

Board of Pharmacy

	2019-21 Actual	2021-23 Legislatively Adopted	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Budget
Other Funds	8,064,178	9,463,698	9,691,342	10,396,783	10,695,863
Total Funds	8,064,178	9,463,698	9,691,342	10,396,783	10,695,863
Positions	22	22	22	22	23
FTE	22.00	22.00	22.00	22.00	23.00

* Includes Emergency Board and administrative actions through December 2022.

Program Description

The mission of the Oregon Board of Pharmacy (OBOP) is to protect 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, over-the-counter drug outlets, and other such locations; 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 nine-member board is appointed by the Governor and includes five pharmacists, two pharmacy technicians, 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. As of July 2022, the Board had a total of 30,238 licensees, including 20,188 individual licensees (pharmacists, pharmacy technicians, etc.) and 10,050 registered drug outlets.

CSL Summary

The 2023-25 current service level (CSL) budget for the Board is \$10,396,783 Other Funds and includes 22 positions (22.00 FTE). The CSL budget is \$705,441, or 7.3%, more than the 2021-23 legislatively approved budget. The CSL budget includes adjustments for payroll expenses and standard inflation, as well as above standard inflation for rent due to recalculation of office space at the Portland State Office Building, where the agency is located. At CSL, the Legislative Fiscal Office estimates that the Board has a 2023-25 ending balance of \$3,819,993, which is equivalent to 8.8 months of operating reserves. However, OBOP may have lower revenue projections in 2023-25 than originally anticipated, due to the rule changes they are undertaking to reduce barriers to licensure.

Policy Issues

OBOP is proposing two new annual registration fees for the 2023-25 biennium. A remote dispensing site pharmacy fee of \$225 is being proposed as part of implementation of SB 629 (2021) which permits the use of telepharmacy to deliver pharmacy services to patients in

remote locations. A pharmacy prescription locker fee of \$120 is being proposed due to new distribution technology. These fees have been administratively approved and minimal additional revenue is anticipated.

OBOP is also proposing legislation to update the definition of wholesale drug outlet and to add the definition of third-party logistics provider to be consistent with federal definitions and to continue to allow Oregon to regulate these entities with state registration. The third-party logistics provider will be a new registration type and a fee will also need to be ratified. A second legislative concept requests adding language in statute allowing substance use disorder evaluations for certain investigative cases.

Governor's Budget Summary

The Governor's Budget for OBOP includes one Policy Option Package. *Package 101: Expanding Workload Positions* adds one position (1.00 FTE), a Healthcare Investigator/Advisor, to assist with inspections and investigations, at a total cost of \$386,599 Other Funds.

In the past decade, the number of investigation cases the Board has seen has increased from 627 in 2012, to 842 in 2021 (the last full year of data), to an estimated 1,122 in 2022, potentially pointing to the need for additional inspection/investigative resources.

Other Significant Issues and Background

The practice of pharmacy has changed significantly in recent years. Pharmacists now have more direct patient care activities such as prescription of contraceptives and naloxone, medication therapy management, immunizations, etc. This expansion of practice also leaves pharmacy technicians involved with more production activities.

Responding to the COVID-19 pandemic, coupled with other changes to the profession, has left pharmacists and pharmacy technicians burned out. Simultaneously, a trend of consolidation has led to fewer pharmacies. Pharmacies have been closing and staff have been resigning in numbers that are impacting access to pharmacy services, particularly in rural Oregon. Due to workload issues and closures, people have been unable to get needed medication.

OBOP continues to receive concerns and complaints from licensees about workplace conditions related to staffing, professional practice, and patient safety. In December 2021, the board released a statement on safe pharmacy practice conditions and requested that a workgroup be formed to inform the board on this topic. The workgroup began meeting in January 2022 and assisted in development of a survey regarding safe pharmacy practice conditions that received 2,000 responses and 500 comments. Survey data and comments are being used to identify proposed rules to impact pharmacy practice conditions.

Key Performance Measures

A copy of the OBOP Annual Performance Progress Report can be found on the LFO website:

https://www.oregonlegislature.gov/lfo/APPR/APPR_OBOP_2022-10-03.pdf