

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

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To: Education Subcommittee

From: Kim To, Legislative Fiscal Office

Date: April 28, 2021

Subject: HB 5027 – Oregon Board of Pharmacy
Work Session Recommendations

Oregon Board of Pharmacy - Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	6,963,846	9,018,452	9,515,163	9,529,495
Total Funds	6,963,846	9,018,452	9,515,163	9,529,495
Positions	20	22	22	22
FTE	20.00	22.00	22.00	22.00

Attached are recommendations from the Legislative Fiscal Office for the Oregon Board of Pharmacy.

The 2021-23 LFO recommended budget for the Oregon Board of Pharmacy is 22 positions (22.00 FTE), and \$9,529,495 Other Funds. This is a 5.7% increase from 2019-21 Legislatively Approved Budget. The recommended budget is projected to leave the board with an ending balance of \$3,242,317, an equivalent of 8.2 months of operating funds.

The 2021-23 LFO recommended budget contains the following:

- Policy Option Package 100: Increase 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.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: With the exceptions of Policy Option Package 099 reflecting Microsoft 365 Consolidation adjustments, statewide adjustments are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Recommended Changes

See amendment. LFO recommends amending HB 5027 by the following changes as reflected in the -2 amendment:

Section 1, Line 6 Delete {\$9,104,052} and insert “\$9,529,495”.

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)
2019-21 Agy. Leg. Adopted	-	-	8,761,878	-	-	-	8,761,878	22	22.00
2019-21 Ebds, SS & Admin Act	-	-	256,574	-	-	-	256,574	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	9,018,452	-	-	-	9,018,452	22	22.00
2019-21 Leg Approved Budget (Base)	-	-	8,761,878	-	-	-	8,761,878	22	22.00
Summary of Base Adjustments	-	-	588,954	-	-	-	588,954	-	-
2021-23 Base Budget	-	-	9,350,832	-	-	-	9,350,832	22	22.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	60,371	-	-	-	60,371	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(288,415)	-	-	-	(288,415)	-	-
030: Inflation & Price List Adjustments	-	-	392,375	-	-	-	392,375	-	-
2021-23 Current Service Level	-	-	9,515,163	-	-	-	9,515,163	22	22.00
Adjusted 2021-23 Current Service Level	-	-	9,515,163	-	-	-	9,515,163	22	22.00
Total LFO Recommended Packages	-	-	14,332	-	-	-	14,332	-	-
2021-23 Legislative Actions	-	-	9,529,495	-	-	-	9,529,495	22	22.00
Net change from 2019-21 Leg Approved Budget	-	-	511,043	-	-	-	511,043	-	-
Percent 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%
Net change from 2021-23 Adj Current Service Level	-	-	14,332	-	-	-	14,332	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%

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2019-21 Agy. Leg. Adopted	-	-	8,761,878	-	-	-	8,761,878	22	22.00
2019-21 Ebds, SS & Admin Act	-	-	256,574	-	-	-	256,574	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	9,018,452	-	-	-	9,018,452	22	22.00
2019-21 Leg Approved Budget (Base)	-	-	8,761,878	-	-	-	8,761,878	22	22.00
Summary of Base Adjustments	-	-	588,954	-	-	-	588,954	-	-
2021-23 Base Budget	-	-	9,350,832	-	-	-	9,350,832	22	22.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	60,371	-	-	-	60,371	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(288,415)	-	-	-	(288,415)	-	-
030: Inflation & Price List Adjustments	-	-	392,375	-	-	-	392,375	-	-
2021-23 Current Service Level	-	-	9,515,163	-	-	-	9,515,163	22	22.00
Adjusted 2021-23 Current Service Level	-	-	9,515,163	-	-	-	9,515,163	22	22.00
Total LFO Recommended Packages	-	-	14,332	-	-	-	14,332	-	-
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Package 099 Microsoft 365 Consolidation

Package Description 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 21-23 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.

LFO Recommendation

LFO Recommended	-	-	(15,519)	-	-	-	(15,519)	-	-
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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 100 Personnel Management

Package Description Package 100 increases expenditure limitation by \$29,851 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.

LFO Recommendation Approve the package.

LFO Recommended	-	-	29,851	-	-	-	29,851	-	-
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Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 3/23/2021 3:05:11 PM

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%	90%
	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:

HB 5027-2
(LC 9027)
4/19/21 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
HOUSE BILL 5027**

1 In line 6 of the printed bill, delete “\$9,104,052” and insert “\$9,529,495”.

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