

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5026-A

Carrier – House: Rep. Nathanson

Carrier – Senate: Sen. Winters

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 18 – 7 – 1

House

Yeas: Barker, Buckley, Frederick, Hanna, Komp, McLane, Nathanson, Read, Tomei, Williamson

Nays: Freeman, Huffman, Jenson, Richardson, Smith

Exc:

Senate

Yeas: Burdick, Devlin, Edwards, Girod, Hansell, Rosenbaum, Steiner Hayward, Winters

Nays: Thomsen, Whitsett

Exc: Johnson

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Tim Walker, Legislative Fiscal Office

Meeting Date: May 17, 2013

Agency

Oregon Medical Board

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 10,028,550	\$ 10,684,667	\$ 10,538,035	\$ 509,485	5.1%
Total	\$ 10,028,550	\$ 10,684,667	\$ 10,538,035	\$ 509,485	5.1%

Position Summary

Authorized Positions	40	40	40	0
Full-time Equivalent (FTE) positions	38.79	38.79	38.79	0.00

(1) Includes adjustments through December 2012.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Medical Board is funded by revenue generated from license and registration fees. The Subcommittee approved increasing the Boards renewal fees, establishing a criminal background check fee, establishing a supervising physician’s application fee, and a one-time surcharge for physician assistants. The Board’s projected ending balance is \$3,263,836, approximately equivalent to 7.4 months operating expense.

Summary of Human Services Subcommittee Action

The Subcommittee recommended \$10,538,035 Other Funds budget for 2013-15, is 5.1 percent higher than the legislatively approved spending level for the 2011-13 biennium.

The Subcommittee approved the following recommendations:

- Package 091, Statewide Administrative Savings, eliminates \$123,898 Other Funds expenditure limitation. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- Package 092, PERS Tax Policy, eliminates \$16,052 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments

does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

- Package 093, Other PERS Adjustments, eliminates \$128,418 Other Funds expenditure limitation. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 101; Renewal Fee adds \$743,917 Other Funds revenue to reflect an increase of 9% on licenses for medical doctors, doctor of osteopathy, podiatrists, physician's assistants and acupuncturists. The fee increase is needed to maintain current services and provide an adequate ending balance for Board operations. The fee increase will be used to bolster the ending balance of the Board. This will leave the Board with a projected 7.4 month ending balance. The Board collects renewal fees once every two years and a larger than normal ending balance is appropriate.
- Package 102; Criminal Background Check Fees adds \$103,610 Other Funds revenue. In the past, the Board has paid background check fees out of initial licensure fees. The Board can no longer absorb these costs. This fee is a pass through fee to the Oregon State Police (OSP) and reflects the projected actual cost of the background cost charged by OSP.
- Package 103; Physician Assistant Fees adds \$109,850 Other Funds revenue. SB 224 (2011) and SB 1565 (2012) modified the regulation and supervision of physician assistants and the dispensing authority of physician assistants. This is a one-time fee to recover costs for implementation of the referenced bills.
- Package 104, HPSP Increased Costs, adds \$121,736 Other Funds expenditure limitation. This package provides the Oregon Medical Board with the expenditure limitation necessary to fund continued participation in the Health Professionals' Services Program. The Oregon Health Authority administers the Health Professionals' Services Program and establishes the rates charged to participating agencies.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5026-A

**Oregon Medical Board
Dustin Ball -- 503-378-3119**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 0	\$ 10,028,550	\$ 0	\$ 0	\$ 0	\$ 10,028,550	40	38.79
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 10,684,667	\$ 0	\$ 0	\$ 0	\$ 10,684,667	40	38.79
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 015 - Operations									
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (83,277)	\$ 0	\$ 0	\$ 0	\$ (83,277)	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ (40,621)	\$ 0	\$ 0	\$ 0	\$ (40,621)	0	0.00
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (16,052)	\$ 0	\$ 0	\$ 0	\$ (16,052)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (128,418)	\$ 0	\$ 0	\$ 0	\$ (128,418)	0	0.00
Package 104: HPSP Increased Costs									
Special Payments	\$ 0	\$ 0	\$ 121,736	\$ 0	\$ 0	\$ 0	\$ 121,736	0	0.00
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ (146,632)	\$ 0	\$ 0	\$ 0	\$ (146,632)	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 10,538,035	\$ 0	\$ 0	\$ 0	\$ 10,538,035	40	38.79
% 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%
% 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%

Legislatively Approved 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

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
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: