

Oregon Board of Pharmacy

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
Other Funds	6,253,007	7,335,399	7,464,610	7,698,155	8,550,886
Total Funds	\$6,253,007	\$7,335,399	\$7,464,610	\$7,698,155	\$8,550,886
Positions	20	20	20	20	22
FTE	20.00	20.00	20.00	20.00	22.00

*Includes Emergency Board and administrative actions through December 2018

Program Description

The mission of the 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 pharmaceutical products. The agency licenses pharmacists by examination or through reciprocity with other states; registers and inspects hospital and retail pharmacies, drug wholesalers and manufacturers, and over-the-counter drug outlets; investigates drug diversion and rule violations; and regulates the quality and distribution of controlled substances, prescription, and over-the-counter drugs within the state. The seven-member board is appointed by the Governor and composed of five pharmacists and two public members. The agency is funded by revenue generated from license, registration, and examination fees. The remaining revenue sources include fines, interest earnings, and other revenue. During the 2015-17 biennium, the Board adopted temporary fee reductions through biennial licensure for Pharmacists and Certified Pharmacy in order to reduce a large ending balance. This fee reduction continued for the 2017-19 biennium.

CSL Summary and Issues

The 2019-21 current service level (CSL) budget for the Board is \$7,698,155 Other Funds (20.00 FTE). The current service level budget is \$233,545, or 3.13%, more than the 2017-19 legislatively approved budget. The CSL budget includes adjustments for payroll expenses and standard inflation, as well as the phase out of \$336,307 in funding to upgrade the agency's licensing and compliance database.

Policy Issues

- The agency proposes fee increases to raise \$2,411,800 in revenues. The agency has not increased fees since 2001. In 2015, the agency reduced its ending balance by moving to biennial licensure for pharmacists, pharmacy technicians, and certified Oregon pharmacy technicians during the last four years. For 2019-21, the agency re-evaluated all fees in light of the move to biennial licensure, the growing pharmaceutical industry, the increasing number of licensees, and expanding regulatory programs such as the Public Health and Pharmacy Formulary Advisory Committee established during the 2017 session to evaluate proposals for drugs and devices that may be safely prescribed by pharmacists.

- The agency requests \$174,862 increase in limitation to cover anticipated increase in Department of Justice Flat Rate Agreement.
- The agency requests \$279,021 increase in limitation to allow the agency to contract with a vendor for full cloud hosting and technology support of its IT operations, enabling the agency to meet OSCIO and federal FBI Criminal Justice Information Services (CJIS) security requirements, while providing licensees and the greater public with better access to relevant information.
- The agency requests \$468,403 increase in limitation, 2 positions, 2.00 FTE to add Compliance and Licensing staff to support the Public Health and Pharmacy Formulary Advisory Committee established by HB 2397 (2017), as well as to address the increasing licensing, inspections, and investigation workload associated with the increase number of applicants, licensees, and growing number of complex outlet license categories.
- The agency requests \$16,027 increase in limitation to cover the per diem and reimbursement expenses of members serving on the Public Health and Pharmacy Formulary Advisory Committee established by HB 2397 (2017).
- The agency requests \$3,740 increase in limitation to continue the Academic and Regulatory Fellowship in partnership with Pacific University School of Pharmacy.

The Governor's Budget funded all the agency requests with the exception of the \$3,740 increase in limitation to continue the Academic and Regulatory Fellowship in partnership with Pacific University School of Pharmacy. The Governor's budget also reduced limitation for State Government Service Charges and Department of Justice expenses.

Other Significant Issues and Background

- Carryforward of funds to upgrade the agency's licensing and compliance database. Due to difficulties in finding a vendor the agency has not been able to implement the upgrade budgeted for the 2017-19 biennium.
- Appointment of new Executive Director.