

# OREGON BOARD OF PHARMACY

2023-2025 Budget Presentation  
(Governor's Budget)

Joint Ways and Means  
Education Subcommittee  
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8:00AM – Room HR-E

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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.

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## Executive Summary

The Oregon Board of Pharmacy (OBOP), established in 1891 under ORS Chapter 689 regulates the practice of pharmacy and the commerce and quality of all prescription and non-prescription drugs within and into the State. In addition, the Board has authority and responsibilities contained in ORS Chapter 475, the Uniform Controlled Substances Act to oversee drugs with abuse or addiction potential and the research and scheduling of controlled drugs in Oregon. The practice of pharmacy in the State of Oregon is declared a professional practice affecting public health, safety and welfare and is subject to regulation and control in the public interest. The Legislature further declared it to be a matter of public interest and concern that the practice of pharmacy merit and receive the confidence of the citizens of Oregon and that only qualified persons be permitted to engage in the practice of pharmacy in the State of Oregon.

The Board of Pharmacy consists of nine board members appointed by the Governor and confirmed by the State Senate, including two public members, five pharmacists and two pharmacy technicians. In addition, there is a seven-member Public Health and Pharmacy Formulary Advisory Committee made up of three pharmacists, two physicians and two advanced practice nurses. This Committee, appointed by the Governor, was established to review concepts for drugs, devices, and protocols that pharmacists may safely prescribe and to make recommendations to the Board for adoption by rule. The agency's staff currently consists of twenty-two FTE.

The 2023-25 Proposed Organizational Chart is in the Appendix of this presentation on [pages 19 and 20](#). A detailed description of ongoing operational tasks can be found in the agency Governor's Budget binder.

## Summary of Program

The purpose of the Board of Pharmacy under ORS Chapter 689 is to promote, preserve, and protect the health, safety and welfare of Oregon citizens by control and regulation of the practice of pharmacy and the commerce and quality of drugs through outlets involved in the manufacture, production, sale and distribution of drugs, medications, devices and such other materials as may be used in the diagnosis and treatment of injury, illness and disease.

This is accomplished through:

**Examinations:** Any individual wishing to practice as a pharmacist in the State must take and pass an entry level competency exam, the North American Pharmacy Licensure Examination (NAPLEX). This exam has been standardized throughout all fifty states. Candidates for licensure in Oregon must also take and pass a pharmacy law exam, the Multistate Pharmacy Jurisprudence Examination (MPJE). These exams are administered by the National Association of Boards of Pharmacy (NABP). The MPJE exam questions are written, maintained and updated by OBOP staff and members through annual review of the exam question pool and psychometric analysis of the questions by NABP.

**Licensing:** After verification of passing scores on the NAPLEX and MPJE exams, the Board of Pharmacy allows the pharmacist candidate to submit an application for licensure. The Board completes a primary source verification of all credentials and completes an FBI criminal background check prior to issuing a license. All individual (pharmacist, technician, and intern) licenses must be renewed on a biennial cycle. The OBOP has an online renewal process for most licenses. Pharmacy Technicians must obtain experience and become nationally certified within two years of initial Oregon licensure, then apply to be a Certified Oregon Pharmacy Technician to continue working as a technician. All drug outlet registrations renew annually.

Pharmacies, pharmaceutical manufacturers, wholesalers, non-prescription drug outlets and a variety of other drug outlets must also be licensed with the OBOP to do business in the State. Establishments seeking licensure undergo similar scrutiny through primary source verification and vetting of applications and documents for licensure.

In 2022 there were 2948 new licenses or registrations issued.

**Compliance:** The OBOP investigates all complaints and allegations of violations of Oregon law (ORS Chapter 689) and corresponding administrative rules (OAR Chapter 855), as well as any violations of state (ORS Chapter 475) or federal laws and rules related to controlled substances.

**Drug Outlet Inspections** Informational: Pharmacy inspections are conducted on a biennial schedule. The inspections are unannounced, take 2-6 hours each and are standardized based on a self-inspection form that is completed annually by the Pharmacist-in-Charge of the pharmacy.

- 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.

There are four possible outcomes of an inspection:

- Passed: no observations
- Passed with notes: observations made but do not rise to need for written response of corrective action (few or minor observations that can be corrected at time of inspection)
- Deficiency Notification: observations made that require written corrective action (need to know appropriate follow up completed). If response is not complete may be escalated to Non-Compliance Notification (NCN)
- Non-Compliance Notification: observations made that require additional investigation and board review for possible discipline- most serious patient safety concerns observed

**Communication and Education:** Communication with stakeholders is essential to ensure compliance with statutes and rules and for licensees to practice in the best interest of the public. Board staff regularly provide presentations and interact with licensees and students of pharmacy to provide timely information on safe practice and regulatory compliance. Customer Service is one of the Board's highest priorities. All incoming phone calls are answered by a staff member, and then routed to the appropriate personnel for assistance. The OBOP staff receives questions from licensees, other healthcare professionals, the media, and the public. The Board has a philosophy of compliance through education and participates in conferences and educational presentations to professional associations and pharmacy schools regarding pharmacy and drug law and licensing issues. The Board participates in monthly Pharmacist-In-Charge (PIC) required training courses moved to a virtual platform during the pandemic.

**Board Administration (Members and Meetings):** The Board is composed of nine volunteer members that serve four-year terms and may be reappointed. Onboarding new members requires orientation to procedures and processes for state service and Board meeting procedures. Board members are required to utilize their professional expertise to

create a regulatory framework that protects the public health and safety. While Board members may work in the profession and are governed by Board statutes and rules, they must make decisions based solely on the public interest.

**Public Health and Pharmacy Formulary Advisory Committee (PHPFAC):** The role of the PHPFAC is to evaluate concepts for protocols, drugs and devices for pharmacists to prescribe to Oregon patients and then to submit recommendations for the Board of Pharmacy to adopt by rule. Board staff support the committee's work by preparing the concepts for review, working with subject matter experts to formulate protocols, and assuring compliance with public meeting requirements. If the PHPFAC recommends a protocol, drug or device, the staff presents the recommendation to the Board in the form of draft rules for rulemaking consideration.

## **Agency Key Performance Measures & Strategic Planning**

### **Goals**

The five strategic goal areas outlined in the Board's [2022-2026 Strategic Plan](#) will guide the work of the Board and staff to create the regulatory structure necessary to incorporate and encourage the best pharmacy practices to ensure public health and safety. This plan will be reviewed and updated annually to make sure that desired outcomes are being met and to encourage safe and contemporary pharmacy practice. The five strategic goal areas include:

- Technicians
- Technology
- Licensing & Registration
- Regulation, and
- Communication.

The agency's focus is on customer service:

- Racial Justice and Equity is a consideration in all agency programs and processes
- We strive for diversity on the board, the PHPFAC and on our staff

The Agency has identified three long-term strategic goals to align with Key Performance Measures (KPM) that are consistent with its mission statement and that will provide direction for ongoing activities and resource allocation. The goals and measures are:

- **Goal #1:** Protect Oregon consumers by regulating the practice of pharmacy and distribution of drugs
- **Goal #2:** Provide excellent customer service
- **Goal #3:** Conduct business in a manner that supports a positive environment for the pharmacy industry

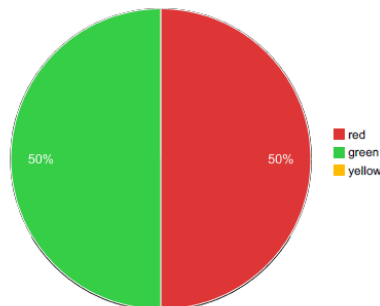
In its ongoing efforts to achieve these goals, the Board will:

- Continue to assure the competency level of pharmacists through testing, peer review, and improved continuing education.
- Maximize the use of onsite inspections of the various drug outlets to ensure public safety.
- Focus on timely investigation of consumer complaints and allegations of diversion and other drug distribution violations and medication dispensing errors.
- Work closely with the Medical, Nursing, Dental, Optometry, Naturopathic and Veterinary Boards and their Associations (i.e. health professions with authority to prescribe drugs), the Oregon State University College of Pharmacy and the Pacific University College of Health Professions School of Pharmacy, and the state and federal drug enforcement agencies in the ongoing effort to eliminate the diversion of drugs from legitimate distribution channels to illegal street markets and harmful recreational use (*prescription drug abuse*).

The Board has six Key Performance Measures:

- 1) Percent of annually inspected pharmacies that are in compliance with pharmacy laws and rules.
- 2) Percentage of individual and facility licenses that are issued in within 30 days.
- 3) Percent of pharmacies inspected biannually.
- 4) Average number of days required to complete an investigation.
- 5) Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”; overall, timeliness, accuracy, helpfulness, expertise, availability of information.
- 6) Percent of total best practices met by the Board.

The following is an overall reflection of the agency’s performance, our targets and actual performance is very close to the expected outcomes. Note, the results for the 2022 report are based on calendar year 2021 data.

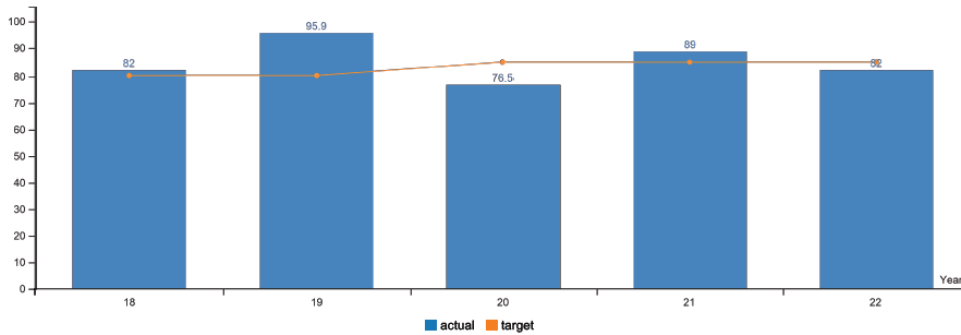


Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	50%	0%	50%

# Measure #1

## Percent of inspected pharmacies that are in compliance annually.

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percentage of Pharmacies that are in compliance annually.					
Actual	82%	95.90%	76.50%	89%	82%
Target	80%	80%	85%	85%	85%

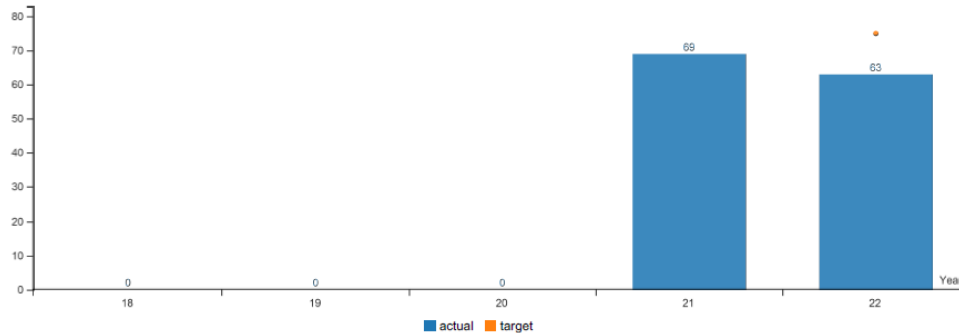
Measures #1 relates to the number of pharmacies and drug outlets in compliance upon inspection. Board Inspectors utilize an updated Pharmacy Self-Inspection report as a tool for inspections based on updated rules. Those pharmacies that are not in compliance upon inspection have the opportunity to correct violations of best practices within 30 days. If corrective action is not completed, the board will review violations for possible disciplinary action. The board reviews this information throughout the year as a regular activity during the Compliance portion of each regularly scheduled board meetings.

Many rule changes have been implemented over the past 5 years to account for new legislative authorities for a pharmacist to prescribe and rules related to outlet requirements. Drug Outlets are within 5% of 85% target for the calendar year 2022 Annual Performance Progress Report at 82%. Staff continues to work to communicate effectively with all outlets to improve patient safety by achieving compliance with laws and rules.

## Measure #2

Percentage of individual and facility licenses that are issued within 30 days.

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Percentage of individual and facility licenses that are issued within 30 days.</b>					
Actual				69%	63%
Target					75%

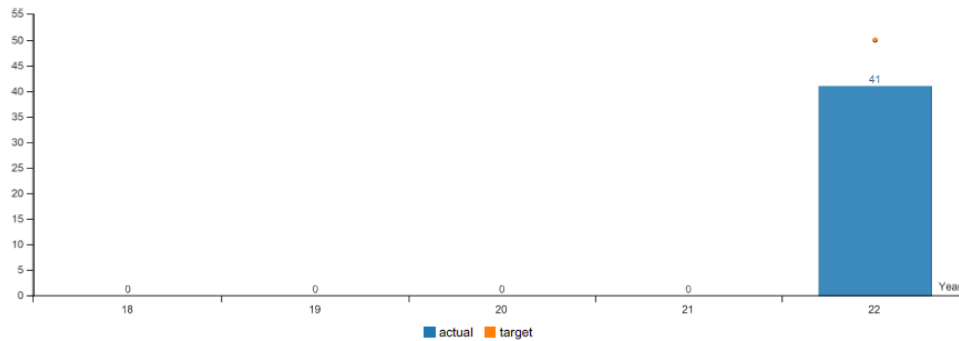
Measure #2 - This was a new measure in 2021-23. The first reporting year was in 2021 with data reported in 2022. The target is 75%. The Licensing Department continues to strive for achieving a target of 75% individual and facility licenses issued within 30 days of receiving the application. During 2022, there were licensing representative vacancies which resulted in a slightly longer turnover of license applications. The Licensing Department is fully staffed and training continues. They hope to see this measure improve with 2023 data on the 2024 Annual Performance Progress Report.



## Measure #3

### Percent of pharmacies inspected biennially

\* Upward Trend = positive result



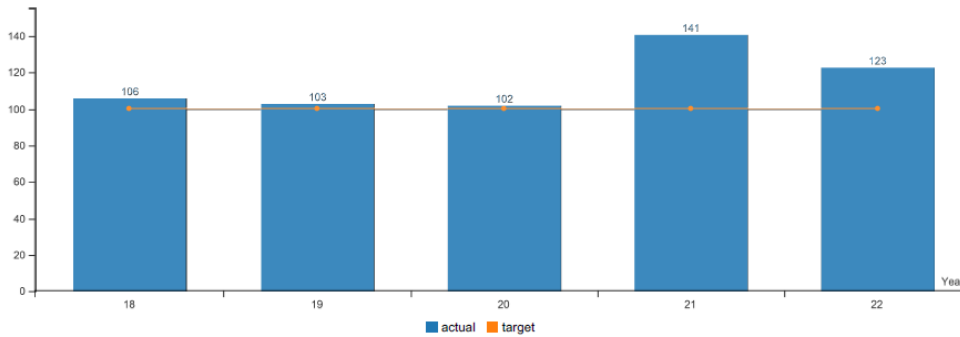
Report Year	2018	2019	2020	2021	2022
<b>Percent of pharmacies inspected every 2 years.</b>					
Actual					41%
Target					50%

Measure #3 – This measure was revised from annual to biennial inspections during the 2021-23 biennium. The 2022 Annual Key Performance Report reflects 2021 data. Compliance Officers inspect pharmacies on a biennial basis with a goal of inspecting each pharmacy during the biennium. Inspections were conducted virtually during the first two years of the COVID-19 pandemic and in-person inspections resumed in the Spring of 2022. While we are just under 50% of pharmacies inspected as of the end of 2022, there is a plan to complete the remainder of pharmacy inspections by the end of this biennium and rules are implemented to shift this cycle to the fiscal year. Now that the Compliance Officers are more able to inspect in person, we expect to see improvements for this measure.

## Measure #4

Average number of days to complete an investigation from complaint to board presentation.

\* Upward Trend = negative result

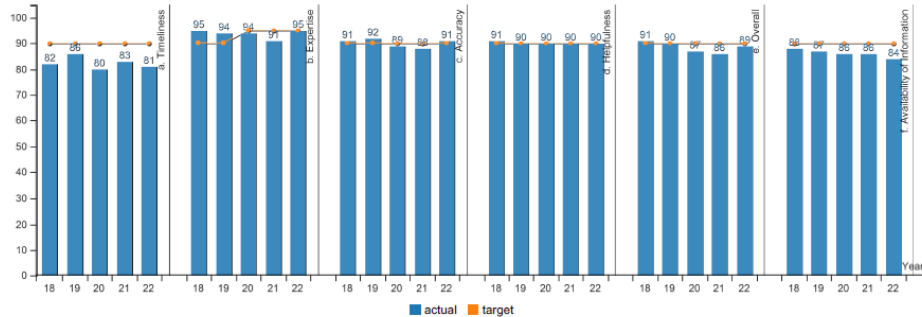


Report Year	2018	2019	2020	2021	2022
<b>Number of days to process complete investigation from complaint to Board presentation.</b>					
Actual	106	103	102	141	123
Target	100	100	100	100	100

Measure #4 - The total number of investigations/inspections that resulted in cases from January 1, 2021 - December 31, 2021 was 837 reported in 2022 which is an increase of 142 from 2018. This number is inclusive of all cases, which include those initiated from inspection results, licensee application cases, drug diversion and theft cases, impairment cases, fraud / misrepresentation cases and all consumer complaints. Cases are triaged to ensure that the public's safety is maintained which may cause delays in processing of other types of cases. On average, cases were reported and presented to the board within 96 days. This is a decrease of 45 days from 2020. Full staffing, continuous process improvement, and case triage are all contributors to ensuring patient safety through timely board review / action.

## Measure #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.**



Report Year	2018	2019	2020	2021	2022
<b>a. Timeliness</b>					
Actual	82%	86%	80%	83%	81%
Target	90%	90%	90%	90%	90%
<b>b. Expertise</b>					
Actual	95%	94%	94%	91%	95%
Target	90%	90%	95%	95%	95%
<b>c. Accuracy</b>					
Actual	91%	92%	89%	88%	91%
Target	90%	90%	90%	90%	90%
<b>d. Helpfulness</b>					
Actual	91%	90%	90%	90%	90%
Target	90%	90%	90%	90%	90%
<b>e. Overall</b>					
Actual	91%	90%	87%	86%	89%
Target	90%	90%	90%	90%	90%
<b>f. Availability of Information</b>					
Actual	88%	87%	86%	86%	84%
Target	90%	90%	90%	90%	90%

Measure #5 – The board’s overall average of 88.3% is an increase of .8% from 2021 (the 2022 Report). The board continues to see licensee growth which increases application processing times.

The overall service questions indicate an increased satisfaction of applicants. Timeliness and availability of information both decreased. Based on the comments received in the survey, this was largely due to the delays the agency experienced in receiving fingerprint results during the time of the year that we see the largest influx of application from individuals. This occurred during the timeframe where individuals were graduating from pharmacy schools as well as the deadline for pharmacy technicians to obtain additional licensure due to the expiration of the license.

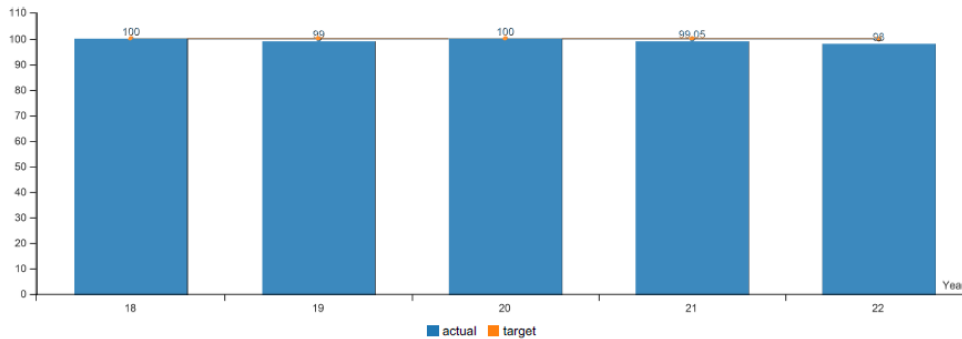
Factors that contributed to the results:

- Fully staffed / experienced licensing staff for more than 50% of the year
- Additional online services available
- Delays in receiving fingerprinting results
- Decrease in the number of days from case opening to board presentation for applications that required board deliberation.
- Increased number of applicants

## Measure #6

### Percent of total best practices met by the Board.

\* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
<b>Is the Board following Best Practices?</b>					
Actual	100%	99%	100%	99.05%	98%
Target	100%	100%	100%	100%	100%

Measure #6 – The board regularly works to follow best practices. Staff regularly reports to the board on many of the best practice items and/or the Board reviews materials throughout the year. Based on questions from newer members, this target has varied the last two years. New questions provide an opportunity for the agency to continually do better.

Overall, the 2022 report continues to reflect the Agency is striving to meet all Key Performance Targets. The Board serves its licensees and the people of Oregon. A complete copy of the [2022 Annual Performance Progress Report](#) (linked here) will also be available in the 2023-25 Governor’s Budget document under Special Reports.

## 2023-25 Summary of Program

The Agency is budgeted as one Program Unit. For management efficiency, we have broken out the key areas of agency function, which include:

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

All areas are by their nature intricately connected and required to accomplish the statutory mission of the agency.

### To Achieve the Agency's Mission and Deliver Services to Oregonians

Agency staff engages in a variety of ongoing operational activities to achieve the Agency's mission of public safety for Oregonians and regulatory oversight of over 30,000 licensees in 6 categories of individuals and 27 categories of drug outlets both in-state and out of state, a chart reflecting these categories is in the Appendix on [page 27](#). The 2023-25 Governor's Budget supports these activities based on current projections. These operational responsibilities and services include:

- Efficient management of office and agency
- Efficient processing of examinations and licenses
- Perform regular pharmacy inspections
- Provide responsive research, information and assistance services
- Provide effective compliance efforts
- Provide responsive consumer and other stakeholder communication
- Provide support to the Board and Formulary Advisory Committee

Boards of pharmacy, unlike other health regulatory boards, are required to collaborate with many other state and federal regulatory agencies including:

- U.S. Food and Drug Administration (FDA), with federal authority over prescription and non-prescription drugs and devices
- U.S. Drug Enforcement Administration (DEA), with federal authority over controlled substances
- State health regulatory boards for every discipline with the authority to prescribe, dispense, administer or possess drugs and devices

Boards of pharmacy also uniquely differ from other health regulatory boards in that they:

- regulate the licensed professional individual; and
- regulate the quality, distribution, and commerce of products and services and register the various types of drug outlets

This dual role creates a variety of unique circumstances affecting pharmacy boards which are not shared by the other health regulatory boards.

### Major budget drivers, budget risks, and environmental factors

This 2023-25 budget includes one policy package to add a new Healthcare Investigator / Advisor. The board implemented fee increases at the beginning of biennium approved in 2019, 3 new fees drug outlet fees need to be ratified. The biggest risk would be any loss of personnel or FTE.

**“Personnel Services” costs** represent 69% of the agencies budget. What the agency does involves people working with people, licensing, investigations and outreach.

Ongoing expenses for “Services and Supplies” represents 31% of the agencies budget and are inherent and tend to not fluctuate significantly.

**Attorney General** is the second largest agency expenditure at 6.81%. This is due in part to the volume of cases and hearing requests we receive associated with notification of board discipline and the changing practice of pharmacy within the state or nationally In 2021 and 2022 there were 1893 cases, 214 final orders issued altogether and we currently have 33 hearings requested and being managed along with one case before the Court of Appeals.

## **Environmental Factors**

### **COVID-19 Impacts**

As with many State Health agencies, the Board of Pharmacy has continued been actively involved in helping licensees, registrants and the public navigate and stay safe during the COVID-19 public health emergency. From the beginning of the pandemic in March 2021, the Board has communicated with licensees and registrants to assist them in keeping their staff and the public safe.

- A major revision of the organization of its rules, called the Division Vision to improve clarity, transparency and compliance.
- Drug safety of US drug supplies, generally safe, continued work with state and federal partners.
- Drug Supply Chain Security Act (DSCSA) The DSCSA is designed to ensure that the drug supply chain remains secure and that prescription drugs moving through the supply chain are properly stored, handled, and transported. These measures are intended to help protect consumers from drugs that may be counterfeit, stolen, contaminated, or otherwise harmful. These requirements will also improve detection and removal of potentially dangerous drugs from the drug supply chain to protect Oregon and U.S. consumers.
- In addition to the ongoing increase in the number of licensees and registrants, the Agency’s workload continues to be driven primarily by an increase in the complexity of consumer complaints, and to the growing complexity as well as number of investigations and requests for information. This has led to an increase in the amount staff time required to adequately address and attend to stakeholder issues.

Pharmacists will continue to perform essential roles in providing immunization services as the demand for mass vaccination is expected to continue.

Additional environmental factors include expanding technician roles in assisting pharmacists, automation and technology in drug distribution, regulating pharmacist patient care services under statewide protocols and formulary, increasing complexity and scope of investigations, changing pharmacist and pharmacy technician roles and challenges to drug supply chain security and integrity.

**Administrative initiatives** and projects such as budget preparation, document security and the ongoing move to electronic documents, business continuity, workforce data and cultural competence are some of the many activities that consume an increasing portion of staff time.

**Statutory directives** to safeguard public health utilize significant portion of staff time. Recent examples include: 2021 HB 2648 related to transfer of pseudoephedrine without prescription. 2021 HB 2958 related to pharmacist prescribe, dispense and administer preexposure prophylactic therapies. 2021 SB 629 related to telepharmacy to deliver pharmacy services at remote location. 2022 HB 4034 related to pseudoephedrine. 2022 HB 4096 related to non-resident volunteer

pharmacists. 2022 SB 1529 relates to deploying volunteer emergency health care providers under certain circumstances and 2022 SB 1560 relates to changing the term “alien” with noncitizen.

**Prescription drug abuse or overutilization** requires an increasing amount of staff time. Staff investigates illegal Internet drug distribution, local fraudulent prescription scams and diversion and theft of controlled substances from pharmacies. Many drug related issues such as these are also covered by the news media and requests for information, interviews and statements from staff are common. Other issues include working with the Oregon Department of Environmental Quality to implement 2019 HB 3273, the statewide prescription drug take back program and participating in the Oregon Opioid Taper Guidelines Taskforce to address opioid use disorder. Pharmacists are uniquely positioned to have a positive impact in reducing opioid abuse by utilizing the Oregon Prescription Drug Monitoring Program (PDMP) and communicating with health care providers all of these are ongoing initiatives.

### **Major Changes in the Last 6 Years**

- New Executive Director Joseph Schnabel - February 2019.
- 2019-21 Implemented MyLicense Office database along with new e-Gov and e-Verification online tools.
- As with the world at large, COVID-19 had and continues to have a significant impact on the profession of pharmacy, the pharmaceutical industry and the Board of Pharmacy.
- The Public Health Emergency (or PHE) has ended in Oregon and will end Federally in May. During the PHE, there were several accommodations to assist pharmacies in staffing by utilizing out-of-state licensees and for pharmacists, pharmacy technicians and interns to administer vaccines to a wider population. As these accommodations end, the board will work with licensees and registrants in resuming pre-pandemic operations while keeping pharmacy services safe and accessible.
- 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.
- Administrative Rule adoption 2022 – Rules adopted (85), amended (107), repealed (16). Temporary Rules adopted (4), amended (42), suspended (0). Many of these were related to the “Division Vision” which includes regular review, streamlining efforts or rules in need of updating.
- Other issues 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

## Efficiency Actions

Actions the agency employs to contain costs include:

- 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.

## 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

## 2023-25 Budget Information

The Board's 2023-25 proposed budget includes an Other Fund expenditure limitation request of **\$10,695,863**, a 10.37% increase over the 2021-23 Legislatively Adopted Budget.

The following packages supports the agencies activities as described and adds one positions.

2023-25 Essential Packages include various packages from 010 – 099. These packages make a variety of DAS adjustments (increases, decreases or reductions) Package 032 provides additional funding in the amount of **\$57,079** for Facilities Rent due to DAS Facilities recalculation of space at the Portland State Office Building where the agency is located. Package 060 includes a technical adjustment in the amount of **\$22,885** to realign funds from a previously phased out project in 21-23. The remaining packages relate to Statewide adjustments and include reductions the DAS Price List, State Government Service Charges (**\$53,714**), Attorney General fees (**\$33,805**).

## 2023-25 Policy Packages

### **Policy Package 101 Expanding Workload Position**

This package adds one new position and the associated services and supplies to the agency. This package requested the establishment of one Health Care Investigator/Advisor (1.00 FTE) position in the Compliance Department to assist with the increased inspection and investigative workload. **\$386,599**. More details are included in the policy package narrative.

## Summary of Proposed Legislation

The agency does have proposed legislation:

**HB 2291** - Authorizes State Board of Pharmacy to require person under investigation by board to undergo mental, physical, chemical dependency or competency evaluation.

LC 577 – Definitions for Wholesale Distributors and Third-Party Logistics Providers and Outlet Registration types DSCSA Wholesaler. Ideally it would be good for this concept to move, however it could wait until 2025 session as the full federal requirements go into effect in late 2025.



## 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.

[HB 2486](#) – Allows certain pharmacy technicians to administer vaccines.

[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.

[SB 5529](#) - Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by State Board of Pharmacy.

## Summary of Long-Term Vacancy Information

The agency does not currently have any long-term vacancies.(Refer to appendix)

## Fee Ratifications needed

There are 2 fee ratifications that need to be considered that were adopted administratively. In 2022, as part of the boards “Division Vision” mentioned, the board created two new drug outlet types as part of the retail drug outlet category. Remote Dispensing Site Pharmacy (RDSP) \$225 and Pharmacy Prescription Lockers fee \$120. Additionally, the board adopted a fee at the February 9,2023 meeting for a Pharmacy Prescription Kiosk fee \$120 that is planned to be effective by rule on February 15, 2023. These three outlet types were added pursuant to the board’s Strategic Plan and based on outlet inquiries. At this time there is one RDSP and it has been licensed.

## Reduction options in Governor’s budget

The Governor’s budget does not include any reductions other than those assigned statewide.

## Ending Balance

Assuming the Governor’s Budget is approved; the Board will have a 8.72 month ending balance at the end of 2023-25 of \$3,777,393. The agency assumes at least a 6-month ending balance is necessary due to the uncertain cost of hearings and appeal cases. The remaining excess is expected as fees were increased in 2019-21. An updated ending balance chart is located on [page 32](#).

## **APPENDIX**

[Pages 19-20](#) - Organizational Charts

[Page 21](#) - Licensing Total/New Licensee Comparison Chart

[Page 22](#) – Licensee count / Funds /FTE

[Page 23](#) – Compliance Case Chart

[Page 24](#) – Inspection Chart

[Page 25](#) – 2023-25 Program Allocation

[Page 26](#) – 2023-25 Expenditures by Type

[Page 27](#) – Licensee Category by Type

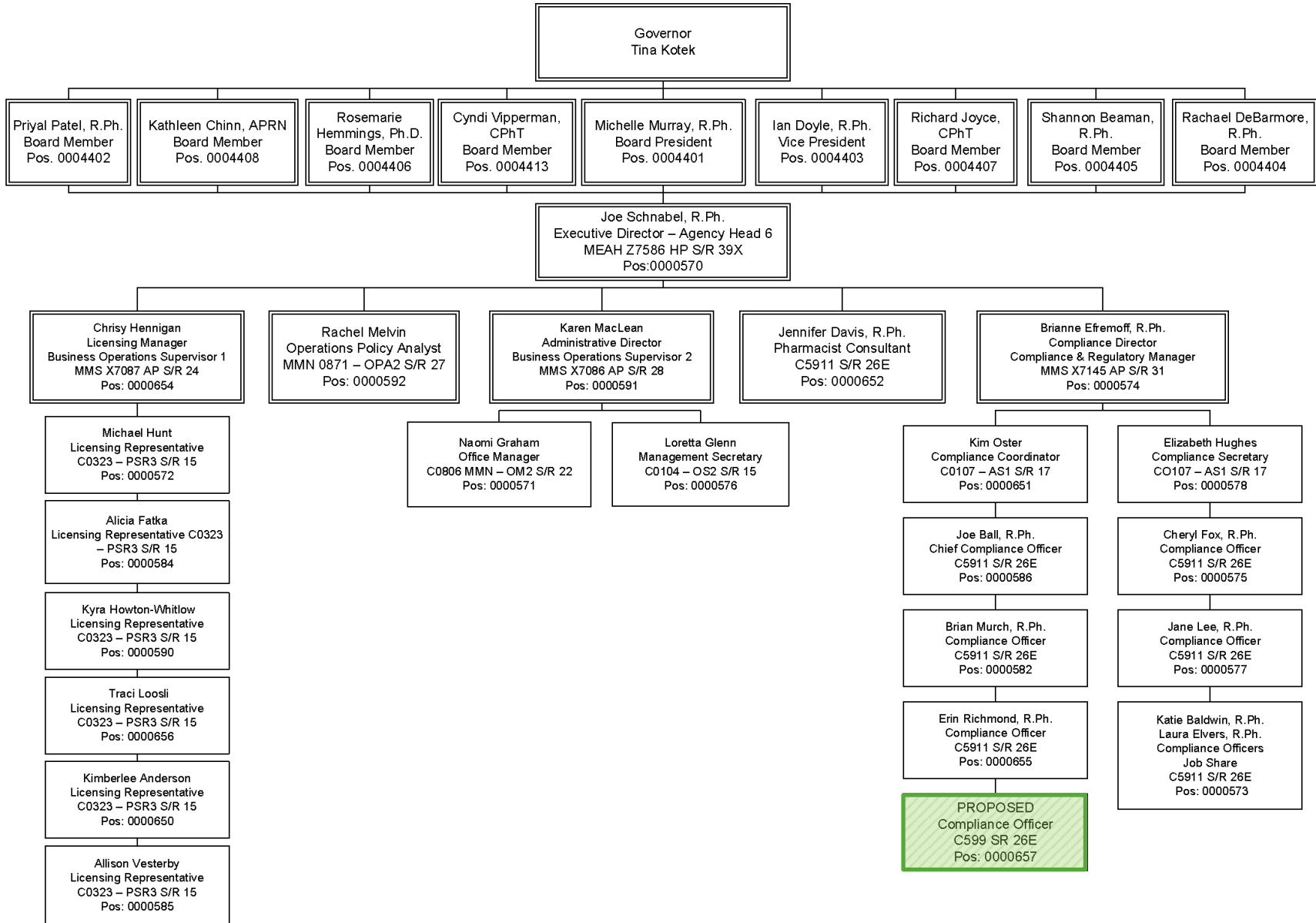
[Page 28](#) – Program Prioritization for 2023-25

[Page 29](#) - Long Term Vacancy List

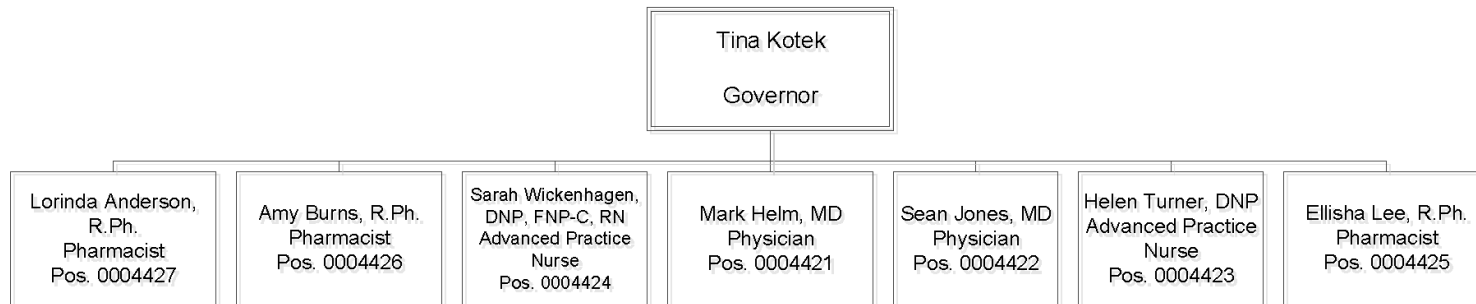
[Page 30-31](#) - Agency Reduction Options for 2023-2025

[Page 32](#) – Ending Balance Information

# Organizational Charts



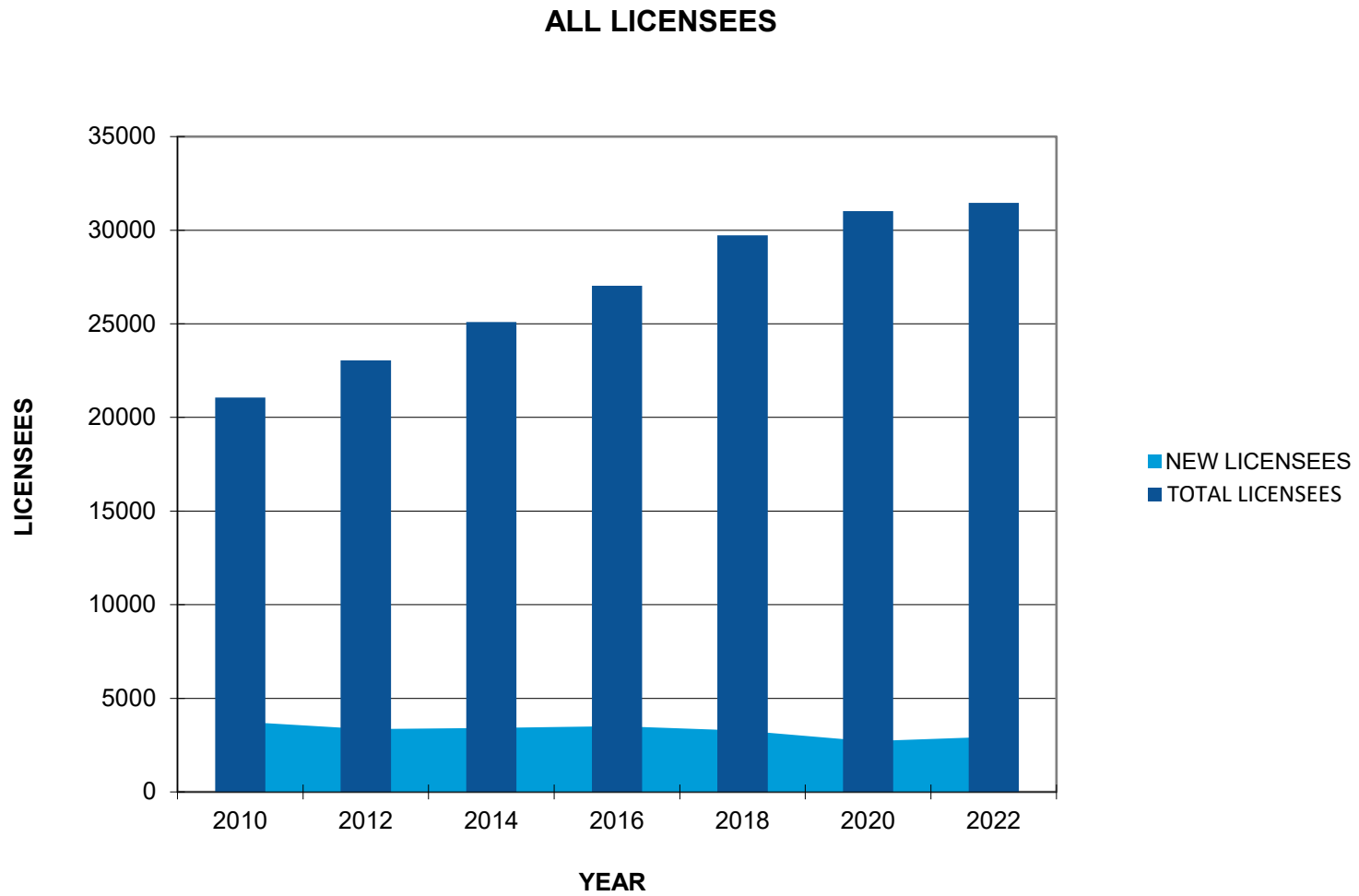
## Organizational Charts



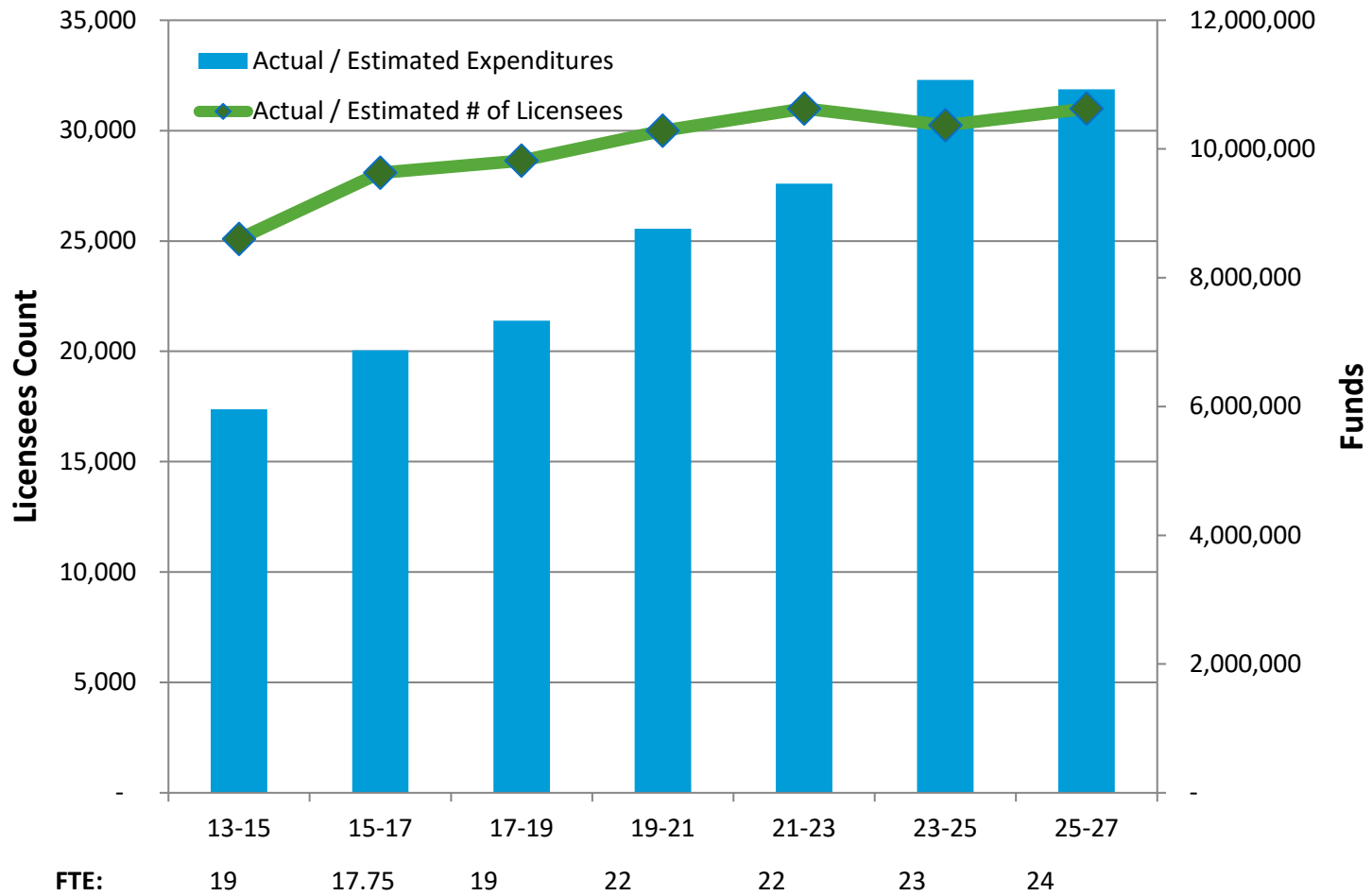
**PUBLIC HEALTH AND PHARMACY FORMULARY ADVISORY COMMITTEE**  
Established January 1, 2018

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

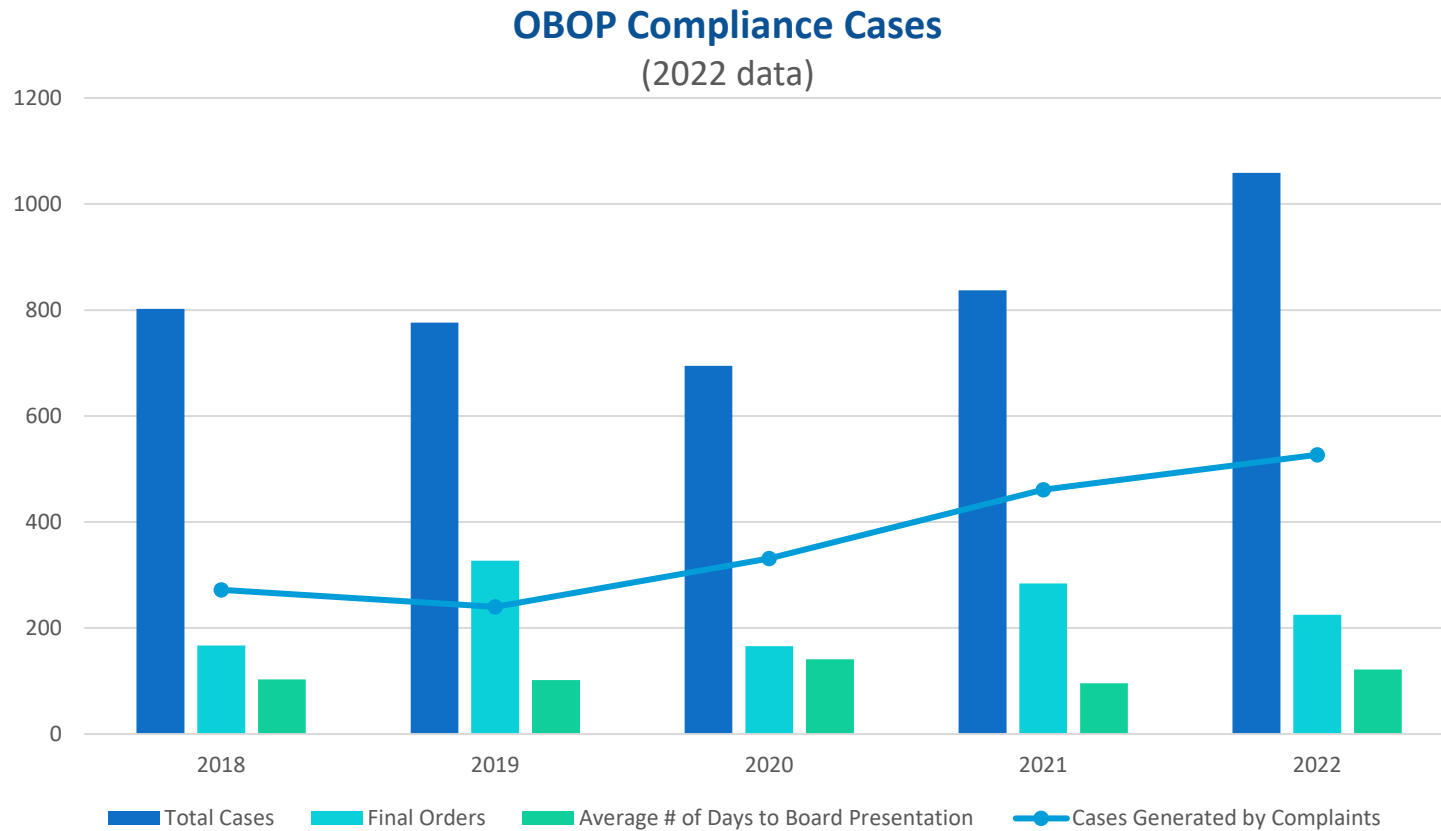
## Licensing Total/New Licensee Comparison Chart



## Licensees / Funds / FTE Comparison Chart



## Compliance Cases

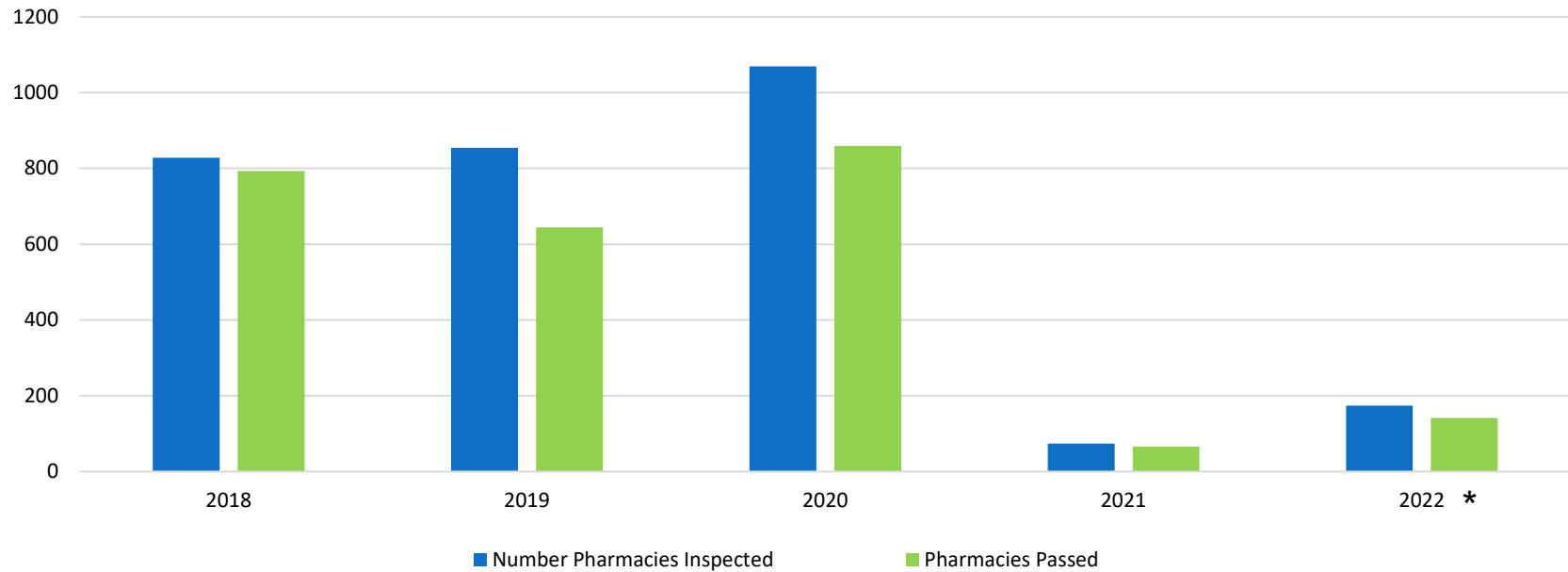


**Note:** as this chart relates to Key Performance Measure #4, beginning in 2019, “total cases” is inclusive of all case types, which include those initiated from inspection results, licensee application cases, drug diversion and theft cases, impairment cases, fraud / misrepresentation cases and all consumer complaints. Cases are triaged to ensure that the public’s safety is maintained which may cause delays in processing of other types of cases. The 2020 data related to the average # of days is not available at this time. That will be reported in the 2021 Annual Performance Progress Report.

## Pharmacy Inspections

Due to the COVID-19 Public Health Emergency in 2020, limited inspections were completed due to travel restrictions and the safety of our staff. The Board is currently exploring options to conduct inspections virtually until it is safer to travel around the state.

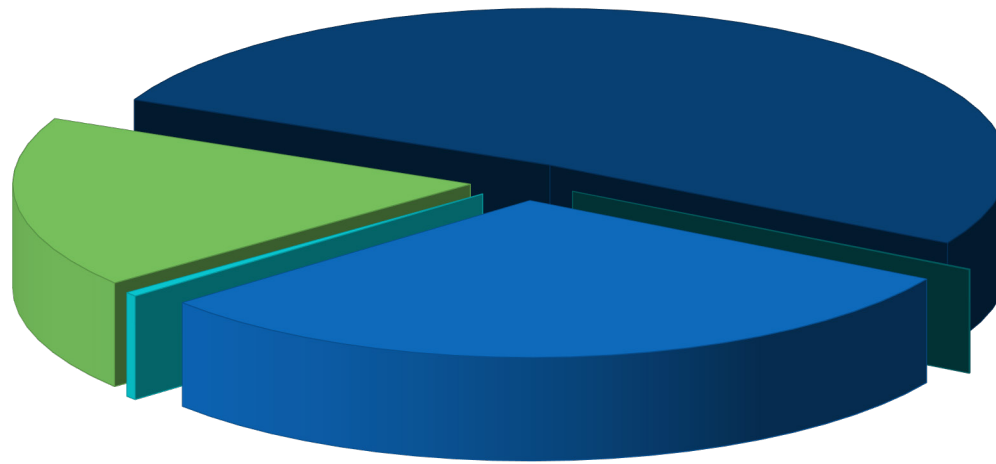
OBOP Pharmacy Inspections  
(2021 Inspections completed 2/1/2021 thru 1/31/2022)  
(Inspection year runs 2/1 - 1/31 annually)



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

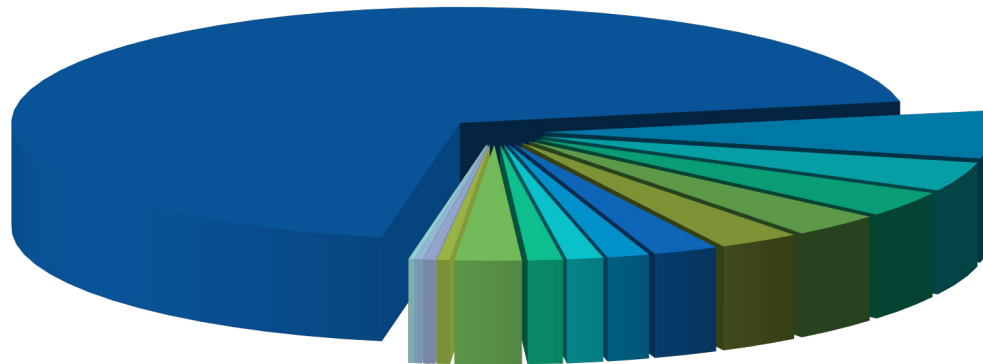


## 2023-25 Program Allocation



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

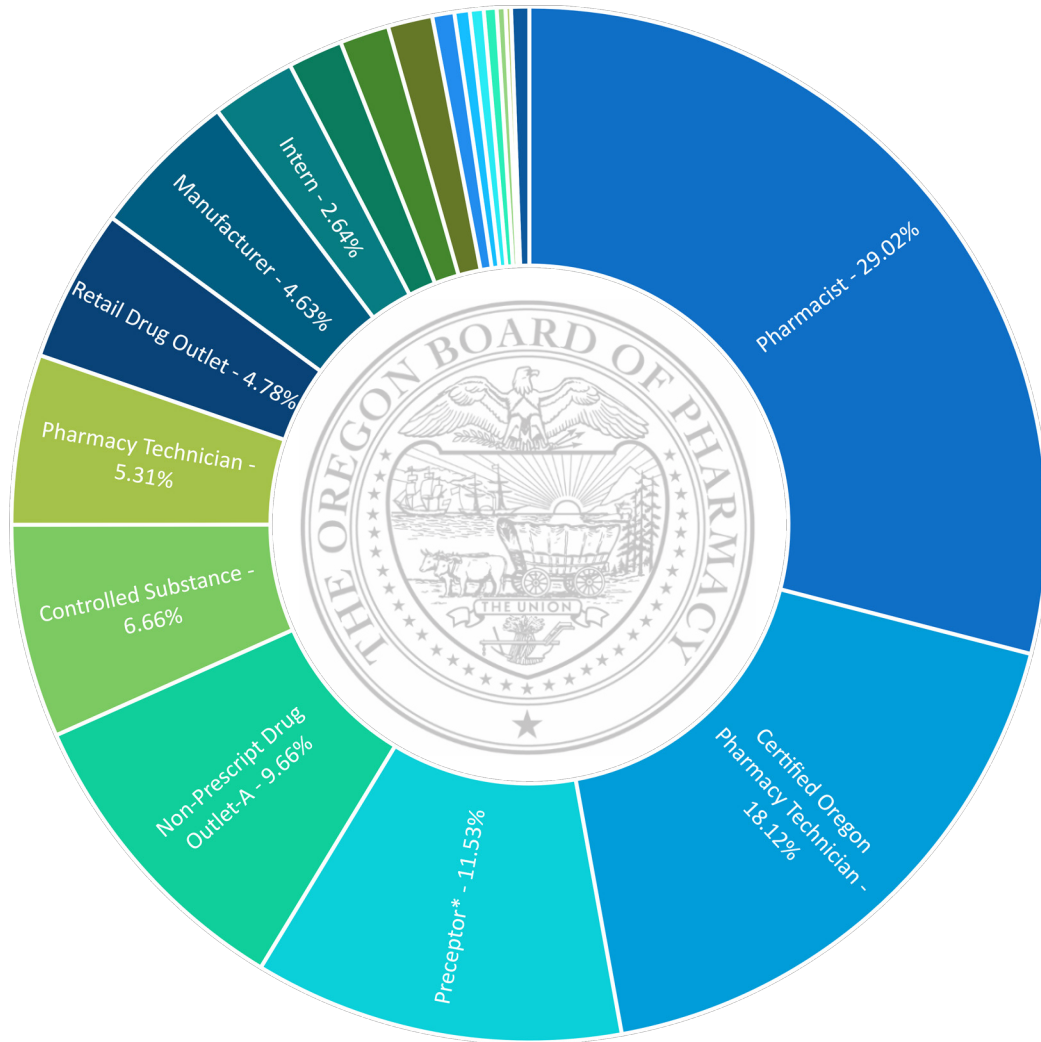
## 2023-25 Expenditures by Type



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

- Personnel 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%

# Licenses by Category



- 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%

# Program Prioritization for 2023-25

Program Prioritization for 2023-25																					
Agency Name: Oregon Board of Pharmacy																					
2023-25 Biennium																			Agency Number: 85500		
Program 1																					
Program/Division Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div																				
85500	1	OBOP	Operations (Administration, Communications & Policy)	85500 1-6	3			2,884,356				\$ 2,884,356		7.00	N	Y	S	ORS 475 & 689		None unless 10% Reductions are considered. The impact is included on the Reduction form 107b117.	
85500	1	OBOP	Licensing & Exams	85500 2,5	3			1,679,089				\$ 1,679,089		7.00	N	Y	S	ORS 475 & 689		None unless 10% Reductions are considered. The impact is included on the Reduction form 107b117.	
85500	1	OBOP	Compliance	85500 1,3,4,5	3			4,903,530				\$ 4,903,530		10.00	N	Y	S	ORS 475 & 689		Includes HPSP, if 10% Reductions are considered, see 107b117.	
85500	1	OBOP	Board Activities	85500 6	3			42,741				\$ 42,741		0.00	N	Y	S	ORS 475 & 689		The Board has 9 members, if in-state or out of state travel is reduced, there will be an impact.	
85500	1	OBOP	Formulary Committee	Agency Mission	3			5,447				\$ 5,447		0.00	N	N	S	ORS 689.645 and .649		This Committee includes 7 members, legislatively authorized and effective 1/1/18. The Committee is meeting approximately 4 times per year.	
												\$ -									
												\$ -									
												\$ -									
								9,515,163				\$ 9,515,163	o	24.00							

The agency is budgeted as one Program Unit. For the purpose of this exercise, we have broken out the key areas of agency function. However, all areas are required to accomplish the statutory mission of the agency.



# Agency Reduction Options for 2023-2025

**Oregon Board of Pharmacy (OBOP)**

2023 - 2025 Biennium

Detail of Reductions to 2023-25 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
	S&S	85500	Agency Program Related S&S			10,981				\$ 10,981			no	This reduction could affect the pass-through funding for fingerprint charges, which is the largest expense associated with this category.	
	S&S	85500	Other Services and Supplies			10,982				\$ 10,982			no	This reduction could affect resources available to pay for credit card fees for licensing renewals.	
	S&S	85500	Publicity & Publications			11,287				\$ 11,287			no	The Agency's Newsletter is now only available online rather than printed and mailed by the National Association of Boards of Pharmacy (NABP). All associated expenses for the newsletter have been attributed to this budget object.	
	S&S	85500	Instate Travel (Board and Inspection)			30,191				\$ 30,191			no	This reduction could impact the ability of the agency to meet Key Performance Measure inspection targets if funding is reduced; or alternatively, the board could consider reducing the number of board meetings per year to reduce instate travel. However, the board has had to increase its meetings to 3 day meetings for the last year + and it is anticipated to continue through 2024 based on the current compliance case load and the board priorities on rulemaking.	
	S&S	85500	Out of State Travel (Board and Staff)			4,434				\$ 4,434			no	Agency would have to re-evaluate use of out of state travel resources. May need to limit travel for board members to attend various NABP and other meetings. These meetings are valuable for state Boards of Pharmacy members to meet in person and share issues that vary from state to state, which is very valuable to learn from one another and problem solve or share issues often common from state to state. The agency is a member of NABP authorized by ORS 689.135 (2). Agency may also have to limit staff travel to essential job-related specialized trainings that are not available locally or through remote learning. This would be especially detrimental as this is not currently available in the online learning environment and critical for our pharmacy inspectors.	
	S&S	85500	Attorney General			175,611				\$ 175,611			no	Agency would need to re-evaluate use of Board Counsel and number of hours used. Agency continues to have a high number of cases annually, in addition to a large number of administrative hearings requested. Cases and hearings require use of the agency's board Counsel. These can be very costly depending on whether the hearing occurs, or the case is settled. We currently have one case before the Court of Appeals and these can be very costly.	
	PS	85500	Operations - 1 OS2 Position			171,393				\$ 171,393	1	1.00	no	This position is not anticipated for reduction in the GRB. If it were reduced, members of the Licensing and Operations teams would have to absorb this work and that would put a strain on these already full positions.	



# Ending Balance Information

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

Agency: Oregon Board of Pharmacy  
 Contact Person (Name & Phone #): Karen MacLean 971-673-0005

(a)	(b)	(c)	(d)	(e)	(f)		(g)		(h)	(i)	(j)
Other Fund				Constitutional and/or	2021-23 Ending Balance		2023-25 Ending Balance				
Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Statutory reference	In LAB	Revised	In CSL	Revised			Comments
Limited	85500-001-00-00-00000	1171 OF State Board of Pharmacy	Operations	ORS 689.135	3,080,470	4,792,986	2,664,259	3,777,393			The 2021-23 ending balance is higher than anticipated for a variety of reasons. 1) Continued higher than expected individual and outlet registrations. 2) Adding back in the cost of one position being withdrawn from the 2023-25 ARB. 3) We had trouble filling a few positions this biennium and there was savings. 4) Travel expense savings have also been realized due to COVID. However, travel for inspections and a few out of state meetings is anticipated during the final six months of the biennium. Approximately an 8.72 month ending balance is expected..