

## Oregon Medical Board

|                    | 2019-21<br>Actual | 2021-23<br>Legislatively<br>Adopted | 2021-23<br>Legislatively<br>Approved * | 2023-25<br>Current Service<br>Level | 2023-25<br>Governor's Budget |
|--------------------|-------------------|-------------------------------------|--|-------------------------------------|------------------------------|
| Other Funds        | 12,974,016        | 16,951,813                          | 17,346,295                             | 17,906,656                          | 18,223,626                   |
| <b>Total Funds</b> | <b>12,974,016</b> | <b>16,951,813</b>                   | <b>17,346,295</b>                      | <b>17,906,656</b>                   | <b>18,223,626</b>            |
| Positions          | 41                | 42                                  | 42                                     | 42                                  | 42                           |
| FTE                | 41.00             | 42.00                               | 42.00                                  | 42.00                               | 42.00                        |

\* Includes Emergency Board and administrative actions through December 2022.

### Program Description

Established in 1889, the mission of the Oregon Medical Board (OMB) is to protect the health, safety, and well-being of Oregon's citizens by regulating the practice of medicine in a manner that promotes access to quality care. The Board is responsible for licensing, regulating, and disciplining the professions of medical doctor, doctor of osteopathic medicine, doctor of podiatric medicine, physician assistant, and acupuncturist to ensure that only qualified and competent individuals are licensed to practice. The 14-member board, appointed by the Governor, is composed of seven medical doctors, two doctors of osteopathy, one podiatric physician, one physician's assistant, and three public members not employed in the medical field. The Board sets requirements for licensure, establishes board policies, reviews investigative cases, and takes disciplinary action where appropriate. It also appoints and reviews the work of the executive director.

The Board is solely funded by Other Funds revenues. The Board receives approximately 97 percent of its revenue from fees for licensure and registration. Licensure and renewal of medical doctors and osteopathic physicians make-up 82 percent of the Board's revenue and increase on a net basis of approximately two percent per year. The estimate for 2023-25 revenue is based on the current trend in fee income, which shows between 2018 and 2022 fee receipts from all licensees increased by an average of 2.8 percent per year. In addition to the fees, which support Board programs, the Board collects several pass-through fees from its licensees for the Oregon Health Authority and the Oregon Health and Sciences University.

### CSL Summary and Issues

The 2023-25 current service level (CSL) budget for the Board is \$17.9 million Other Funds, 42 positions, and 42.00 FTE. The current service level budget is \$506,361, or 3.2%, more than the 2021-23 legislatively approved budget. The CSL budget includes adjustments for payroll expenses and standard inflation. At CSL, the board has an ending balance of \$3 million Other Funds, which is an equivalent of 4 months of operating expenses. This is 2 months below the targeted 6 months of operating balance reserve.

### Policy Issues

The Board has a \$5.7 million Other Funds ending balance projected for the 2023-25 biennium which is approximately \$2.7 million or 94% higher than the 2021-23 legislatively approved budget. This is due to a proposed license renewal fee increase of 25% in proposed Policy Package 102. 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 7.5 months. The Board's planned expenditures are outpacing anticipated licensee growth. Increasing personal services and state government service charges costs are the main driver of expenditure growth. Without an increase in revenue or decrease to expenditures the ending fund balance will fall short at approximately 3.5 months of operating reserve.

During the 2021-23 budget development 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, \$400,000 of project implementation costs are expected to extend into 2023-25.

#### Governor's Budget Summary

The 2023-25 Governor's Budget is \$18.2 million Other Funds and 42 positions (42.00 FTE). The budget is \$316,970, or 1.8% more than the current service level of \$17.9 million. The Governor's Budget includes a \$400,000 Other Funds increase for the completion of the Board's core business software suite. Also included are technical adjustment reductions for attorney general (\$49,708) and state government service charges (\$33,322).

#### Key Performance Measures

A copy of the OMB Annual Performance Progress Report can be found on the LFO website.

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