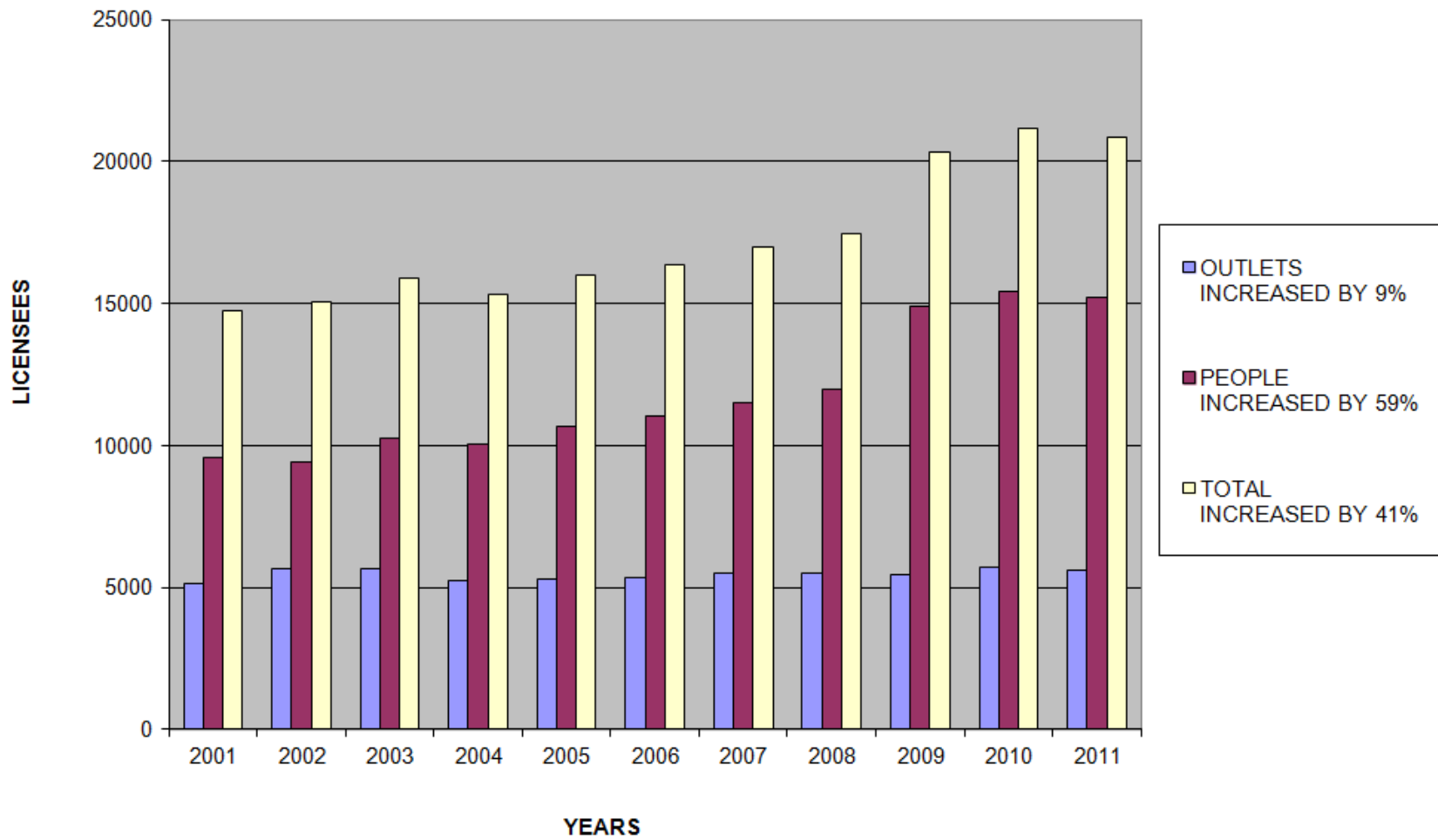
### \$5,817,527



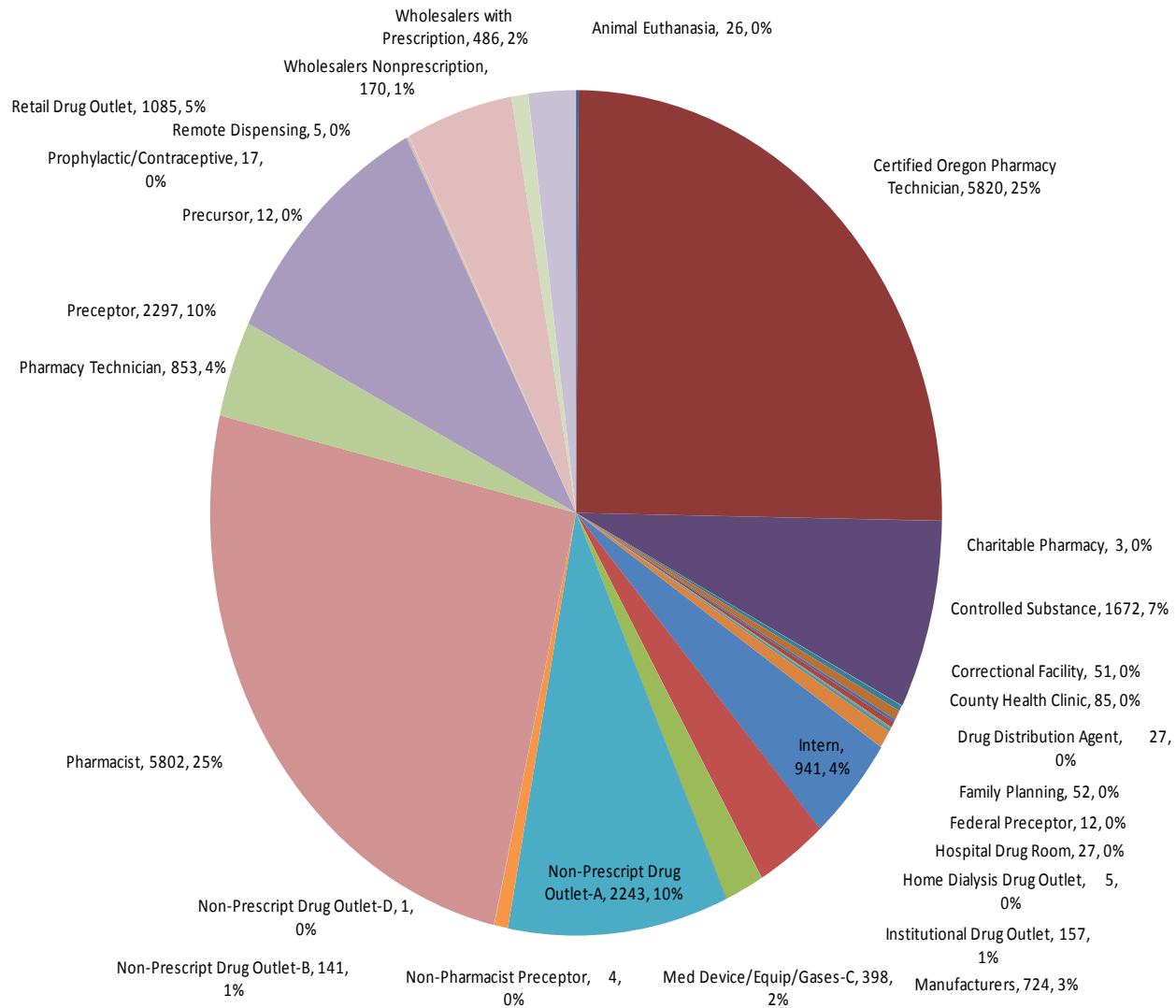
- Personel 68.69%
- Travel 2.21%
- Data Processing & Telecommunications 1.33%
- Prof. Services/Hearings Panel 1.94%
- Agency Program Related S & S (Fingerprinting) 3.23% \*PASS THRU
- IT Expendable Property .81%
- IT Professional Services .88%
- Publicity & Publications .47%
- Office Expenses/Supplies (Includes Storage Fees & Postage) 1.44%
- Banking / Merchant Fees 1.22%
- Paperless Records Part 1 (POP 102) 1.46%
- Attorney General 5.22%
- State Government Service Charges 3.99%
- Facilities & Rent 3.55%
- Employee Training .26%
- Expendable Property .15%
- OHA Health Professional's Service Program 3.04%
- Other Special Payments .10%

The budget is comprised of 69% for Personnel and 31% for Services and Supplies.

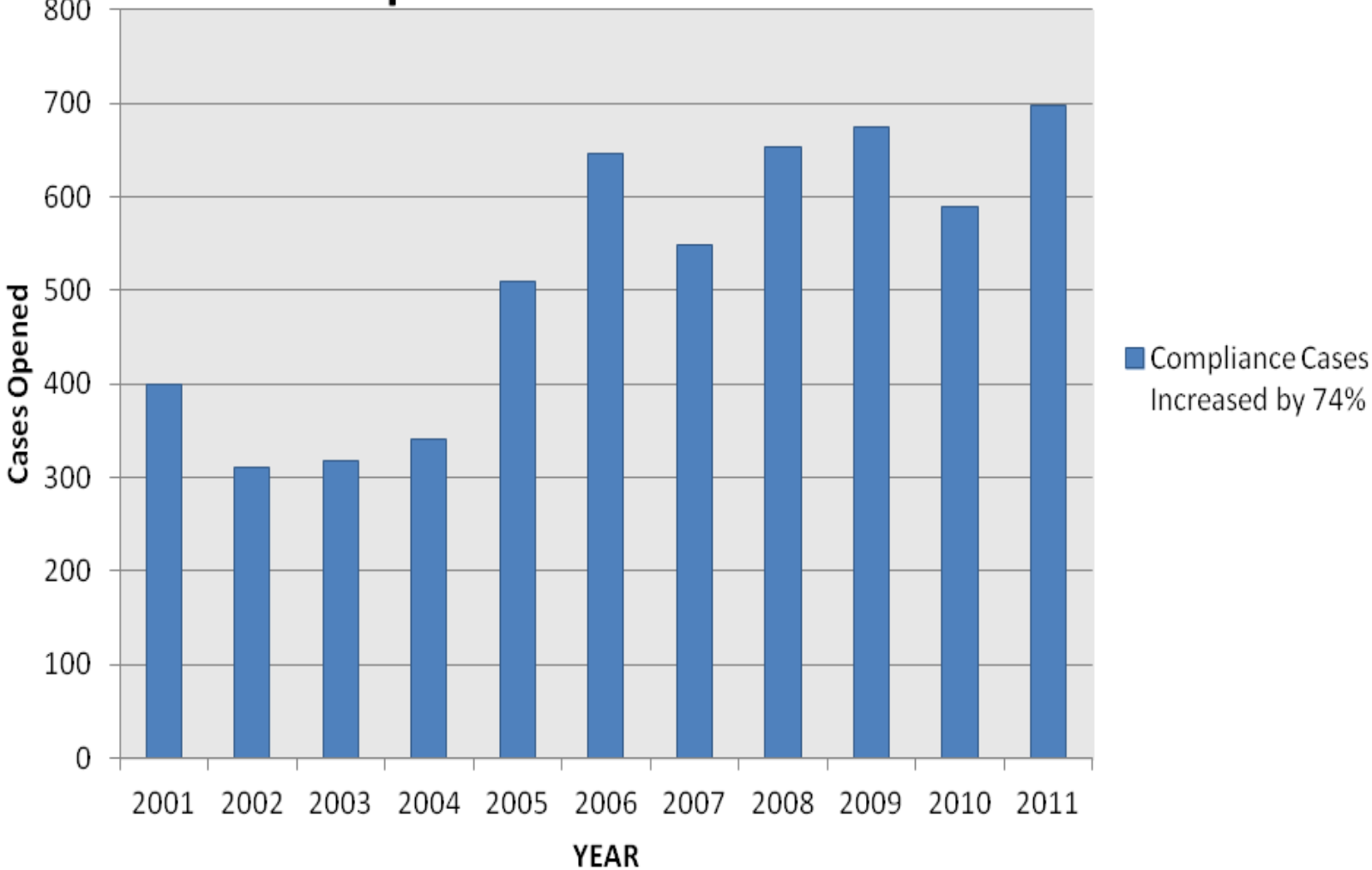
### GROWTH OF LICENSEES 2001-2011



## LICENSEE CATEGORY BY TYPE



# Compliance Cases 2001-2011



**2011-2013 Recruitment/New Hire Information**

Name	Date	Position Number / Position	Classification	Step Hired	Comments
Diaz, Jennifer	8/8/11	0000585 Receptionist	C0103 Office Specialist 1	Step 4 \$2214	<i>Jennifer was hired with over 5 years of Customer Service experience</i>
Wilson, Courtney	3/12/12	0000592 Project Manager	X0854 Project Manager 1	Step 1 \$3913	<i>Promotion – original hire date 9/1/04</i>
Shaw, Karissa	6/11/12	0000590 Licensing Representative	C0323 Public Service Rep 3	Step 4 \$2510	<i>Karissa was hired with many years of experience in explaining rules, regulations, requirements and processes. She is a college graduate and relocated from California for this position.</i>
Caceres, Cherie	12/17/12	0000650 Licensing Representative	C0104 Office Specialist 2	Step 3 \$2416 (.75 FTE - \$1812)	<i>Cherie recently graduated with her associates degree; she is bilingual and has experience working with those that are not english speaking.</i>

There were no reclassifications completed during the 2011-13 biennium.

# **PHARMACY, BOARD OF**

## **Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)**

Original Submission Date: 2012

Finalize Date: 2/11/2013

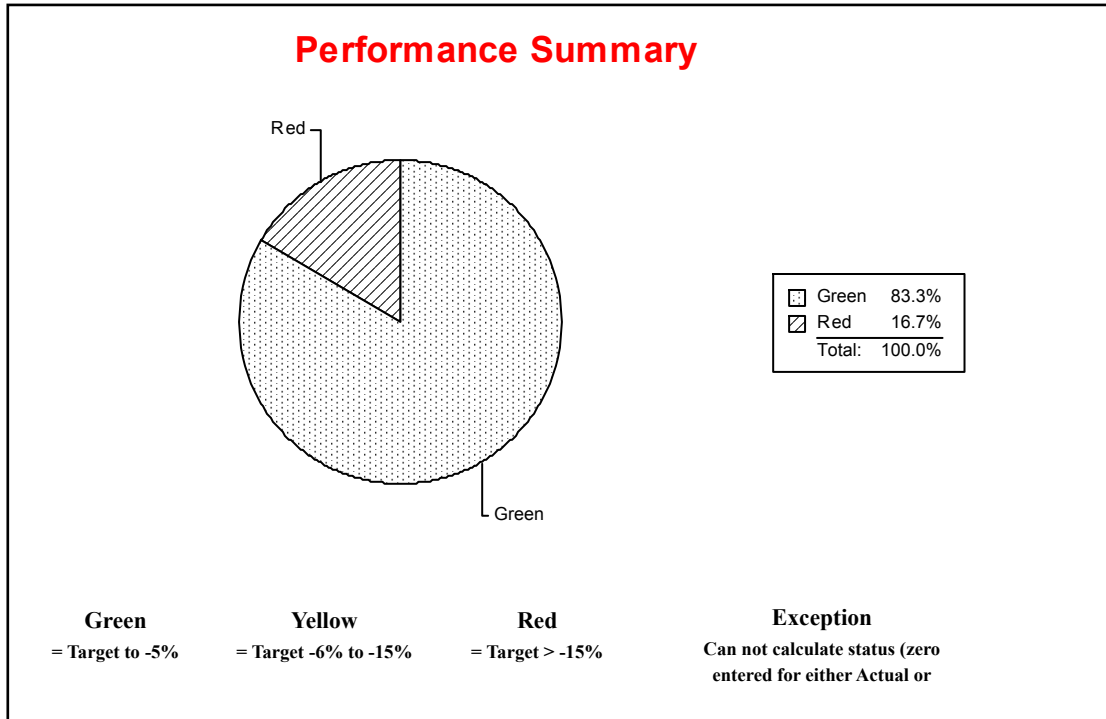
2011-2012 KPM #	2011-2012 Approved Key Performance Measures (KPMs)
1	Percent of inspected pharmacies that are in compliance annually.
2	Percent of audited pharmacists who complete continuing education on time.
3	Percent of pharmacies inspected annually.
4	Average number of days to complete an investigation from complaint to board presentation.
5	Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.
6	Board Best Practices - Percent of total best practices met by the Board.

<b>New Delete</b>	<b>Proposed Key Performance Measures (KPM's) for Biennium 2013-2015</b>
	<b>Title:</b>  <b>Rationale:</b>





<b>PHARMACY, BOARD OF</b>	<b>I. EXECUTIVE SUMMARY</b>
<b>Agency Mission:</b> The mission of the Oregon State Board of Pharmacy is to promote, preserve and protect the public health, safety and welfare by ensuring high standards in the practice of pharmacy and by regulating the quality, manufacture, sale and distribution of drugs.	
<b>Contact:</b> Karen MacLean, Administrative Director	<b>Contact Phone:</b> 971-673-0001
<b>Alternate:</b> Gary Schnabel, Executive Director	<b>Alternate Phone:</b> 971-673-0001



**1. SCOPE OF REPORT**

The Board of Pharmacy is identified as one program. Current key performance measures specifically address issues relating to the Compliance and Licensing programs in the agency as well as general overall agency performance for customer service and the Board's Best Practices. The Agency has four operational components: Licensing, Compliance, Administration/Operations and Board Member Meeting/Activities. This report covers calendar year 2011. The 2012 data reflects 2011 results.

## 2. THE OREGON CONTEXT

The Board's mandate is to promote, preserve and protect the health, safety and welfare of the citizens of Oregon. The desired outcome is safe practices within the profession that result in a healthier and safer Oregon. The Board's role is to make sure that only competent individuals are allowed to practice or work in the profession and that Oregon citizens have confidence in the security and integrity of our drug supply. There are not currently any high level societal outcome measures that exist within the Oregon Benchmarks.

## 3. PERFORMANCE SUMMARY

Goal #1: Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs - Successes: During 2011, Board staff and stakeholders worked on the development of a number of rules including: Manufacturers, Remote Facilities, Controlled Substances, Emergency Room Dispensing, Therapeutic Substitution and Immunizations, Animal Euthanasia and Unsafe Work Environments. The Board worked to expand its communication to licensees and added several list-serves to get timely information out to licensees more quickly. The Board continued to work closely with Department of Human Services (DHS) on immunizations and ongoing Public Health Emergency needs. The Board continues to offer "Pharmacist In Charge" or PIC Training. 813 individuals have gone through this training since the fall of 2007. This training continues to be a useful outreach to help new pharmacists, especially new managing pharmacists understand their responsibilities as required by the Board. The Board continues to emphasize that it is important to complete Pharmacist Continuing Education requirements and stay current on new developments in the practice of pharmacy.

Board staff completed 100% of the pharmacy inspections in 2011. This is a 10% increase over 2010. Having a fully trained staff facilitates success for KPM #3.

Goal #2: Provide excellent customer service - Successes: The customer service measure (KPM #5) clearly identifies in all categories that the Board continues to be rated as excellent or good. The board did see a decrease in the overall scores. This can be attributed to the fingerprinting requirement that went into effect in February of 2011. The overall license application processing time increased because of the extra time required for national fingerprint processing through Oregon State Police. We are continually striving to provide excellent service in a timely manner in all departments of our agency and hopefully 2012 brings positive changes. The Board continues to streamline processes and procedures while focusing on efficiency and effective use of resources as we serve. The Board's website is a primary method of communication to licensees and the public. We are able to more timely post lengthy documents on the website to reduce the cost of printing and mailing. Additionally, the Board continues to add public records associated with disciplinary actions going back to 2007 to the Board's license verification website for individuals and outlets. This assists in transparency and reduces the number of requests for public records. The response has been favorable.

Goal #3: Conduct business in a manner that supports a positive environment for the pharmacy industry - Successes: The Board does not currently have a performance measure attached to this goal; however, this is something that the Board considers with regularity. The Board continues to utilize stakeholder work groups' s as an effective way to support a collaborative review of Administrative Rules and address topics that require specific research and stakeholder input. Stakeholders are invited to participate and have been very helpful in identifying issues that support the Board's goal to conduct business in a business friendly manner. In addition, the Board regularly evaluates what is happening in other states and federally. The Board also encourages participation at Board meetings by providing continuation education credit for attendance. Board members and staff regularly attend professional practice association meetings such as the Professional Practice Roundtable and the Statewide Pharmacy Coalition to be accessible and transparent to the profession.

The development of new rules mentioned above are good examples of stakeholders and the Board updating rules to address technology and current practices.

#### **4. CHALLENGES**

Goal #1: Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs - With licensure of Pharmacy Technicians transitioning to Certified Oregon Pharmacy Technicians, the Board continues to identify a significant number of Technicians that have a record of drug or alcohol abuse and there is an increase in the number of rejected applications. Due to the economy, there continues to be a large number of people retraining in the area as pharmacy technicians. Nationally accepted standards for technician education programs do not exist. Consequently, the graduates seeking licensure are prepared with inconsistent knowledge and skill levels. Additionally, many of applicants have completed course work and upon application to the Board, find that their application is denied due to failed background checks. Because these individuals have invested so much into their education, we are faced with an increase in the number of hearing requests which drives up agency costs and increases the need for resources for Attorney General and Hearing dollars. The Board is becoming aware of more illegal internet pharmacies which require a considerable amount of time and resources.

Goal #2: Provide excellent customer service -Although the overall average of 87.7% was down by 5.43% from 2010 we can attribute this to the introduction of the National fingerprint background check requirement for individuals which was implemented February 1, 2011. It was a change from the way the Board has done business in the past and provides more thorough applicant information. It is clear that the process still needs to be refined to provide a better customer experience.

The Board is continually working on improving the website through frequent updating, the use of plain language, monthly reviews, and suggestions.

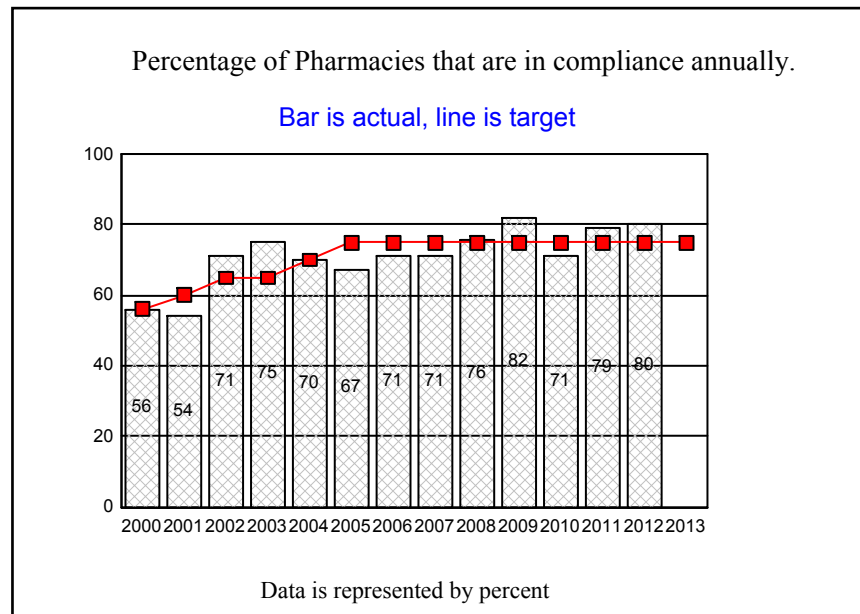
One of the most significant challenges continues to be the demand on the Agency's workload requests from other agencies and outside organizations. The Agency is regularly called on to assist with projects that require pharmacist expertise, such as requests from DHS to develop protocols and rules that would be effective in the case of a declared Public Health Emergency, such as the H1N1 Flu epidemic or new legislative mandates.

Goal #3: Conduct business in a manner that supports a positive environment for the pharmacy industry- As mentioned above, the biggest challenge is the number of different types of licensees we regulate such as: the pharmacy industry, which includes community and hospital pharmacies, pharmaceutical industry, which includes wholesalers and manufacturers, and the practitioners/support personnel which includes pharmacists, pharmacy interns, preceptors and pharmacy technicians. These distinct categories with their diverse issues are all subject to the Board's authority and require the Board's attention.

#### **5. RESOURCES AND EFFICIENCY**

None of the existing key performance measures specifically speak to efficiency measures, but rather to the Agency's goals. The Agency has some internal efficiency measures that were removed from the KPM's in 2005 that relate to timing of licensure processes.

<b>KPM #1</b>	Percent of inspected pharmacies that are in compliance annually.	2000
<b>Goal</b>	Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs.	
<b>Oregon Context</b>	KPM #1 - Agency mission.	
<b>Data Source</b>	Query database.	
<b>Owner</b>	Board of Pharmacy Compliance Director (971) 673-0001	



**1. OUR STRATEGY**

The Board's goal is to complete inspection of all Oregon pharmacies annually. To achieve this goal, it is necessary to have trained pharmacist Compliance staff.

## 2. ABOUT THE TARGETS

Ideally, the target should be 100% compliance. The legislature set this target to 75%.

## 3. HOW WE ARE DOING

This performance measure indicates that the number of inspected pharmacies that were in compliance in 2011 increased slightly from 79 to 80%. This increase relatively small, but is attributed to a reduction in the number of new rule requirements implemented by the Board in the prior years and the challenge for pharmacies and pharmacists to keep up with the changes. The Board continues to educate through the Board's website, CE programs, Pharmacist in Charge Self-Inspection process, training and staff are available for questions daily.

## 4. HOW WE COMPARE

The Board established a self-inspection report that has assisted pharmacies in complying with Oregon laws and rules. The variance shows that pharmacies compliance increased during calendar year 2011. This performance ties directly to the pharmacies maintaining compliance with agency laws and rules. This appears to compare favorably with rates of compliance with laws and rules of other Oregon agencies.

## 5. FACTORS AFFECTING RESULTS

The Compliance staff is available to respond to questions and counsel on best practices leading to compliance. Annually updated self inspection forms provide the pharmacists with information and references to issues the Board feels are important, reflect new rules and which leads to increased levels of compliance.

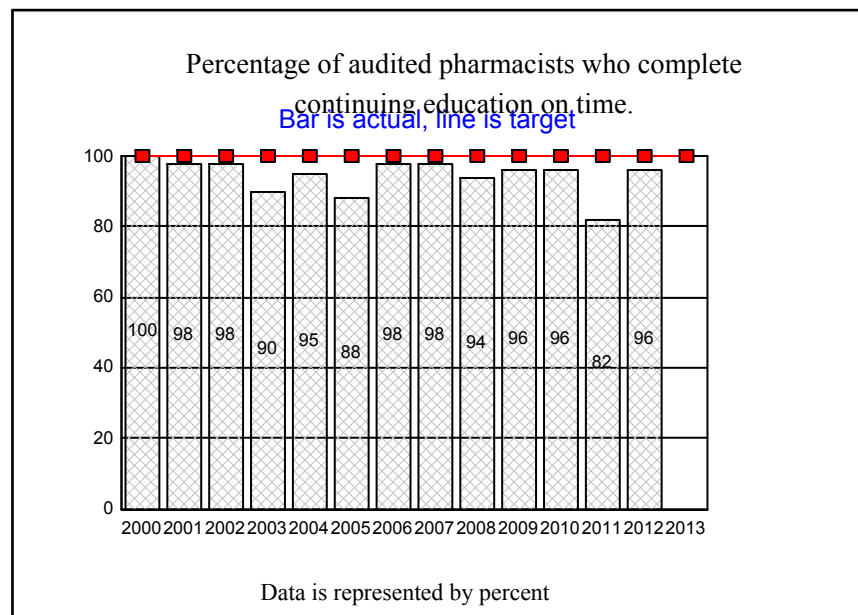
## 6. WHAT NEEDS TO BE DONE

During 2011 there was a pharmacy inspector/investigator vacancy for the first three months in the Compliance section. Whenever there is a vacancy, it takes six months to a year to train a new staff member. At full staff, this assists with a greater ability to serve the pharmacy community and the public. Additionally, regular updates to the self inspection form, based on the analysis of the compliance statistics or new rules of significance identified by the Board, help pharmacies stay in compliance.

## 7. ABOUT THE DATA

Calendar year 2011 data shows an increase in compliance for this measure. This is strong data because it is easy to determine whether the pharmacy is in compliance or out of compliance. During inspections, Compliance staff use the self inspection form to identify deficiencies and educate pharmacy managers where improvement is necessary. Pharmacies have 30 days to report back to the Board on corrections to the deficiencies. This continues to be a useful tool for the Board and pharmacies.

<b>KPM #2</b>	Percent of audited pharmacists who complete continuing education on time.	2000
<b>Goal</b>	Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs.	
<b>Oregon Context</b>	KPM # 2 - Agency mission.	
<b>Data Source</b>	Manual review of audited licensee CE renewal data sheets.	
<b>Owner</b>	Board of Pharmacy Licensing (Administrative Director) (971) 673-0001	



**1. OUR STRATEGY**

Continuing education is one strategy to ensure pharmacist competency to practice. The Board adopted rules requiring a minimum of 15 hours of continuing education annually. The Board annually audits 10% of pharmacists for compliance.



## 2. ABOUT THE TARGETS

The 100% target is maintained because pharmacists are required to achieve 15 hours of continuing education annually in order to renew their license.

## 3. HOW WE ARE DOING

For calendar year 2011, compliance for this measure was much improved over 2010. Statistics reflect that considerably more audited individuals were in compliance for 2011 than in 2010. While in 2010, 83 individuals didn't submit their CE on time and that was higher number than normal, only 3 had disciplinary action taken and were required to take an exam. In 2011, 17 were late and 9 had to take an exam. Any pharmacist not in compliance is subject to disciplinary action. The Board continues to emphasize the importance of keeping up with continuing education by participating in the previously mentioned Pharmacist in Charge training and various professional meetings held around the state. Staff also provides presentations on pharmacy and drug law at various professional association meetings. The Board Compliance Director also regularly reviews CE programs offered in Oregon for approval and the Compliance staff periodically audits these programs to make sure the content is appropriate for credit hours as directed by the Board.

## 4. HOW WE COMPARE

Most other Oregon health licensing boards have requirements for continuing education.

## 5. FACTORS AFFECTING RESULTS

The decreased availability of live CE programs in rural areas is a barrier to achieving the required number of hours. The availability of some CE programs on the internet and in pharmacy journals provides an alternative to attending live CE programs. Out of state pharmacists have different CE requirements and time frames than Oregon and they may miss the required audit period for our state. They usually have everything they need, but not during the right time frame.

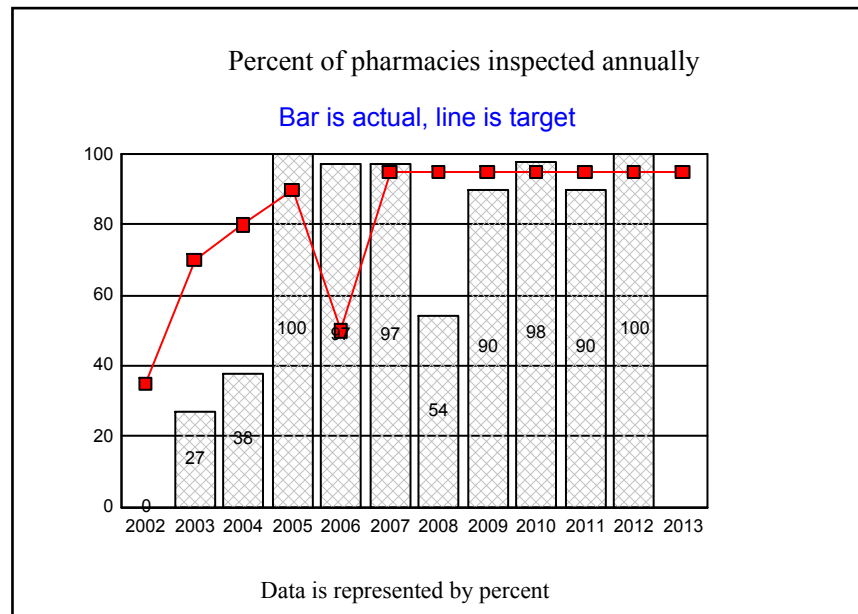
## 6. WHAT NEEDS TO BE DONE

We continue to audit pharmacists hours to ensure compliance with the CE requirement.

## 7. ABOUT THE DATA

This data reflects 10% of pharmacists audited annually. This is used to estimate compliance with the CE requirement across the profession.

<b>KPM #3</b>	Percent of pharmacies inspected annually.	2002
<b>Goal</b>	Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs.	
<b>Oregon Context</b>	KPM # 3 - Agency mission.	
<b>Data Source</b>	Query database	
<b>Owner</b>	Board of Pharmacy Compliance Director (971) 673-0001	



**1. OUR STRATEGY**

The Board's goal is to complete inspection of all Oregon pharmacies annually. To achieve this goal, it is necessary to have positions filled with trained pharmacist Compliance staff.

**2. ABOUT THE TARGETS**

In 2011, one of the Pharmacy Inspector/Investigator positions was vacant for the first three months. As a result, performance for this measure increased from 90% to 100%. The legislative target is 95%.

**3. HOW WE ARE DOING**

As mentioned above, in 2011 all of the Pharmacy Inspector positions were filled; while it is not always true with a new staff member, all pharmacies were inspected in 2011. In addition, Board staff were able to inspect other outlets as well. Performance for this measure varies depending on the Board's workload and direction to focus on inspections for other outlets the Board licenses.

**4. HOW WE COMPARE**

Our data compares favorably to other states in which on site inspections occur every second or third year; sometimes even longer.

**5. FACTORS AFFECTING RESULTS**

Having a fully staffed Compliance section where each member is trained makes a difference in the Board's ability to satisfy this requirement.

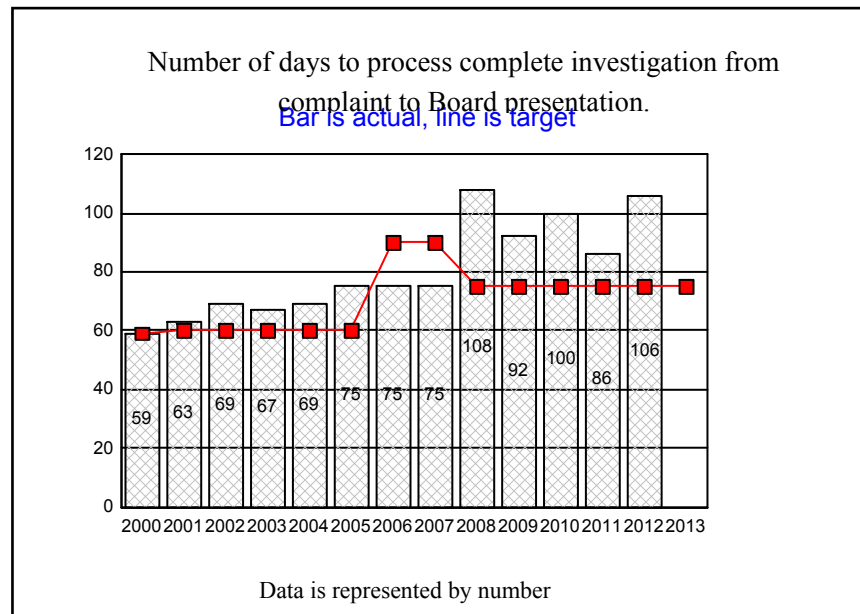
**6. WHAT NEEDS TO BE DONE**

Continue the current practice of regular pharmacy inspection.

**7. ABOUT THE DATA**

This is strong data. The pharmacy was either inspected or not.

<b>KPM #4</b>	Average number of days to complete an investigation from complaint to board presentation.	2000
<b>Goal</b>	Provide excellent customer service.	
<b>Oregon Context</b>	KPM #4 - Agency mission.	
<b>Data Source</b>	Query database.	
<b>Owner</b>	Board of Pharmacy Compliance Director (971) 673-0001	



**1. OUR STRATEGY**

Decreasing the lag time from complaint to presentation is in the public interest. The Oregon Department of Justice, law enforcement and regulatory agencies both state and federal are regular partners in the Board's investigations.

## 2. ABOUT THE TARGETS

The Board's goal is to reduce the number of days between complaint to Board presentation.

## 3. HOW WE ARE DOING

Some years ago, the Board moved to bi-monthly Board Meetings in a cost saving effort, which means the opportunity to present cases occurs approximately every 60 days rather than every 30 days. The time it takes to conduct investigations, criminal background checks, and prepare reports for the Board impacts the delivery of a completed report to the Board. Depending on the complexity of the case and the organization involved, there may be corporate legal departments that the Board needs to work through in order to complete an investigation. This often creates significant delays.

## 4. HOW WE COMPARE

Anecdotally, this compares favorably to other Oregon regulatory boards and other state boards of pharmacy.

## 5. FACTORS AFFECTING RESULTS

2012 KPM results indicate that in calendar year 2011, it took longer to take a case from complaint to Board presentation. The corporate culture of licensee's legal departments and government relations teams contributes to delays and adds to the complexity of investigations. Other factors include the availability of Board general counsel resources and need for ongoing investigator training.

## 6. WHAT NEEDS TO BE DONE

Retain staff, get more training, and review and update investigation procedures. The Board submitted a request in 2011 to drop this measure and replace it with a measure that coincides with the statutory requirement of 120 days, however it was not approved. The Board continues to question the effectiveness of this KPM.

## 7. ABOUT THE DATA

The Compliance staff enter the date a complaint is received or an investigation is initiated into the database. The Compliance Agenda for the Board helps us identify when a case is presented to the Board. Statute requires cases to be presented to the Board within 120 days. Reports have been established to provide

more accurate data for this measure.

<b>KPM #5</b>	Percent of Customers Rating Their Satisfaction With the Agency’s Customer Service as “Good” or “Excellent” : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	2006
<b>Goal</b>	Provide excellent customer service	
<b>Oregon Context</b>	KPM #5 - Customer Service measure added by the 2005 Legislature.	
<b>Data Source</b>	Customer service survey	
<b>Owner</b>	Board of Pharmacy Administrative Director (971) 673-0001	



**1. OUR STRATEGY**

The Board strives towards excellent customer service through the services it provides, including investigations, licensing, examinations and consumer information.

**2. ABOUT THE TARGETS**

The goal is to achieve excellence. However, licensees who are disciplined by the Board are not likely to give the Board excellent scores.

### 3. HOW WE ARE DOING

The Board conducted several surveys of various licensees and the public during this reporting period. Combined results indicate a high service rating in all areas.

### 4. HOW WE COMPARE

Limited data available.

### 5. FACTORS AFFECTING RESULTS

The 2009 survey results indicate higher scores in all areas of customer service over 2008.

### 6. WHAT NEEDS TO BE DONE

The Agency seeks to continue excellent customer service through ongoing staff training, the use of internet resources and regularly updated agency website.

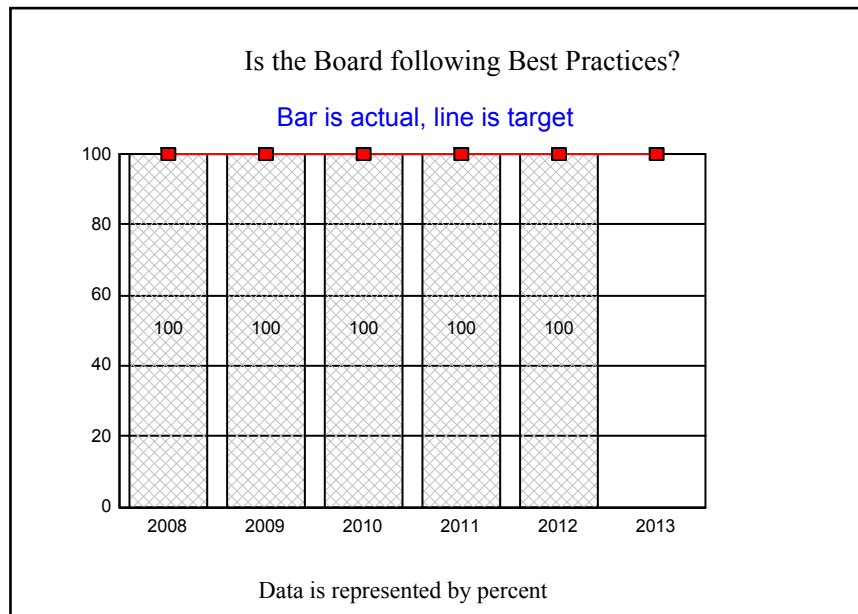
### 7. ABOUT THE DATA

Please provide the following specific information: a) survey name; b) surveyor; b) date conducted; c) population; d) sampling frame; e) sampling procedure; f) sample characteristics; g) weighting. For clarification, see pages four through six of the Customer Service Guidance. The Board used one Customer Service Survey that was distributed and conducted as follows: The Oregon Board of Pharmacy used 2 surveys through SurveyMonkey to obtain results to the following Questions: 1. How would you rate the timeliness of services provided by the Board of Pharmacy? 2. How would you rate the ability of the Board of Pharmacy to provide services correctly the first time? 3. How would you rate the helpfulness of employees? 4. How would you rate the knowledge and expertise of Board of Pharmacy staff? 5. How would you rate the availability of information at the Oregon Board of Pharmacy? 6. How would you rate the overall quality of information and services provided by the Board of Pharmacy? 7. How does the service you received at the Oregon Board of Pharmacy compare to that provided by other states? 8. How would you rate the Oregon Board of Pharmacy's website? 9. What type of license do you hold? 10. If you have contacted the Oregon Board of Pharmacy, what method did you use?



We emailed a link to the SurveyMonkey Customer Service Survey to Board customers that obtained a new license between the dates of January 1, 2011 and December 31, 2011. These were only sent to new licensees who provided an email address. As of 1/17/12 we emailed the link to 2517 licensees. 122 of the email addresses came back to us as undeliverable. Of the 2395 remaining licensees that provided valid email addresses, 553 have responded to the survey. 544 licensees completed the entire survey. This is a response rate of 22.71%. This is a decrease of 1.62% over the 2010 response rate.

<b>KPM #6</b>	Board Best Practices - Percent of total best practices met by the Board.	2007
<b>Goal</b>	To have a high level of success in following board best practices.	
<b>Oregon Context</b>	KPM #6 Board Best Practices, Legislatively added in 2007.	
<b>Data Source</b>	The Board reviews board best practices annually at their Strategic Planning session.	
<b>Owner</b>	Board of Pharmacy - Administrative Director (971) 673-0001	



**1. OUR STRATEGY**

It is the Board's goal to regularly operate within the guidelines required statutorily and administratively. We regularly review new laws and rules and attend trainings to keep the Board informed.

**2. ABOUT THE TARGETS**

The Board intends to comply with all Board Best Practices.

**3. HOW WE ARE DOING**

A majority of Board members attended the Governor's training upon appointment. Unfortunately, it has now been eliminated due to budget cuts. In addition, Board staff keep the Board up to date on statutory and administrative requirements. The Board is complying with all best practice areas.

**4. HOW WE COMPARE**

The Board is doing well.

**5. FACTORS AFFECTING RESULTS**

The Board Members, Executive Director and Management Staff work very well with each other.

**6. WHAT NEEDS TO BE DONE**

Continue reviewing best practice issues and educate as needed.

**7. ABOUT THE DATA**

The Board reviews the best practices each year.

<b>PHARMACY, BOARD OF</b>	<b>III. USING PERFORMANCE DATA</b>
---------------------------	------------------------------------

**Agency Mission:** The mission of the Oregon State Board of Pharmacy is to promote, preserve and protect the public health, safety and welfare by ensuring high standards in the practice of pharmacy and by regulating the quality, manufacture, sale and distribution of drugs.

<b>Contact:</b> Karen MacLean, Administrative Director	<b>Contact Phone:</b> 971-673-0001
--	------------------------------------

<b>Alternate:</b> Gary Schnabel, Executive Director	<b>Alternate Phone:</b> 971-673-0001
---	--------------------------------------

**The following questions indicate how performance measures and data are used for management and accountability purposes.**

<b>1. INCLUSIVITY</b>	<p>* <b>Staff:</b> The Executive Director, along with the Management staff, reviews measures annually and advises the Board. The Performance Measure Coordinator attends periodic trainings and meetings.</p> <p>* <b>Elected Officials:</b> Through the budget hearing process, legislators participate in review and revision of agency performance measures. This information is available to the public and posted on the agency website.</p> <p>* <b>Stakeholders:</b> This information is posted on the agency website and is available for review and comment. It is also reviewed annually at the Board's Strategic Planning Session.</p> <p>* <b>Citizens:</b> This information is posted on the agency website and available for review and comment.</p>
<b>2 MANAGING FOR RESULTS</b>	<p>Performance measures are used to develop policies and procedures that facilitate customer service and further the agency's mission to protect the health, safety and welfare of the citizens of Oregon. Performance measures are analyzed as part of the Board's annual strategic planning process. The Board established a new disciplinary outcome as a result of the KPM #2 data. In addition, in order achieve our inspection goals, Board staff continue to evaluate the most effective way to utilize the pharmacist inspector positions in order to accomplish 100% of the on-site inspections exclusively for KPM #3.</p>
<b>3 STAFF TRAINING</b>	<p>The Performance Measure Coordinator attends training as it becomes available, although that is very limited.</p>
<b>4 COMMUNICATING RESULTS</b>	<p>* <b>Staff:</b> The staff communicate results at Board meetings and our report is available on the agency website.</p> <p>* <b>Elected Officials:</b> Any elected official can obtain information about agency performance measures through the website. The legislative sub-committee that reviews the agency budget is also provided up to date information.</p> <p>* <b>Stakeholders:</b> These documents and Annual Report are posted at <a href="http://www.pharmacy.state.or.us">http://www.pharmacy.state.or.us</a> and available</p>

for all stakeholders to review.

\* **Citizens:** All information is posted on the website, or can be received by contacting the Board office.

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/11/2013

Agency: PHARMACY, BOARD OF

	Green = Target to -5%	Yellow = Target -6% to -15%	Red = Target > -15%	Pending	Exception Can not calculate status (zero entered for either Actual or Target)
<b>Summary Stats:</b>	83.33%	0.00%	16.67%	0.00%	0.00%

### Detailed Report:

KPMs	Actual	Target	Status	Most Recent Year	Management Comments
1 - Percent of inspected pharmacies that are in compliance annually.	80	75	Green	2012	As the Board continues to update rules, this measure will fluctuate in performance outcomes. The Compliance staff expect to see challenges with compliance as new rules are implemented.
2 - Percent of audited pharmacists who complete continuing education on time.	96	100	Green	2012	The Board continues to emphasize the importance of continuing education to licensees.
3 - Percent of pharmacies inspected annually.	100	95	Green	2012	This measure is significantly impacted by staffing. If there are vacancies in the Compliance department, the ability to complete the annual inspections suffer. In addition, there is a growing need to inspection more than just retail and hospital pharmacies and the Inspectors are beginning to expand inspection to include Pharmaceutical Wholesalers as our rules require.

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/11/2013

KPMs	Actual	Target	Status	Most Recent Year	Management Comments
4 - Average number of days to complete an investigation from complaint to board presentation.	106	75	Red	2012	Depending on the investigation process and the timing of Board meetings, this process may take more or less time. However, the Board has been able in most cases, to meet the statutory requirement of 120 days. All pending investigations are reported to the Board at each meeting. Board staff have updated the way complaints are tracked in the database which differs from how the grand total of complaints and investigations have been calculated for this measure in the past. Today, the focus is now on complaints alone rather than including Board initiated investigations.
5 - Percent of Customers Rating Their Satisfaction With the Agency's Customer Service as "Good" or "Excellent" : Overall Customer Service, Timeliness, Accuracy, Helpfulness, Expertise, and Availability of Information.	91	85	Green	2012	Although our overall average of 87.7% was down by 5.43% from 2010 we can attribute this to the introduction of the new National fingerprint background check requirement for individuals which was implemented February 1, 2011. It was a change from the way we have done business in the past, and although it was our hope that this year's overall scores would be an improvement over 2010, it is clear that we are still trying to refine all of our processes to provide a better customer experience. Due to the fingerprinting requirement, our overall processing time went from about 3 days to approx 2-4 weeks because of the extra time required for national fingerprint processing through OSP. We are continually striving to provide excellent service in a timely manner in all departments of our agency and hopefully 2012 brings positive changes. We are continually working on updating and improving our website through frequent updating, the use of plain language, monthly reviews, and suggestions.

# Agency Management Report

## KPMs For Reporting Year 2012

Finalize Date: 2/11/2013

KPMs	Actual	Target	Status	Most Recent Year	Management Comments
6 - Board Best Practices - Percent of total best practices met by the Board.	100	100	Green	2012	The Board reviews best practices as part of the strategic planning session each year.

This report provides high-level performance information which may not be sufficient to fully explain the complexities associated with some of the reported measurement results. Please reference the agency's most recent Annual Performance Progress Report to better understand a measure's intent, performance history, factors impacting performance and data gather and calculation methodology.