

HB 5027 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Drew Cohen, Department of Administrative Services

Reviewed By: Kim To, Legislative Fiscal Office

Board of Pharmacy

2021-23

PRELIMINARY

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21 Leg.	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Approved	
				\$ Change	% Change
Other Funds Limited	\$ 9,018,452	\$ 9,515,163	\$ 9,529,495	\$ 511,043	5.7%
Total	\$ 9,018,452	\$ 9,515,163	\$ 9,529,495	\$ 511,043	5.7%

Position Summary

	2019-21	2021 - 23	2021-23	2021-23	2021-23
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Approved	% Change
Authorized Positions	22	22	22	0	
Full-time Equivalent (FTE) positions	22.00	22.00	22.00	0.00	

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Board of Pharmacy is supported by Other Funds revenues primarily generated from examination, licensing and renewal application fees charged to pharmacists, pharmacy technicians, pharmacy interns and various types of drug outlets. With the adoption of the Subcommittee recommendations, the Board’s estimated 2021-23 ending fund balance is \$3,242,317, or the equivalent of approximately 8.2 months of operating expenses.

Summary of Education Subcommittee Action

The Board of Pharmacy promotes, preserves, and protects the health, safety, and welfare of Oregon citizens through the control and regulation of the practice of pharmacy. The Board regulates the quality and distribution of drugs through outlets involved in the manufacture, production, sale, and distribution of prescription drugs, over-the-counter drugs, controlled substances and devices, and other materials as may be used in the diagnosis, cure, mitigation, prevention, and treatment of injury, illness, and disease.

The Subcommittee recommended a budget for the Board of Pharmacy of \$9,529,495 Other Funds and 22 positions (22.00 FTE). This is a 5.7 percent increase from the 2019-21 Legislatively Approved Budget. The Subcommittee recommended the following packages:

- **Package 099: Microsoft 365 Consolidation.** Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

- Package 100: Personal Management. Increases Personal Services expenditures by \$29,851 Other Funds to reclassify an Office Specialist 2 position to an Administrative Specialist 1 and to reclassify the Licensing Manager position from a Program Analyst 1 to a Principal Executive/Manager A, in accordance with pay equity adjustments.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Board of Pharmacy
Drew Cohen (971) 707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ -	\$ -	\$ 9,018,452	\$ -	\$ -	\$ -	\$ 9,018,452	22	22.00
2021-23 Current Service Level (CSL)*	\$ -	\$ -	\$ 9,515,163	\$ -	\$ -	\$ -	\$ 9,515,163	22	22.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 85500-001 - Operations									
Package 100: Personal Management									
Personal Services	\$ -	\$ -	\$ 29,851	\$ -	\$ -	\$ -	\$ 29,851	0	0.00
SCR 85500-001 - Operations									
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ -	\$ (15,519)	\$ -	\$ -	\$ -	\$ (15,519)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 14,332	\$ -	\$ -	\$ -	\$ 14,332	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 9,529,495	\$ -	\$ -	\$ -	\$ 9,529,495	22	22.00

% Change from 2019-21 Leg Approved Budget	0.0%	0.0%	5.7%	0.0%	0.0%	0.0%	5.7%	0.0%	0.0%
% Change from 2021-23 Current Service Level	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Proposed 2021 - 2023 Key Performance Measures

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Agency: Pharmacy, Board of

Mission Statement:

The Oregon Board of Pharmacy serves to promote and protect public health, safety, and welfare by ensuring high standards in the practice of pharmacy and through effective regulation of the manufacture and distribution of drugs.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Percent of inspected pharmacies that are in compliance annually.		Approved	76.50%	85%	85%
4. Average number of days to complete an investigation from complaint to board presentation.		Approved	102	100	100
5. CUSTOMER SERVICE - 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.	Timeliness	Approved	80%	90%	90%
	Expertise		94%	95%	95%
	Accuracy		89%	90%	90%
	Helpfulness		90%	90%	90%
	Overall		87%	90%	90%
	Availability of Information		86%	90%	90%
6. Board Best Practices - Percent of total best practices met by the Board.		Approved	100%	100%	100%
2. Percentage of individual and facility licenses that are issued within 30 days.		Proposed New		75%	75%
3. Percent of pharmacies inspected every two years.		Proposed New		50%	50%
2. Percent of audited pharmacists who complete continuing education on time.		Proposed Delete	95.50%		
3. Percent of pharmacies inspected annually.		Proposed Delete	100%		

LFO Recommendation:

For KPM #2, LFO recommends deleting the current KPM, "Percent of audited pharmacists who complete continuing education on time," and replacing it with a new KPM, "Percentage of individual and facility licenses that are issued in within 30 days." Continuing education is the responsibility of individual licensees who must satisfactorily complete continuing education requirements for license renewal. The new KPM will capture more useful information by measuring actions and outcomes that are under the agency's control.

For KPM #3, LFO recommends deleting the current KPM, "Percent of pharmacies inspected annually," and replacing it with a new KPM, "Percent of pharmacies inspected every two years." As the number of pharmacies continue to grow, this change in timeframe will allow the Board to manage its inspection workload and travel inspection costs while providing inspectors with more time to focus on high-risk locations for better patient safety outcomes. For the reporting period February 1, 2019 - January 31, 2020, Board Inspectors completed 854 inspections of Retail and Institutional pharmacy outlets licensed and located in Oregon. In 2018, staff began inspecting additional outlets and the 2019-2020 inspection period included Community Health Centers, Consulting/Drugless Pharmacies, Manufacturers, Medical Device, Equipment and Gas Drug Outlets, Dispensing Practitioner Drug Outlets, Remote Dispensing Facilities, Supervising Physician Drug Outlets & Wholesalers. This accounted for an additional 215 inspections and this reflects an increase of 129 inspections from the previous reporting year. The 2020-2021 inspection cycle included all Oregon Retail and Institutional pharmacy outlets as well as Consulting/Drugless pharmacies, Animal Euthanasia outlets, Correctional Facilities and Drug Distribution Agents.

For the remaining KPMs, LFO recommends approval of KPMs and targets as presented.

SubCommittee Action:

Approved LFO recommendation.