

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Members of the Ways and Means Human Services Subcommittee

From: Ben Ruef, Legislative Fiscal Office

Date: April 5, 2023

Subject: SB 5522 – Oregon Medical Board
Work Session Recommendations

Oregon Medical Board - Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
Other Funds	12,974,016	17,346,295	17,906,656	18,506,656
Total Funds	12,974,016	17,346,295	17,906,656	18,506,656
Positions	41	42	42	42
FTE	41.00	42.00	42.00	42.00

The Oregon Medical Board licenses Medical and Osteopathic Doctors, Podiatric Physicians, Physician Assistants, and Acupuncturists; investigates complaints against licensees and takes disciplinary action when a violation occurs. The Board is also responsible for the scope of practice for First Responders and Emergency Medical Technicians.

LFO is recommending a budget for the Oregon Medical Board of \$18,506,656 Other Funds with 42 positions (42.00 FTE), which is a 6.7% increase over the 2021-23 Legislatively Approved Budget and a 3.4% increase over the 2023-25 Current Service Level. The recommended budget leaves OMB's ending fund balance at a healthy nine month operating reserve.

Increases from current service level in the LFO recommended budget are due to the following two recommended policy option packages.

- **Policy Option Package 101 - Core Business Suite Software Modernization:** During the 2021-23 budget OMB received approval to increase Other Funds expenditure limitation by \$1.6 million to contract with a new vendor to modernize the Board's core business software suite from the current system, GLSuite software. This project was scheduled to be completed by the end of the 2021-23 biennium. However, due to procurement delays, \$600,000 of project implementation costs are expected to extend into 2023-25.

- **Policy Option Package 102 - Registration Fee Increase:** OMB is proposing to raise license registration fees by 25% for all license types, effective July 1st, 2024. The last fee increase implemented by the Board occurred during the 2013-15 biennium. With the renewal fee increase the Board’s ending fund balance will meet the targeted 6-month operating reserve estimated at 9 months.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5522. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5522, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$18,506,656 Other Funds, and 42 positions (42.00 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to SB 5522. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5522, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5522, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	16,951,813	-	-	-	16,951,813	42	42.00
2021-23 Ebds, SS & Admin Act	-	-	394,482	-	-	-	394,482	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	17,346,295	-	-	-	17,346,295	42	42.00
2021-23 Leg Approved Budget (Base)	-	-	17,346,295	-	-	-	17,346,295	42	42.00
Summary of Base Adjustments	-	-	637,095	-	-	-	637,095	-	-
2023-25 Base Budget	-	-	17,983,390	-	-	-	17,983,390	42	42.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	39,566	-	-	-	39,566	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(769,124)	-	-	-	(769,124)	-	-
030: Inflation & Price List Adjustments	-	-	652,824	-	-	-	652,824	-	-
2023-25 Current Service Level	-	-	17,906,656	-	-	-	17,906,656	42	42.00
Adjusted 2023-25 Current Service Level	-	-	17,906,656	-	-	-	17,906,656	42	42.00
Total LFO Recommended Packages	-	-	600,000	-	-	-	600,000	-	-
2023-25 Legislative Actions	-	-	18,506,656	-	-	-	18,506,656	42	42.00
Net change from 2021-23 Leg Approved Budget	-	-	1,160,361	-	-	-	1,160,361	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	600,000	-	-	-	600,000	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	3.4%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	16,951,813	-	-	-	16,951,813	42	42.00
2021-23 Ebds, SS & Admin Act	-	-	394,482	-	-	-	394,482	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	17,346,295	-	-	-	17,346,295	42	42.00
2021-23 Leg Approved Budget (Base)	-	-	17,346,295	-	-	-	17,346,295	42	42.00
Summary of Base Adjustments	-	-	637,095	-	-	-	637,095	-	-
2023-25 Base Budget	-	-	17,983,390	-	-	-	17,983,390	42	42.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	39,566	-	-	-	39,566	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(769,124)	-	-	-	(769,124)	-	-
030: Inflation & Price List Adjustments	-	-	652,824	-	-	-	652,824	-	-
2023-25 Current Service Level	-	-	17,906,656	-	-	-	17,906,656	42	42.00
Adjusted 2023-25 Current Service Level	-	-	17,906,656	-	-	-	17,906,656	42	42.00
Total LFO Recommended Packages	-	-	600,000	-	-	-	600,000	-	-
2023-25 Legislative Actions	-	-	18,506,656	-	-	-	18,506,656	42	42.00
Net change from 2021-23 Leg Approved Budget	-	-	1,160,361	-	-	-	1,160,361	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	600,000	-	-	-	600,000	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	3.4%	0.0%	0.0%

	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 Core Business Suite Replacement

Package Description During the 2021-23 budget OMB received approval to increase Other Funds expenditure limitation by \$1.6 million to contract with a new vendor to modernize the Board's core business software suite from the current system, GLSuite software. This project was scheduled to be completed by the end of the 2021-23 biennium. However, due to procurement delays, \$600,000 of project implementation costs are expected to extend into 2023-25.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	600,000	-	-	-	600,000	-	-
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	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 Registration Fees

Package Description This packages includes the agency's proposal to raise license registration fees by 25% for all license types, effective July 1st, 2024. The last fee increase implemented by the Board occurred during the 2013-15 biennium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	-	-	-	-	-	-	-
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Legislatively Proposed 2023 - 2025 Key Performance Measures

Published: 4/4/2023 11:35:03 AM

Agency: Oregon Medical Board

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
6. RENEW LICENSES EFFICIENTLY - Average number of calendar days to process and mail a license renewal.		Approved	6.03	10	10
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	89%	90%	90%
	Overall		88%	90%	90%
	Expertise		88%	90%	90%
	Availability of Information		87%	90%	90%
	Timeliness		89%	90%	90%
	Accuracy		87%	90%	90%
8. BOARD BEST PRACTICES - Percent of total best practices met by the Board.		Approved	100%	100%	100%
9. LICENSE EFFICIENTLY - Average number of calendar days from receipt of completed license application to issuance of license.		Approved	0.11	3	3
1. LICENSE APPROPRIATELY - Number of Board-Issued license denials overturned upon appeal.		Proposed New		0	0
2. DISCIPLINE APPROPRIATELY - Number of disciplinary actions overturned on appeal.		Proposed New		0	0
4. MONITOR LICENSEES WITH BOARD ORDERS AND CORRECTIVE ACTION AGREEMENTS - Percentage of licensees with Board Orders or Corrective Action Agreements who have a new Notice of Proposed Disciplinary Action within 5 years.		Proposed New		3%	3%
1. LICENSE APPROPRIATELY - Percentage of Board-Issued license denials that were upheld upon appeal.		Proposed Delete	100%		
2. DISCIPLINE APPROPRIATELY - Percentage of disciplinary actions not overturned by appeal.		Proposed Delete	100%		
4. MONITOR LICENSEES WITH BOARD ORDERS AND CORRECTIVE ACTION AGREEMENTS - Percentage of licensees with Board Orders or Corrective Action Agreements who have a new complaint within 3 years.		Proposed Delete	0%		

LFO Recommendation:

The agency proposes replacement of three key performance measures for the 2023-25 biennium.

KPM #1 License Appropriately: Proposed change from **percent** of Board-Issued license denials that were upheld upon appeal to **number** of Board-Issued license denials overturned upon appeal. This is due to the fact that sometimes there are zero cases which is problematic when calculating a percentage.

KPM #2 Discipline Appropriately: Proposed change from **percent** of disciplinary actions not overturned by appeal to **number** of disciplinary actions overturned on appeal. This is due to the fact that sometimes there

are zero cases which is problematic when calculating a percentage.

KPM #4 Monitor Licensees with Board Orders and Corrective Action Agreements: Proposed change from percentage of licensees with Board Orders or Corrective Action Agreements who have a new complaint within 3 years to 5 years. This is due to investigations taking a long period of time. Often three years isn't enough time to gather the required data. Five years gives more comprehensive data.

The Legislative Fiscal Office recommends measures 1, 2, and 4 be replaced and measures 6 through 9 be approved.

SubCommittee Action: