



# **OREGON BOARD OF PHARMACY**

**Budget Presentation 2023-25**

**Joint Committee on Ways and Means,  
Education Subcommittee  
February 13, 2023**



**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.**

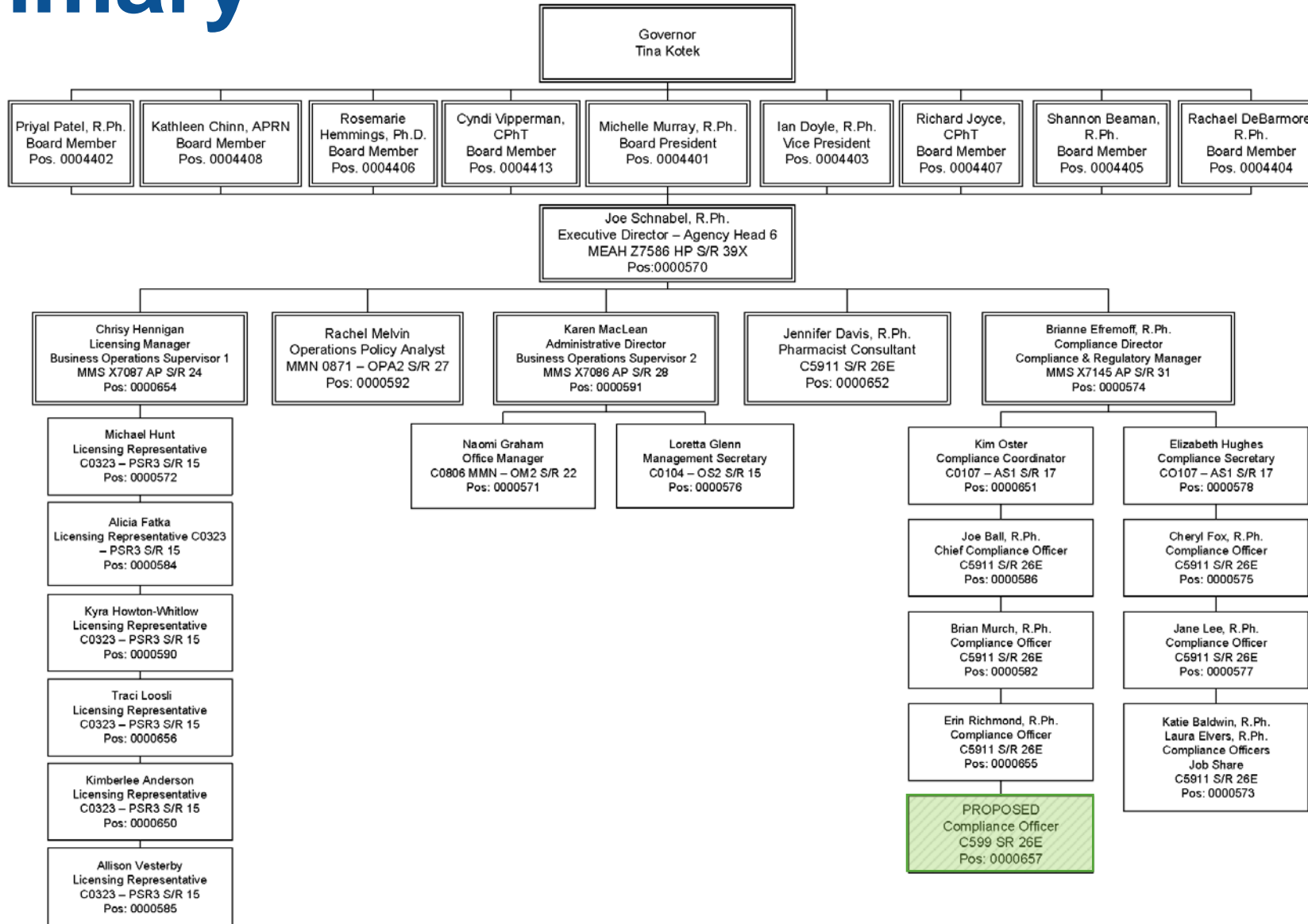
# Summary

## Board of Pharmacy Programs:

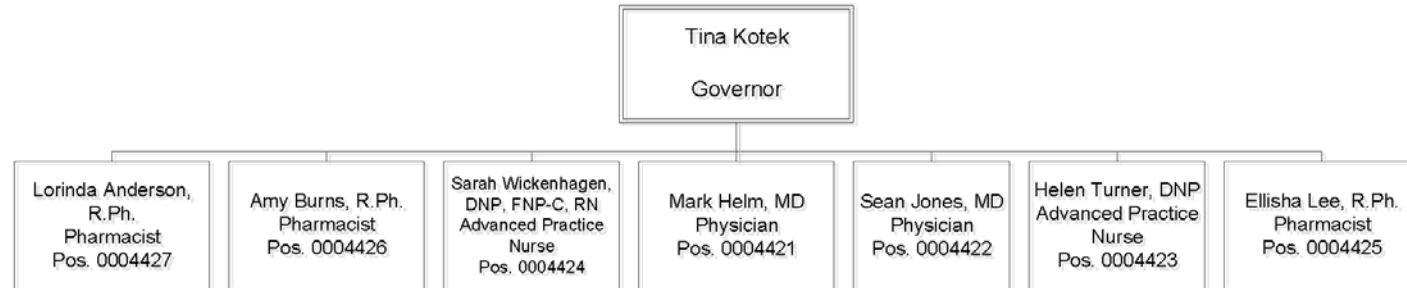
- Examinations
- Licensing
- Compliance (Cases and Inspections)
- Communication and Education
- Board Administration (Members, Meetings, Budget, Operations)
- Public Health and Pharmacy Formulary Advisory Committee (PHPFAC)



# Summary



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PUBLIC HEALTH AND PHARMACY FORMULARY ADVISORY COMMITTEE  
Established January 1, 2018

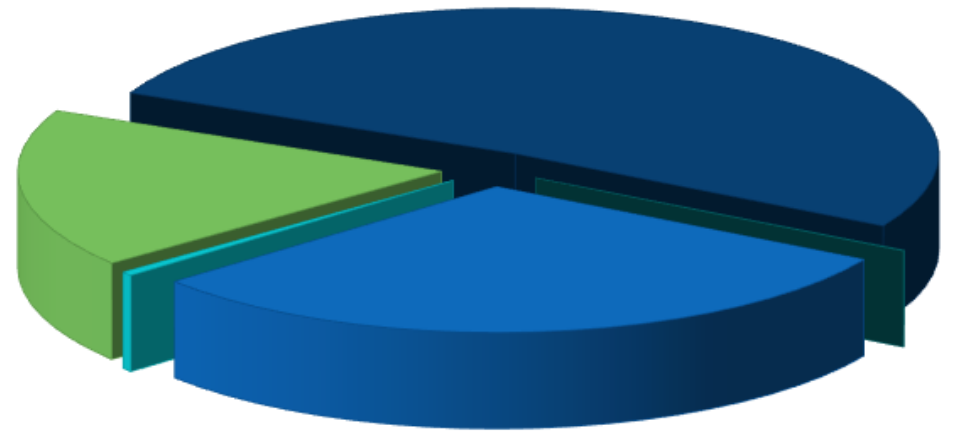
Members are appointed by the Governor to make recommendations to the Oregon Board of Pharmacy regarding pharmacist prescriptive authority



# Program Allocation

## 2023-2025 Program Allocation

- Operations (Administration, Communications & Policy) 30%
- Board Meeting and Member Activities 1.5%
- Licensing 16%
- Compliance 52%
- Public Health & Pharmacy Formulary Advisory Committee .5%



# Strategic Planning

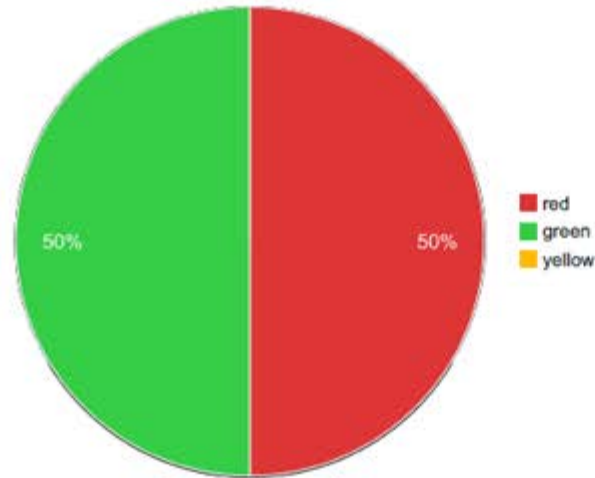
The Board's 2022-26 Strategic Plan includes five goal areas:

- **Technicians**
- **Technology**
- **Licensing and Registration**
- **Regulation**
- **Communication**



# Key Performance Measures (KPM)

- The Board has 6 KPM's
- 2022 Annual Performance Progress Report results show:



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	50%	0%	50%

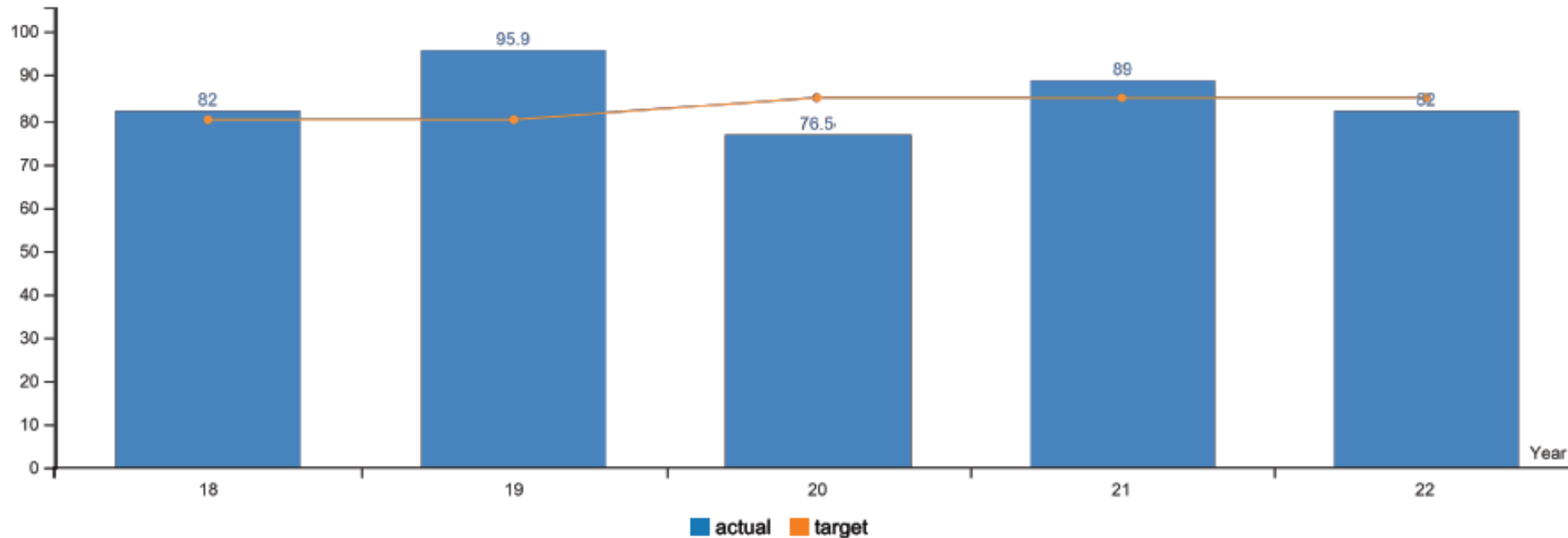




# Key Performance Measures (KPM)

**KPM #1:** Percent of inspected pharmacies that are in compliance annually. Target = 85%.

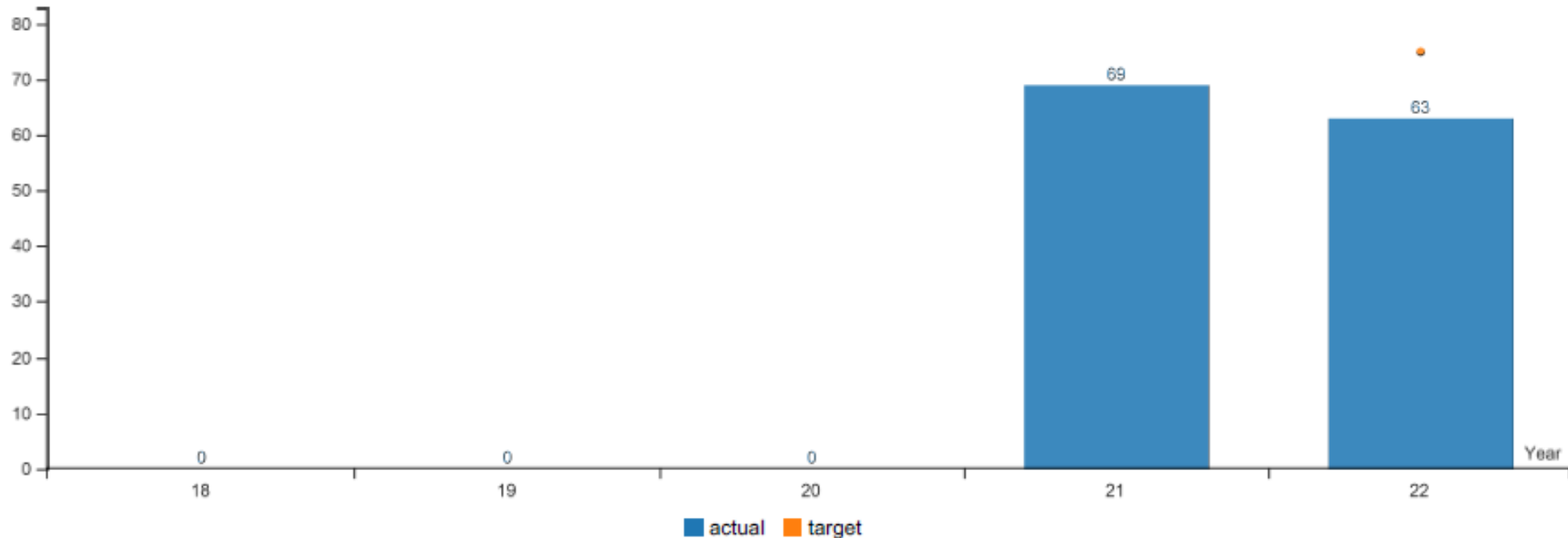
\* Upward Trend = positive result



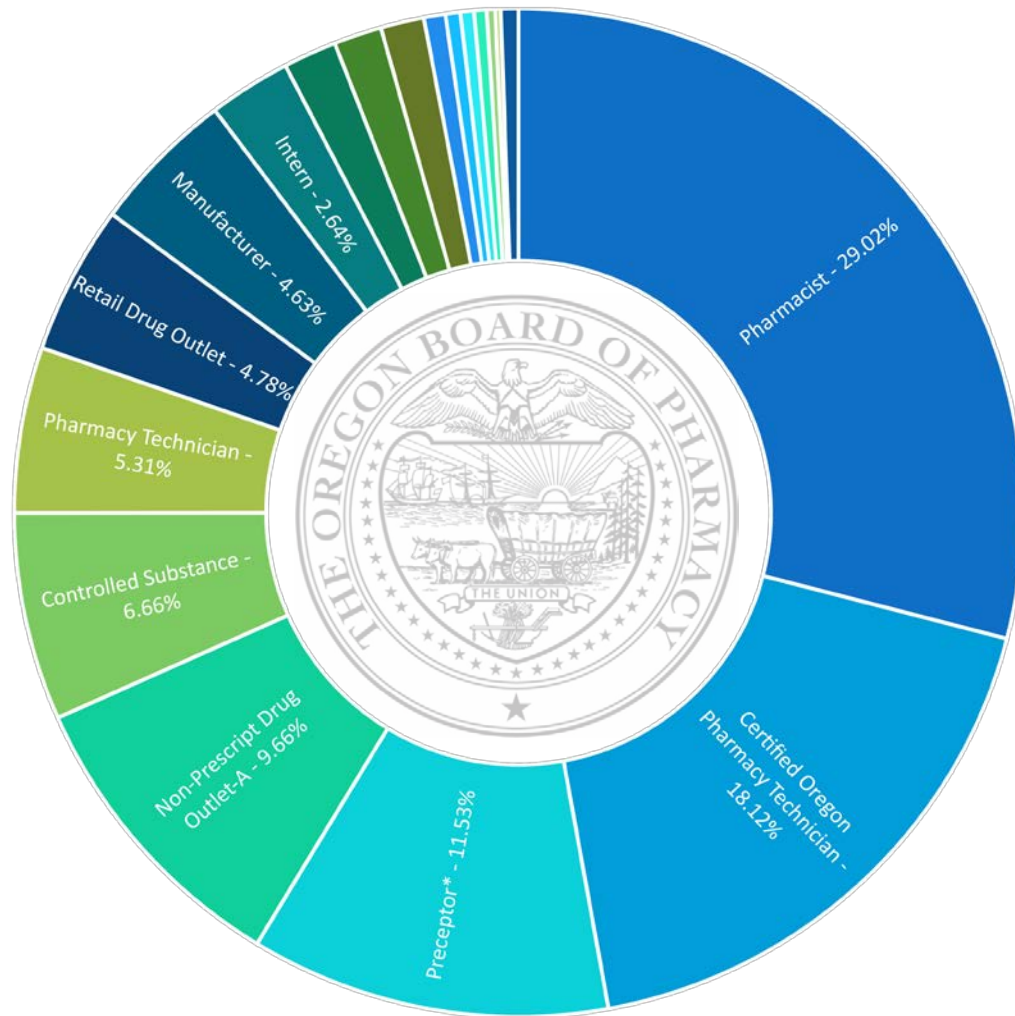
# Key Performance Measures (KPM)

**KPM #2:** Percentage of individual and facility licenses that are issued in within 30 days. Target = 75%.

\* Upward Trend = positive result



# 33 Categories - Licenses & Registrations



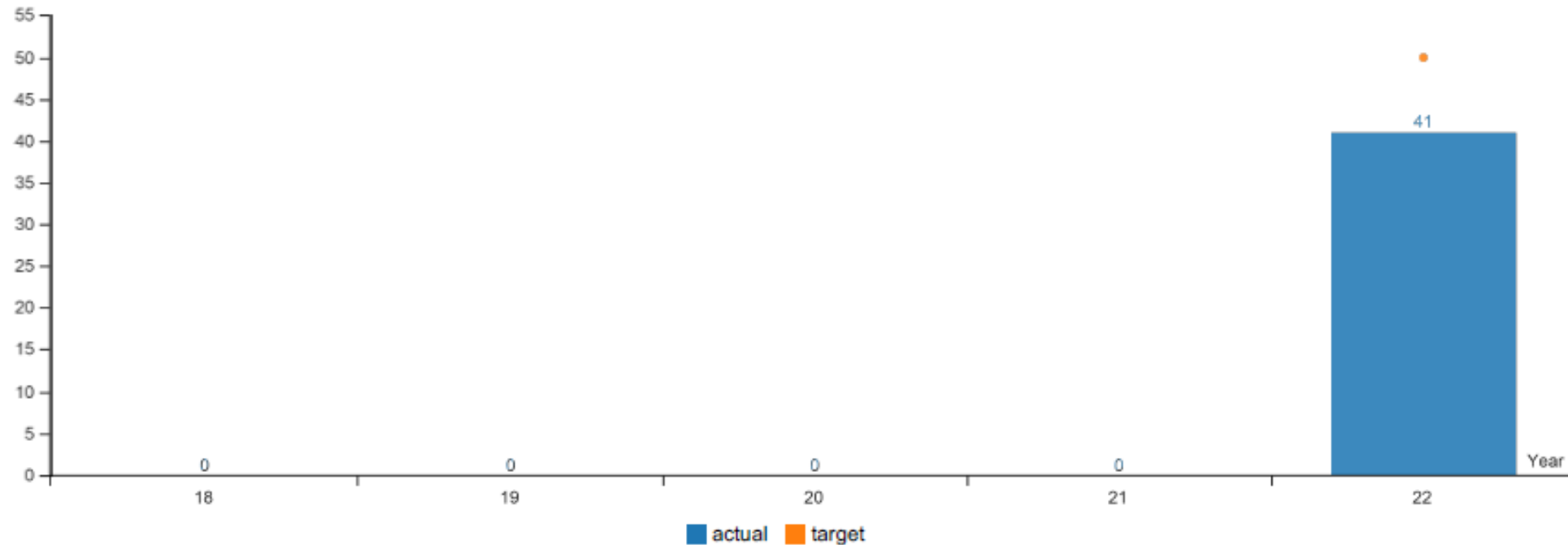
- Pharmacist - 8,775 - 29.02%
- Certified Oregon Pharmacy Technician - 5,480 - 18.12%
- Preceptor\* - 3,487 - 11.53%
- Non-Prescription Drug Outlet-A - 2,920 - 9.66%
- Controlled Substance - 2,014 - 6.66%
- Pharmacy Technician - 1,605 - 5.31%
- Retail Drug Outlet - 1,446 - 4.78%
- Manufacturer - 1,400 - 4.63%
- Intern - 798 - 2.64%
- Wholesaler with Prescription - 517 - 1.71%
- Med Device/Equip/Gases-C - 464 - 1.53%
- Drug Distribution Agent - 421 - 1.39%
- Wholesaler - Class III - 209 - 0.69%
- Wholesaler - Nonprescription - 144 - 0.48%
- Institutional Drug Outlet - 131 - 0.43%
- Community Health Clinic - 121 - 0.40%
- Dispensing Practitioner Drug Outlet - 82 - 0.27%
- Correctional Facility - 52 - 0.17%
- Federal Preceptor\* - 34 - 0.11%
- Consulting / Drugless Pharmacy - 25 - 0.08%
- Animal Euthanasia - 24 - 0.08%
- Prophylactic/Contraceptive - 23 - 0.08%
- Hospital Drug Room - 18 - 0.06%
- Non-Prescription Drug Outlet-E - 13 - 0.04%
- Precursor - 9 - 0.03%
- Non-Pharmacist Preceptor\* - 9 - 0.03%
- Home Dialysis Drug Outlet - 6 - 0.02%
- Charitable Pharmacy - 4 - 0.01%
- Remote Distribution Facility - 4 - 0.01%
- Non-Prescription Drug Outlet-D - 2 - 0.01%
- Remote Dispensing Machine - 1 - 0%
- Pharmacy Prescription Locker - 0 - 0%
- Remote Dispensing Site Pharmacy - 0 - 0%



# Key Performance Measures (KPM)

**KPM #3:** *Percent of pharmacies inspected biennially.*

Target = 50%.



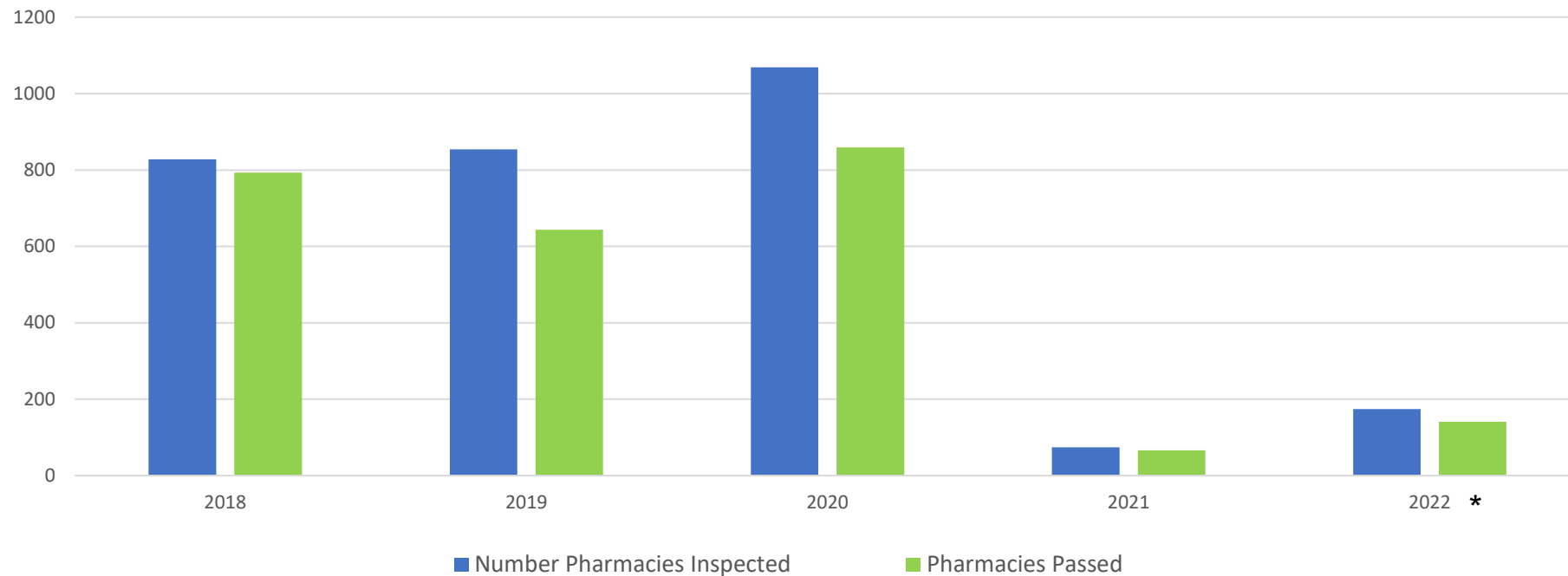
# Inspection Process

- Focus is to ensure public health and safety
- Standardized based on drug outlet type (community and hospital pharmacies, Long Term Care Facilities, Community Health Clinics, Dispensing Practitioner Drug Outlets, etc)
- Last 2-6 hours
- Based on PIC Self-Inspection Form that is completed annually.
- Outcomes:
  - Pass
  - Pass with notes
  - Deficiency notification (plan of correction)
  - Notice of non-compliance (plan of correction, possible case)



# Pharmacy Inspections

**OBOP Pharmacy Inspections**  
(2021 Inspections completed 2/1/2021 thru 1/31/2022)  
(Inspection year runs 2/1 - 1/31 annually)

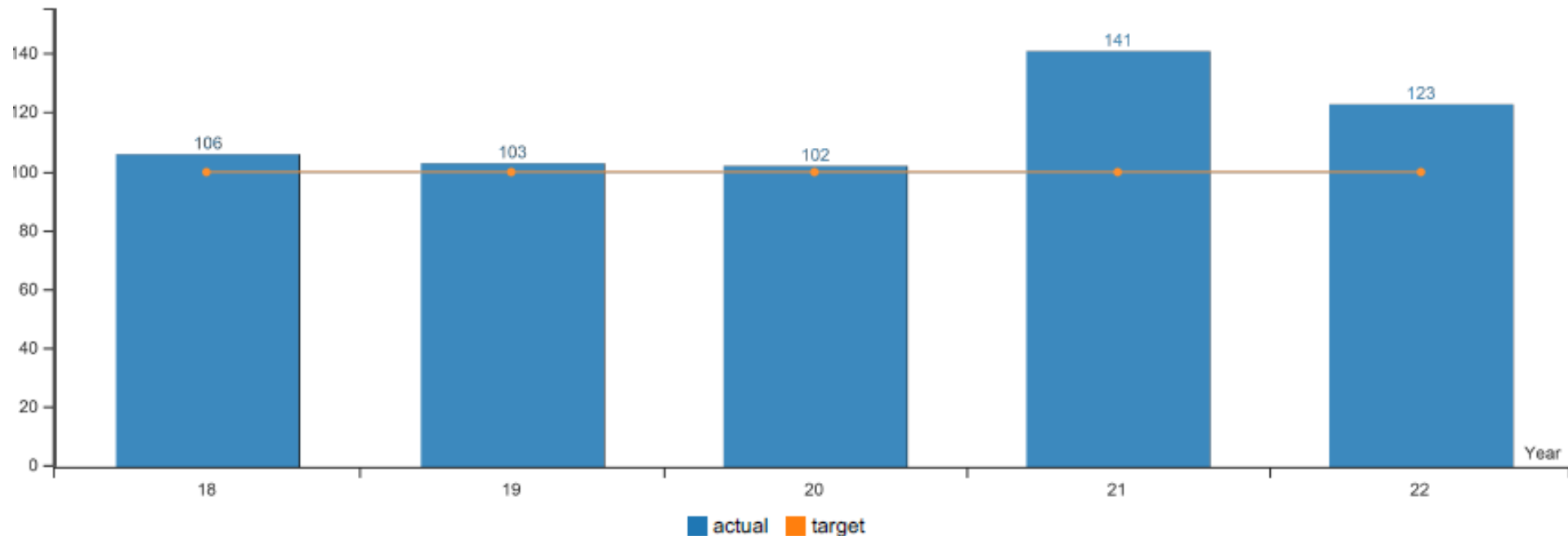


\* 2022-2023 data to be reported on the 2023 Annual Performance Progress Report.



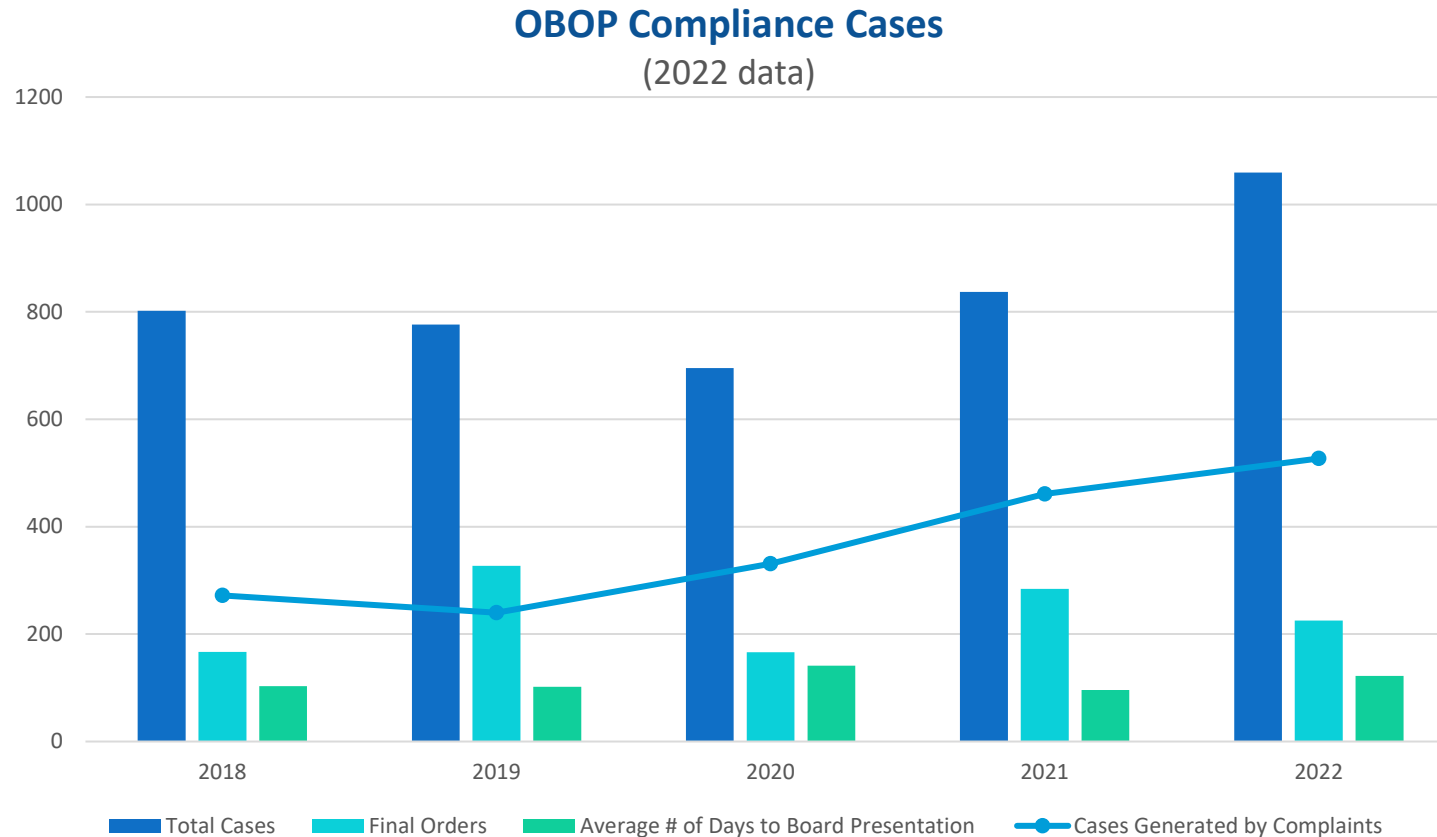
# Key Performance Measures (KPM)

**KPM #4:** Average number of days to complete an investigation from complaint to Board presentation. Target = 100 days



# Compliance Cases

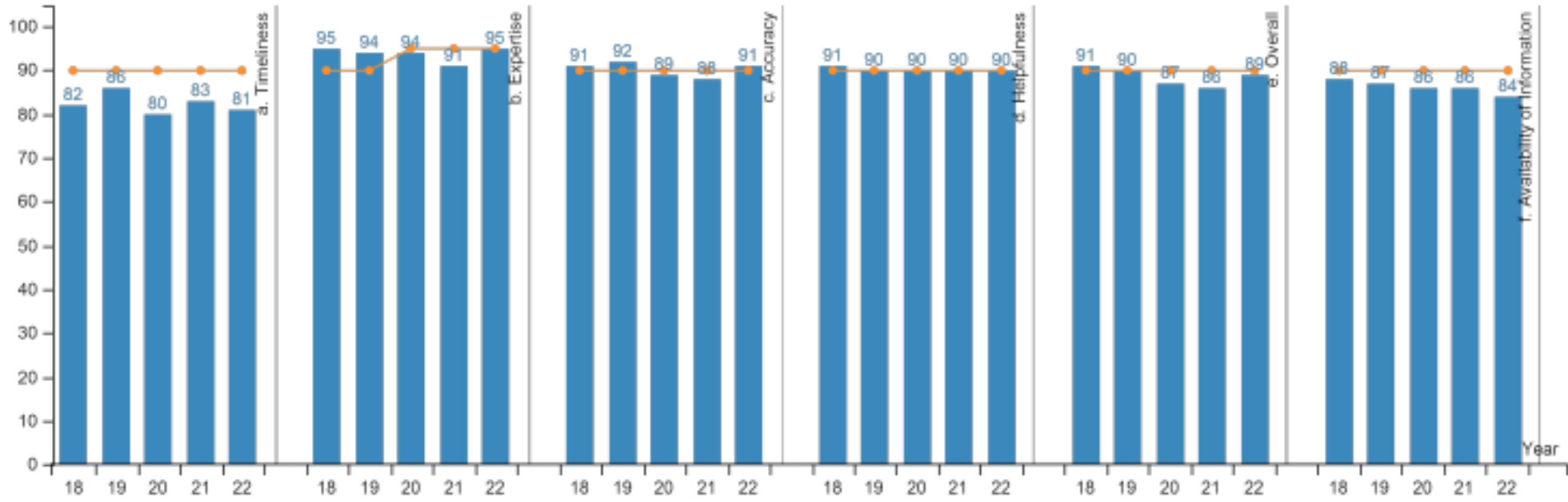
Total Cases, Final Orders, Average # of Days to board presentation and Cases generated by complaints.





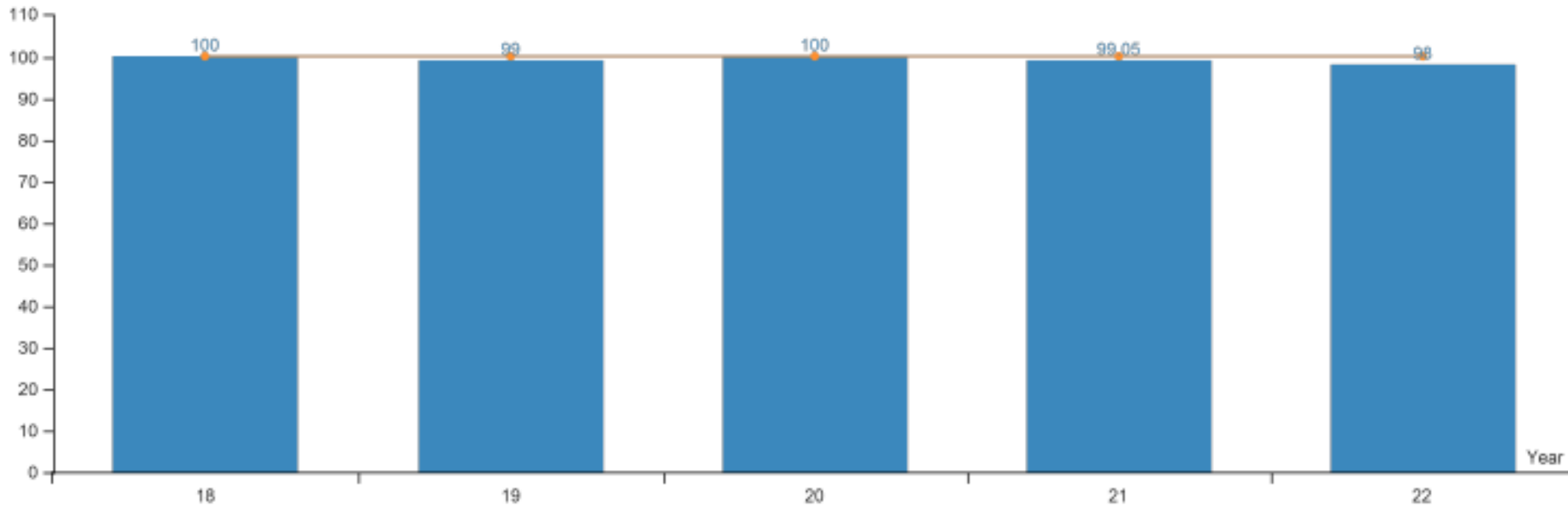
# Key Performance Measures (KPM)

**KPM #5:** – Customer Service – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”. Target = 90%



# Key Performance Measures (KPM)

**KPM #6:** Percent of total best practices met by the Board.  
Target = 100%.



# COVID-19

The Board of Pharmacy has been actively involved in helping licensees, registrants and the public navigate and stay safe during the COVID-19 public health emergency.

Pharmacists, pharmacy technicians and interns have served an essential roll in providing vaccinations at mass vaccination events and in pharmacies.

Since the beginning of the pandemic to present, the Board has communicated with licensees and registrants to assist them in keeping their staff and the public safe.



# Outstanding Issues

- Updating drug compounding rules due to new USP Standards
- FDA Memorandum of Understanding for Drug Compounding
- Updating Public Health Emergency rules (OAR 855-007)
- Updating rules for Wholesale Distributors and Third-Party Logistics Provider
- Reorganizing and modernizing board rules in OAR 855



# Agency-Proposed Legislation

The Agency has two proposed bills:

- **HB 2291** – Authorizes the board to require a person under investigation by board to undergo mental, physical, chemical dependency or competency evaluation dependency evaluation.
- **LC 577** – Modifies the definition of Wholesale Distributor and adds the definition of a Third-Party Logistics Provider (3PL) to make consistent with FDA Drug Supply Chain Security Act requirements.



# Agency-Related Legislation

The following are some 2023 bills the agency is tracking:

**HB 2278** – Authorizes pharmacists to administer influenza vaccine to persons six months of age or older. Requires OBOP to revise rules.

**SB 410** - Allows State Board of Pharmacy to adopt rules to issue temporary license to perform duties of pharmacy technician. Specifies that temporary license may be renewed once.

**HB 2486** - Allows certain pharmacy technicians to administer vaccines under the supervision of a pharmacist.



# Agency Changes, Budget Drivers, Budget Risks, IT Projects

Significant changes include:

- Development of reports through Jasper report writer for the agency database
- Technology and security changes (ongoing)
- Incorporating LEAN process improvement methods (ongoing)
- Division Vision
- No new IT Projects for agency planned
- Remote, Hybrid telework and return to work



# Agency Changes, Budget Drivers, Budget Risks, IT Projects

## Budget Drivers

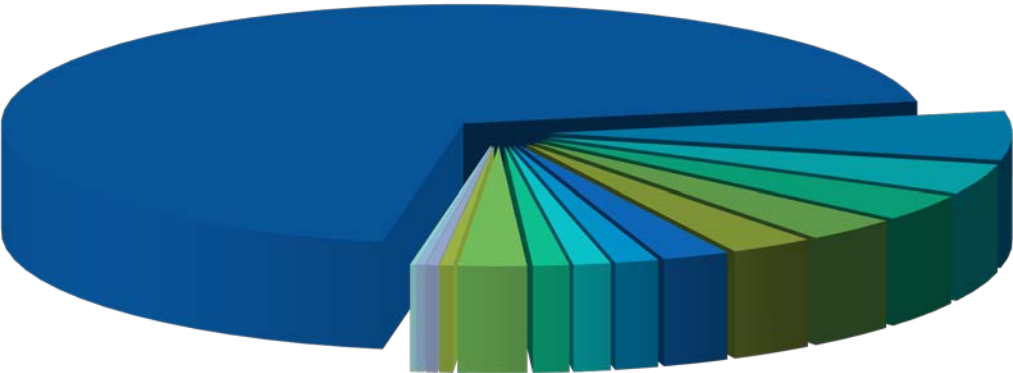
- Personnel Services cost represent 69% of budget
- Services and Supplies represent 29% of budget and tend to not fluctuate significantly
- Attorney General is the second largest agency expenditure at 6.61%.
  - flat-rate agreement ended in 21-23
  - 834 cases in 2021 / 1059 cases in 2022
  - 148 / 66 final orders issued
  - 33 hearings currently requested and being managed
    - 1 case before the Court of Appeals





# Agency Changes, Budget Drivers, Budget Risks, IT Projects

2023-2025 Expenditures by Type  
\$10,695,863



- Personel Services 69.26%
- Attorney General 6.61%
- Other Services & Supplies, Banking 4.06%
- Data Processing & Telecommunications 3.56%
- Prof. Services/Hearings Panel, HPSP 3.34%
- Facilities & Rent 2.97%
- Agency Program Related S & S (Fingerprinting) 2.36% \*PASS THRU
- IT Professional Services 1.53%
- Office Expenses/Supplies (Includes Storage Fees & Postage) 1.31%
- Travel 1.26%
- State Government Service Charges 2.40%
- Publicity & Publications 0.47%
- IT Expendable Property 0.43%
- Employee Training 0.28%
- Expendable Property 0.17%
- Medical Services & Supplies 0.01%



# Agency Changes, Budget Drivers, Budget Risks, IT Projects

- Budget includes one Policy Package for a new position due to workload increases. (Package 101)
- 3 new drug outlet fee categories established to support board strategic initiatives and constituent requests adopted by administrative process in 2022-23.
- The biggest risk would be any loss of personnel or FTE.
- No current vacancies.
- No new IT projects planned.



# Reduction Options

2023-25 Proposed Reductions 10% Exercise	Amount
<b>Services and Supplies &amp; Other Categories</b>	
budget object 4575 - Agency Program Related S&S	\$10,981.00
budget object 4650 - Other Services and Supplies	\$10,982.00
budget object 4275 - Publicity & Publications	\$11,287.00
budget object 4100 - In-State Travel	\$30,191.00
budget object 4125 - Out-of-State Travel	\$4,434.00
budget object 4325 - Attorney General	\$175,611.00
budget objects - miscellaneous	\$3,016.00
<b>Personnel</b>	
Office Specialist 2 reduced 100%	\$171,393.00
Health Care Investigator/Advisor reduced 100%	\$450,390.00
Public Service Representative reduced 100%	\$171,393.00
<b>TOTAL</b>	<b>\$1,039,678</b>



# Cost Containment Actions

- Regular review of expenditures and spending requests to ensure need and minimize cost
- Use of virtual meetings
- Working to settle disciplinary cases prior to hearing
- Judicious use of DOJ resources
- Use of Lean process improvement tools to reduce waste and increase efficiency of agency processes
- Maximize capacity of licensing software, such as online applications and renewals, to reduce manual workload
- Plan regional pharmacy inspections to reduce travel and staff cost.

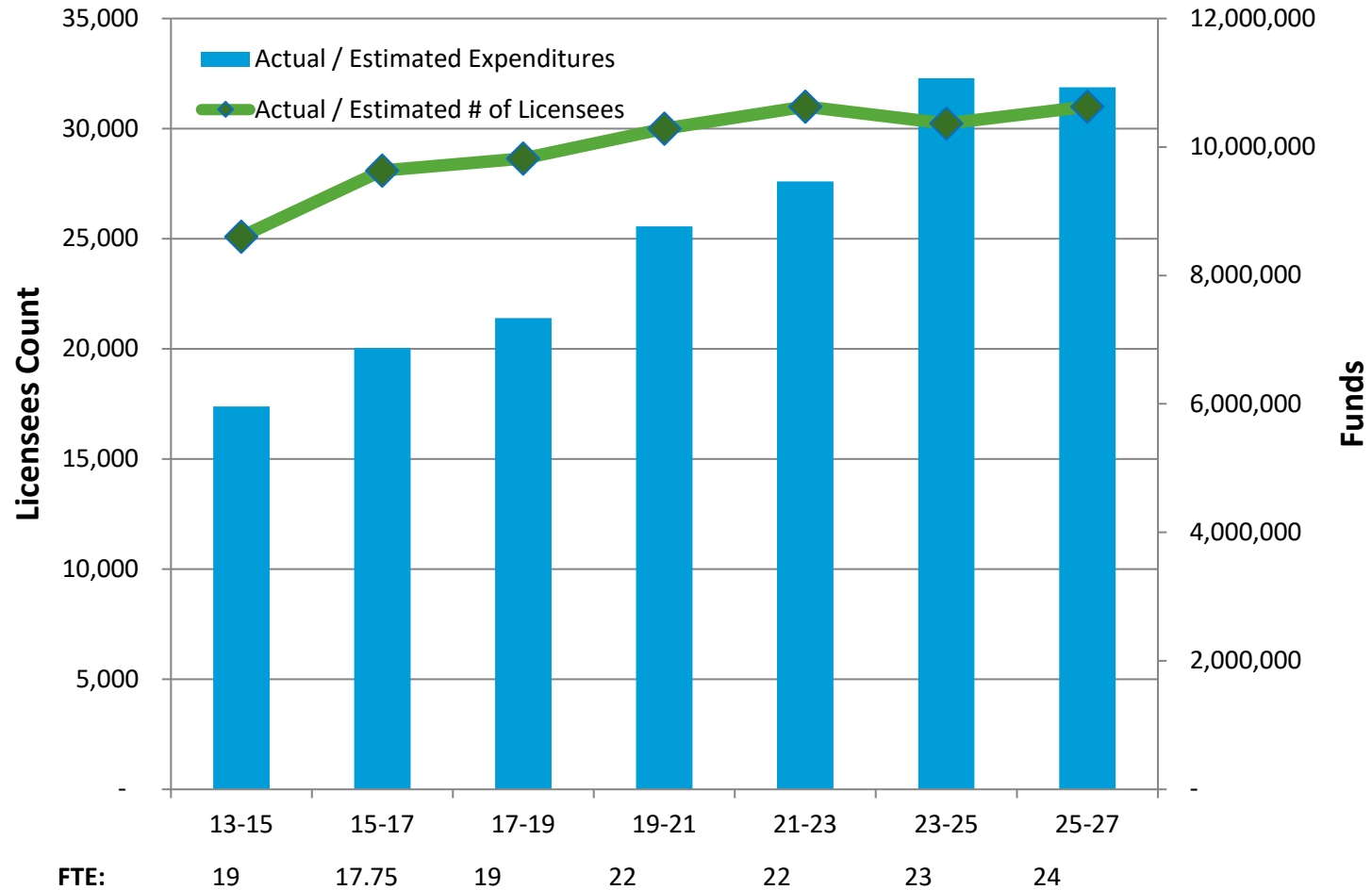


# 2023-25 Budget Request

- Other Fund expenditure limitation request of \$10,695,863
  - 10.4% increase from the 2021-23 LAB which includes 1 healthcare investigator position to address inspection and investigation workload increases.
- **ESSENTIAL PACKAGES**
  - DAS adjustments (increases, decreases or reductions):
    - Package 031 - Standard Inflation, Services and Supplies = \$317,407
    - Package 032 - Above Standard Inflation, Facilities Rent = \$57,079
    - Package 060 - Technical Adjustment = \$22,885
    - Package 092 - Attorney General = (\$33,805).
    - Package 093 - State Government Service Charges = (\$53,714)



# Budget History – Licensee Count / FTE / Agency Funds



# 2023-2025 Budget Request

## POLICY PACKAGE 101

- Add one Healthcare Investigator/Advisor position
  - To support Compliance investigation and inspection workload. The investigatory work has increased 96% in the last five years.
  - This is a pharmacist position.
- DAS, Chief Human Resources Office reviewed and approved this additional position.
- Package 101 total = **\$386,599.**



# 2023-2025 Fee Ratifications

## Fee Ratifications Needed

There are 2 fees adopted by the Administrative Rule 333 process Per statute, fees adopted need to be ratified at the next Legislative Session

- “Division Vision” pursuant to the board’s Strategic Plan
- Board created two new drug outlet types
  - Remote Dispensing Site Pharmacy (RDSP) \$225
  - Pharmacy Prescription Lockers fee \$120.
- February 9, 2023 board adopted:
  - Pharmacy Prescription Kiosk fee \$120 that is planned to be effective by rule on February 15, 2023, hope to have approval from DAS before that.





# 2023-2025 Budget Request

## Ending Balance

- A 8.72 month or \$3,777,393 ending balance is projected.
- Agency assumes at least a 6-month ending balance is necessary due to the uncertain cost of hearings and appeals.
- A higher balance continues to be expected, fees approved for increase in 2019-21 continue to shore up the ending balance as expected.
- Regular evaluation of revenue & expenditures.





**THANK YOU!**