



# **OREGON BOARD OF PHARMACY**

Budget Presentation 2025-27

**Joint Committee on Ways and Means,  
Education Subcommittee  
February 11, 2025**



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.

The Oregon Board of Pharmacy is committed to Diversity, Equity, Inclusion, and Belonging (DEIB) within its organization and for the public it serves. This commitment is reflected in board membership, agency staffing, the services provided, and its efforts to promote patient safety and ensure access to quality pharmacy care. Our actions, outlined in our DEIB and Affirmative Action Plans, demonstrate this commitment.

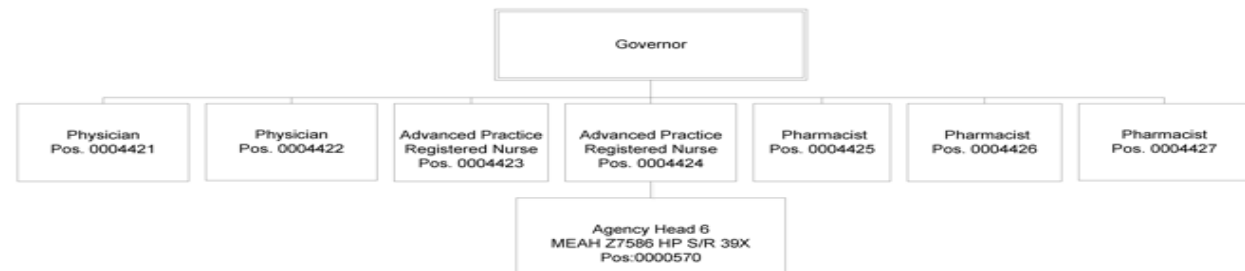
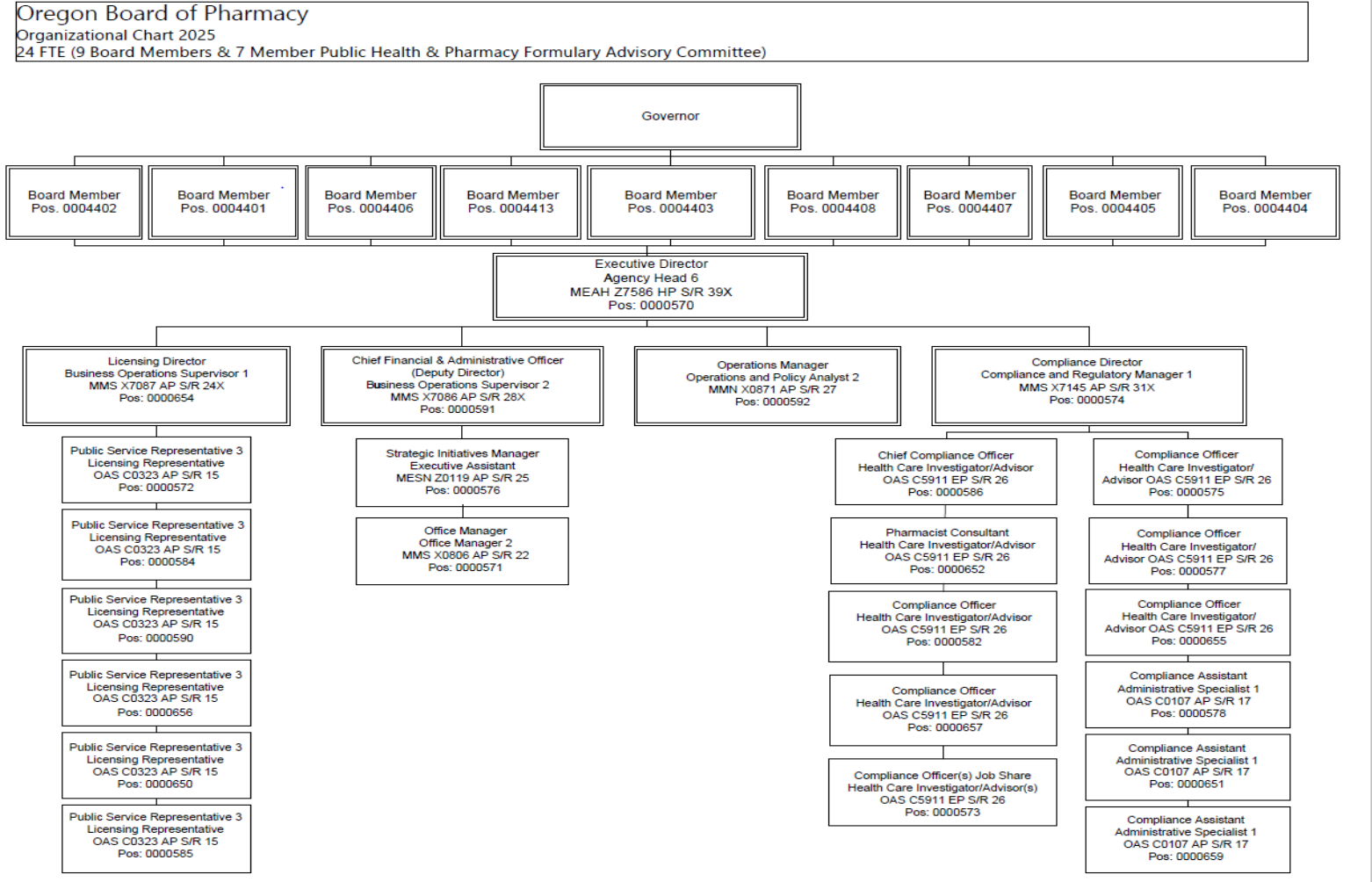


# What we will cover today:

1. Overview of Programs
2. Strategic Plan
3. Data and Trends in Licensing and Compliance
4. Key Performance Measures
5. 2 Agency Bills
6. Budget details and Budget Request

# WHAT IS "THE BOARD"?

- Board members
  - 5 Pharmacists
  - 2 Technicians
  - 2 Public
- Public Health and Pharmacy Formulary Committee (PHPFAC) members
  - 2 Physicians
  - 2 Advanced Practice Registered Nurses
  - 3 Pharmacists
- Agency staff
  - Operations
  - Licensing
  - Compliance

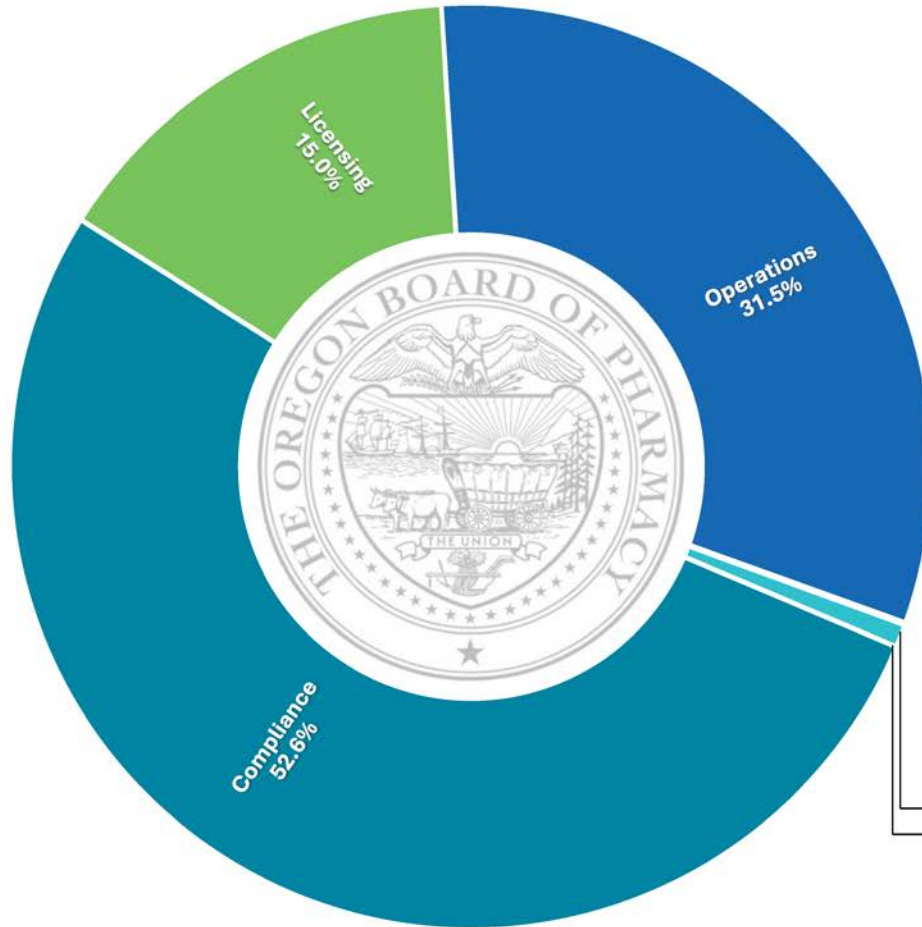


# Board Programs

- Licensing
- Compliance
- Communication and Continuing Pharmacy Education
- Board Administration
- Public Health and Pharmacy Formulary Advisory Committee (PHPFAC)



# Program Allocation



## 2025-2027 Program Allocation

- Board Meeting and Member Activities 0.8%
- Compliance 52.6%
- Licensing 15.0%
- Operations (Administration, Communications & Policy) 31.5%
- Public Health & Pharmacy Formulary Advisory Committee 0.1%

Board Meeting and Member Activities | 0.8%  
Public Health & Pharmacy Formulary Advisory Committee | 0.1%

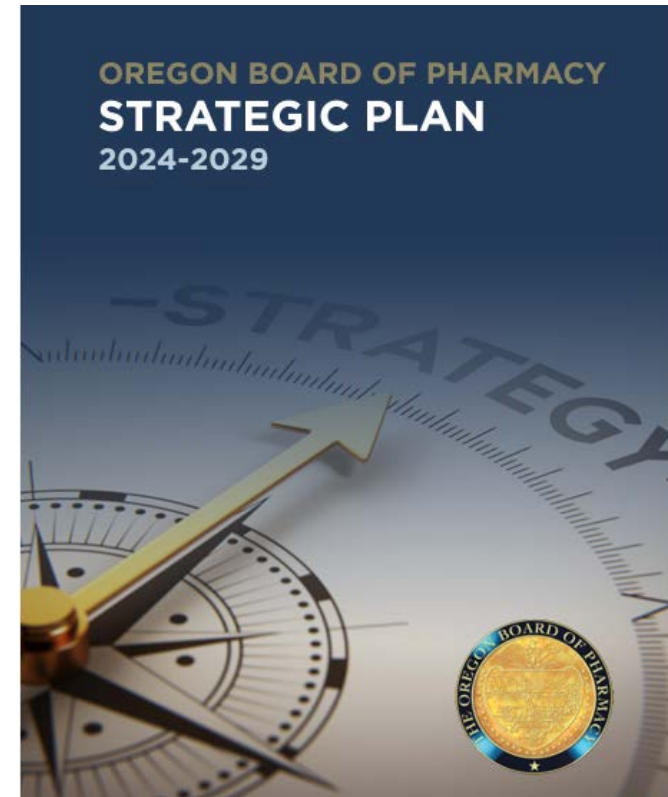




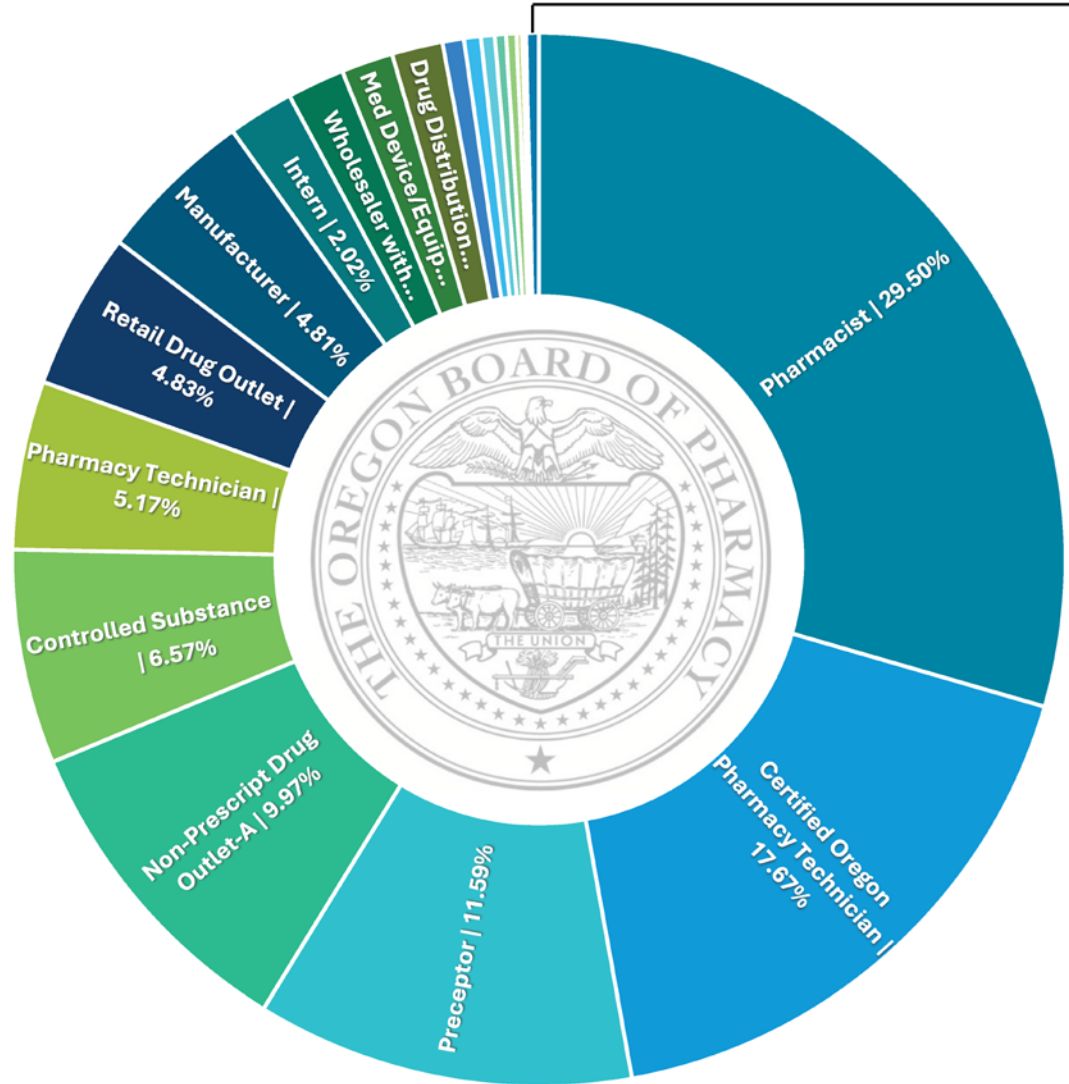
# Strategic Planning

The Board's 2024-29 Strategic Plan includes six Organizational Pillars:

- **Licensees**
- **Registrants**
- **Innovation**
- **Operations**
- **Regulation and Compliance**
- **Communication**



# Licensing Program



- Pharmacist | 8,992 | 29.50%
- Certified Oregon Pharmacy Technician | 5,388 | 17.67%
- Preceptor | 3,534 | 11.59%
- Non-Prescription Drug Outlet-A | 3,040 | 9.97%
- Controlled Substance | 2,004 | 6.57%
- Pharmacy Technician | 1,577 | 5.17%
- Retail Drug Outlet | 1,471 | 4.83%
- Manufacturer | 1,467 | 4.81%
- Intern | 617 | 2.02%
- Wholesaler with Prescription | 539 | 1.77%
- Med Device/Equip/Gases-C | 485 | 1.59%
- Drug Distribution Agent | 476 | 1.56%
- Wholesaler - Class III | 201 | 0.66%
- Wholesaler - Nonprescription | 157 | 0.51%
- Institutional Drug Outlet | 129 | 0.42%
- Community Health Clinic | 104 | 0.34%
- Dispensing Practitioner Drug Outlet | 98 | 0.32%
- Correctional Facility | 51 | 0.17%
- Federal Preceptor | 36 | 0.12%
- Prophylactic/Contraceptive | 30 | 0.10%
- Animal Euthanasia | 22 | 0.07%
- Hospital Drug Room | 17 | 0.06%
- Non-Prescription Drug Outlet-E | 9 | 0.03%
- Precursor | 8 | 0.03%
- Home Dialysis Drug Outlet | 7 | 0.02%
- Charitable Pharmacy | 6 | 0.02%
- Pharmacy Prescription Locker | 6 | 0.02%
- Non-Pharmacist Preceptor | 5 | 0.02%
- Remote Distribution Facility | 4 | 0.01%
- Non-Prescription Drug Outlet-D | 4 | 0.01%
- Remote Dispensing Machine | 1 | 0%
- Remote Dispensing Site Pharmacy | 1 | 0%
- Pharmacy Prescription Kiosk | 0 | 0%





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# COMPLIANCE PROGRAM: INSPECTIONS

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- On average, the compliance department inspects 800 to 950 outlets biennially
  - Compliance through education
  - Board adopted new inspection process 8/2023 that was implemented 10/2023



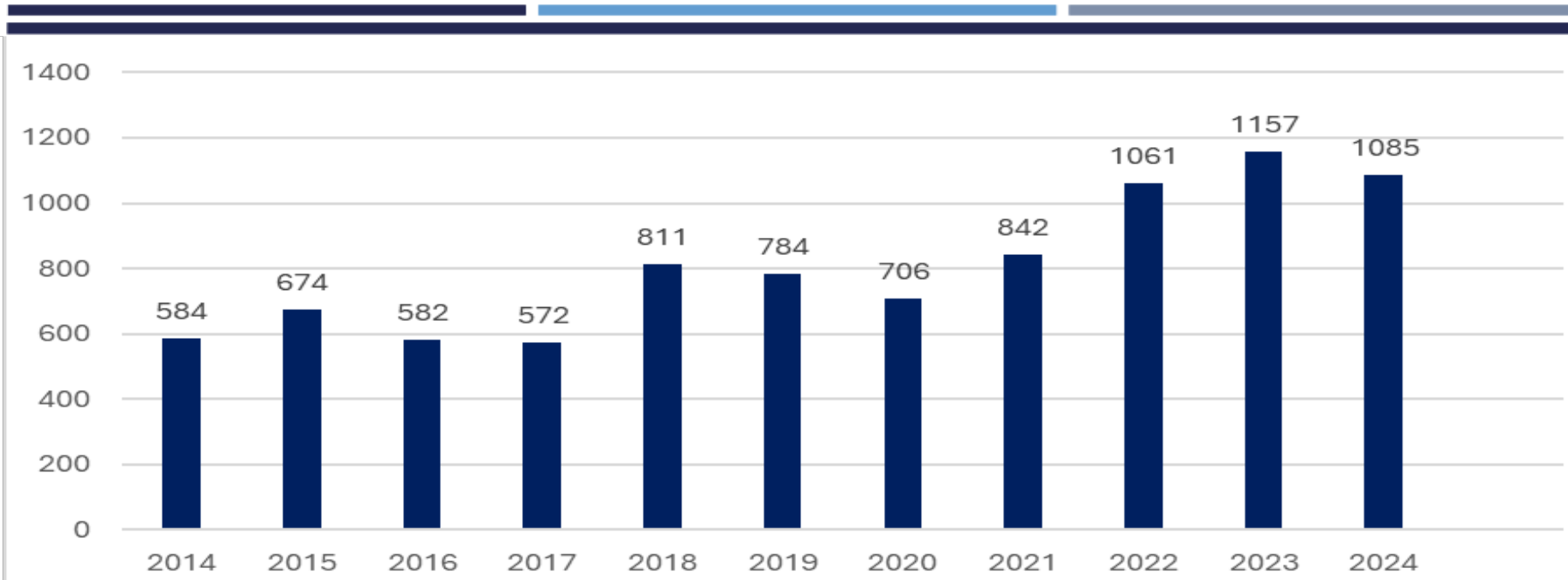
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# COMPLIANCE PROGRAM: INVESTIGATIONS

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- On average, each compliance officer has 200 assigned cases to investigate
  - On average, the board reviews approximately 150 cases at each board meeting



# Compliance Program: Cases

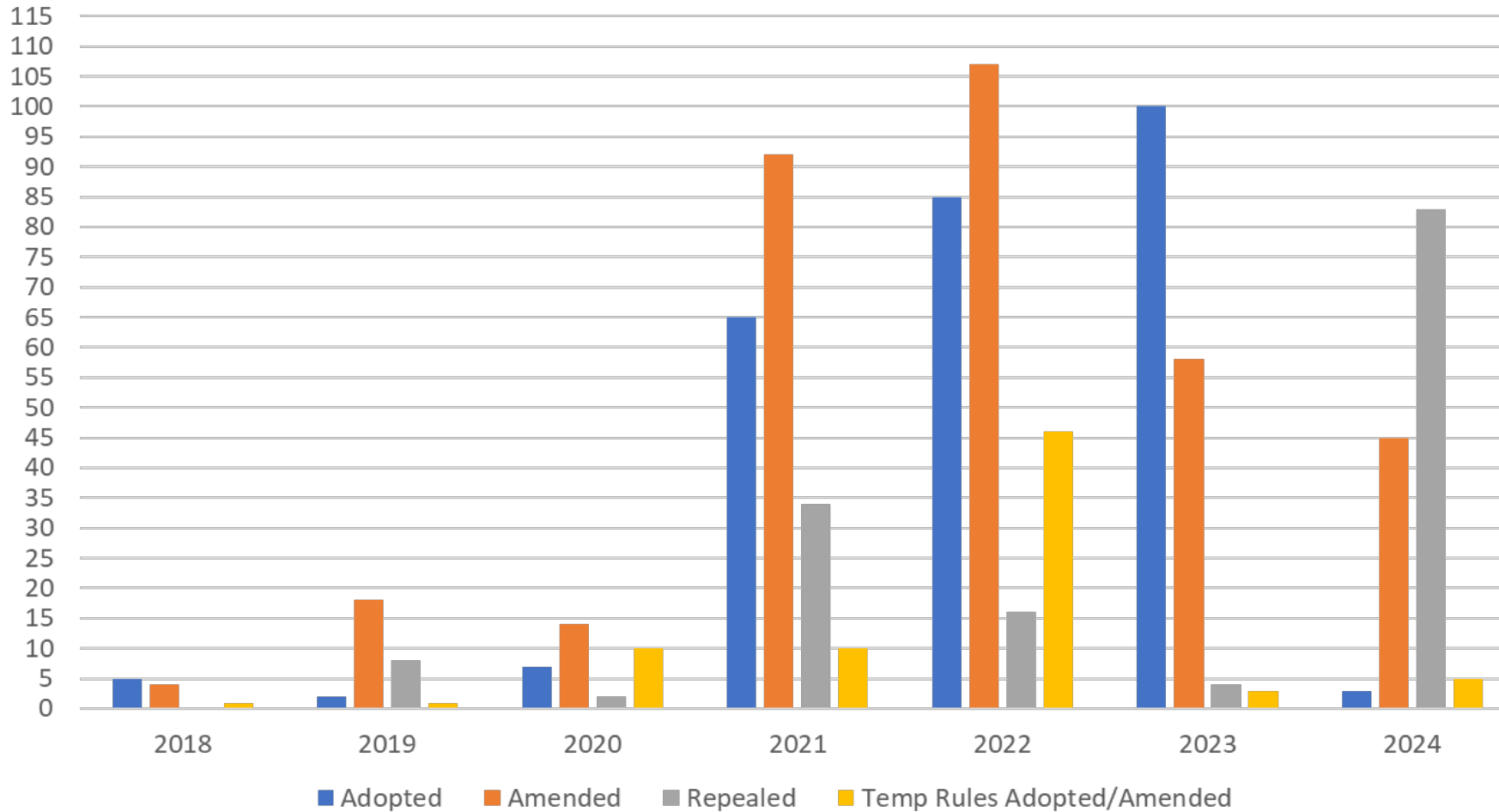


COMPLIANCE CASELOADS – 10 YEAR HISTORY



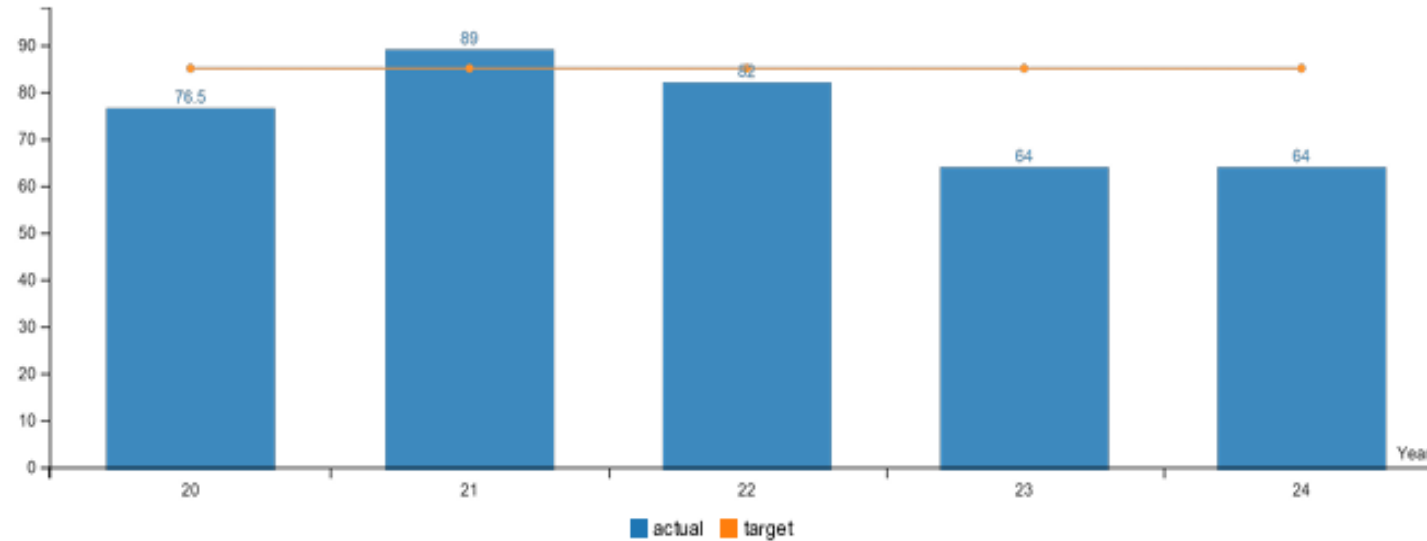
# Compliance Program: Rules

## OBOP OREGON ADMINISTRATIVE RULES 2018 - 2024 YTD



# Key Performance Measures (KPM)

**KPM #1:** Percent of inspected pharmacies that are in compliance annually. Target = 85%.

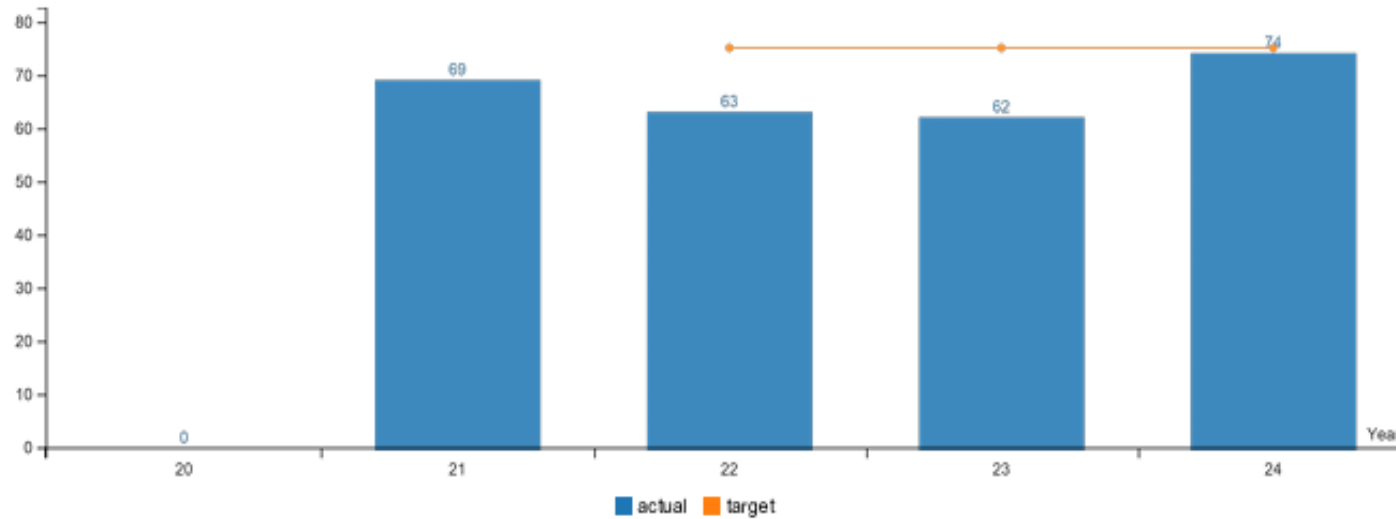


Report Year	2020	2021	2022	2023	2024
Percentage of Pharmacies that are in compliance annually.					
Actual	76.50%	89%	82%	64%	64%
Target	85%	85%	85%	85%	85%



# Key Performance Measures (KPM)

**KPM #2:** Percentage of individual and facility licenses that are issued in within 30 days. Target = 75%.



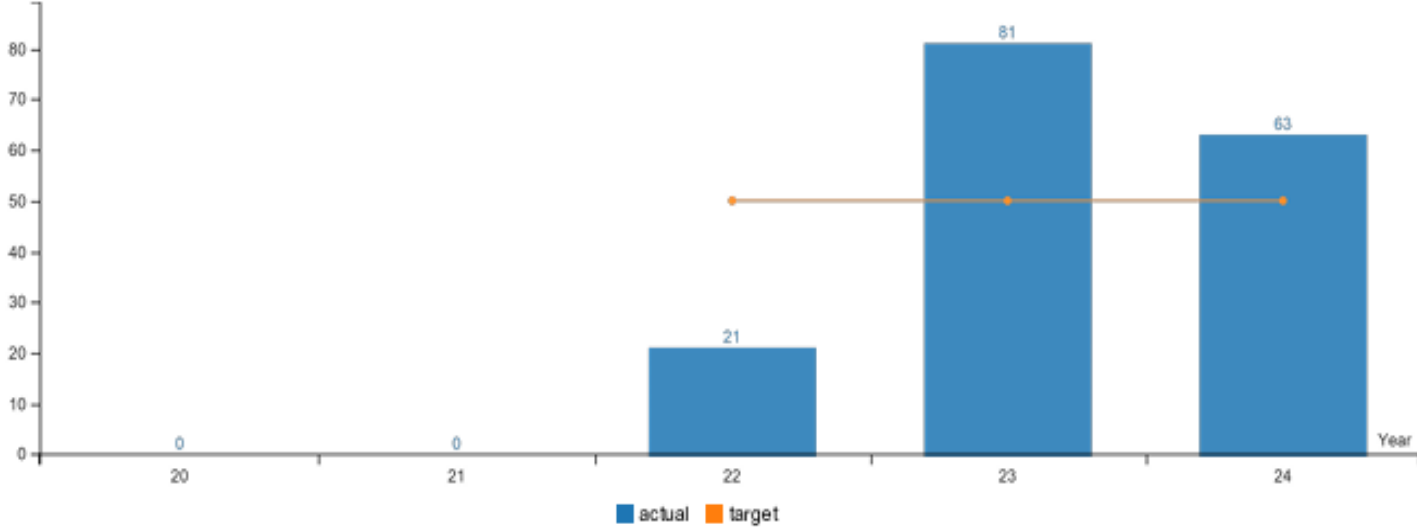
Report Year	2020	2021	2022	2023	2024
Percentage of individual and facility licenses that are issued within 30 days.					
Actual		69%	63%	62%	74%
Target			75%	75%	75%





# Key Performance Measures (KPM)

**KPM #3:** *Percent of pharmacies inspected biennially. Goal = 100%*  
(divided into annual targets of 50%)

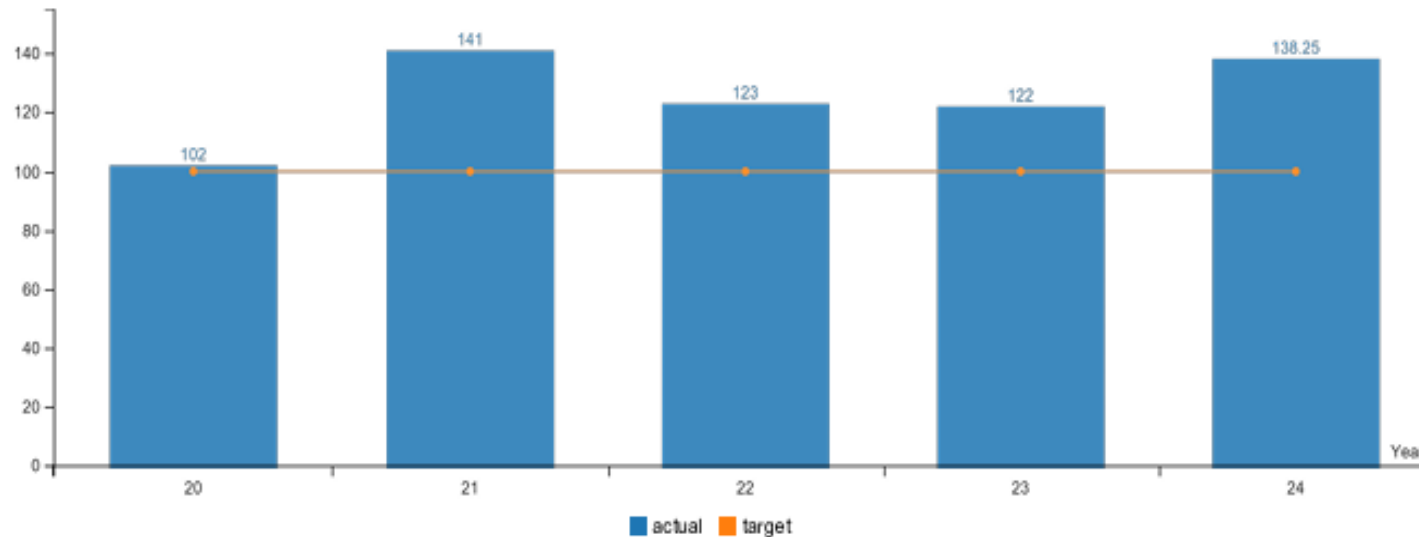


Report Year	2020	2021	2022	2023	2024
<b>Percent of pharmacies inspected every 2 years.</b>					
Actual			21%	81%	63%
Target			50%	50%	50%



# Key Performance Measures (KPM)

**KPM #4:** Average number of days to complete an investigation from complaint to board presentation. Target = 100 days

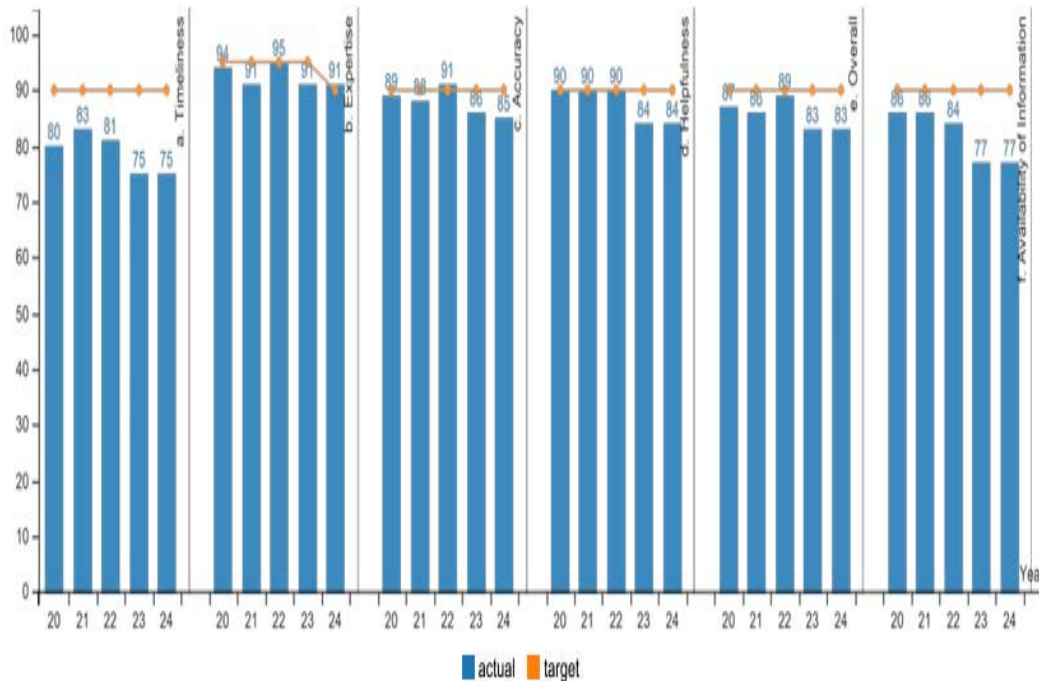


Report Year	2020	2021	2022	2023	2024
Number of days to process complete investigation from complaint to Board presentation.					
Actual	102	141	123	122	138.25
Target	100	100	100	100	100



# Key Performance Measures (KPM)

**KPM #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. Target = 90%

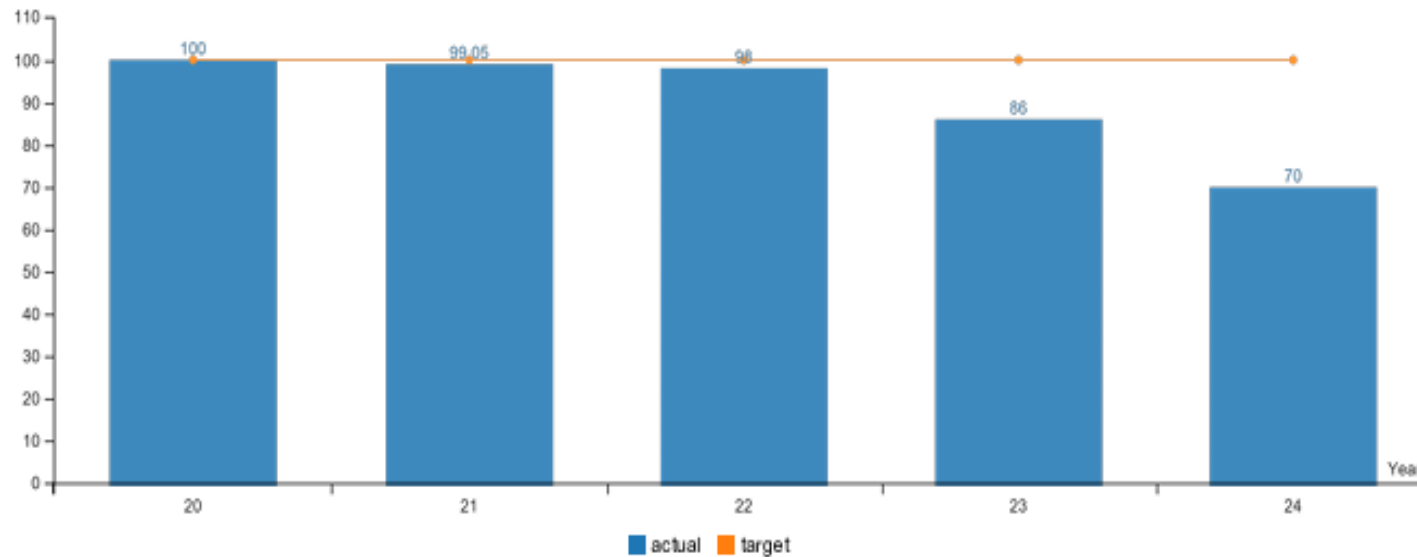


Report Year	2020	2021	2022	2023	2024
<b>a. Timeliness</b>					
Actual	80%	83%	81%	75%	75%
Target	90%	90%	90%	90%	90%
<b>b. Expertise</b>					
Actual	94%	91%	95%	91%	91%
Target	95%	95%	95%	95%	90%
<b>c. Accuracy</b>					
Actual	89%	88%	91%	86%	85%
Target	90%	90%	90%	90%	90%
<b>d. Helpfulness</b>					
Actual	90%	90%	90%	84%	84%
Target	90%	90%	90%	90%	90%
<b>e. Overall</b>					
Actual	87%	86%	89%	83%	83%
Target	90%	90%	90%	90%	90%
<b>f. Availability of Information</b>					
Actual	86%	86%	84%	77%	77%
Target	90%	90%	90%	90%	90%



# Key Performance Measures (KPM)

**KPM #6:** Board Best Practices – Percent of total best practices met by the Board.  
The target is 100%



Report Year	2020	2021	2022	2023	2024
<b>Is the Board following Best Practices?</b>					
Actual	100%	99.05%	98%	86%	70%
Target	100%	100%	100%	100%	100%



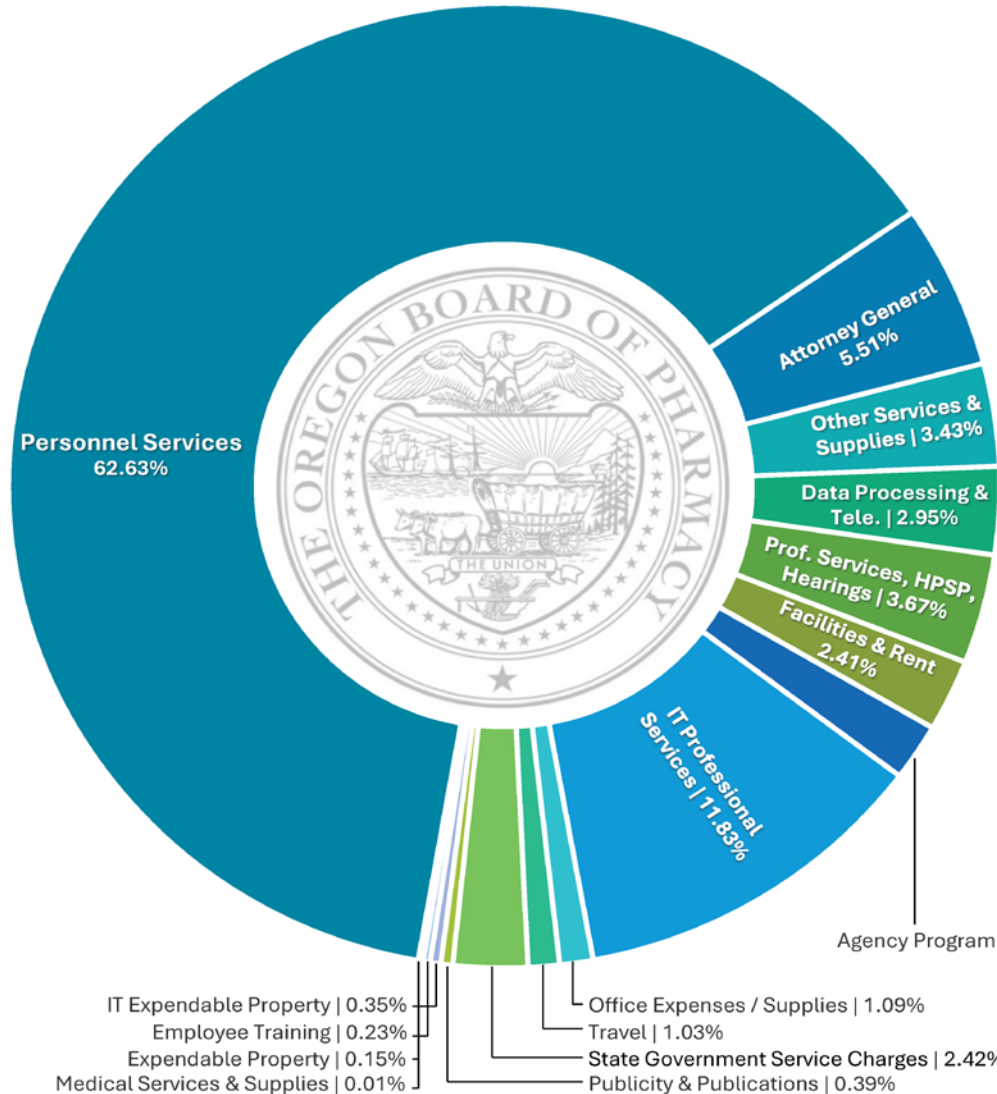
# Agency Proposed Legislation

The Agency is proposing two Legislative Concepts:

- HB 3045 – Would amend ORS 689.135 to give the board authority to require a licensee to undergo a mental, physical, chemical dependency or competency evaluation.
- HB 3046– Would amend ORS 475.005(17) to include pharmacists within the definition of “practitioner” allowing them to prescribe medications for opioid use disorders, including controlled substances for opioid use disorder treatment.



# Expenditures by Type



## 2025-2027 Expenditures by Type \$14,210,412

- Personnel Services | 62.63%
- Attorney General | 5.51%
- Other Services & Supplies, Banking | 3.43%
- Data Processing & Telecommunications | 2.95%
- Prof. Services, HPSP, Hearings Panel | 3.67%
- Facilities & Rent | 2.41%
- Agency Program Related S & S (Fingerprinting) | 1.91% \*PASS THRU
- IT Professional Services | 11.83%
- Office Expenses/Supplies (Includes Storage Fees & Postage) | 1.09%
- Travel | 1.03%
- State Government Service Charges | 2.42%
- Publicity & Publications | 0.39%
- IT Expendable Property | 0.35%
- Employee Training | 0.23%
- Expendable Property | 0.15%
- Medical Services & Supplies | 0.01%





# Budget Drivers

- Personel Services represent 62.63% of budget
- Services and Supplies represent 31.86% of budget and tend to not fluctuate significantly
- Attorney General is the third largest agency expenditure at 5.51%.
  - flat-rate agreement ended in 2023
  - 1160 cases in 2023 and 1085 cases in 2024
  - 172 finalized orders in 2023 and 102 finalized orders in 2024
  - 13 hearings currently requested and being managed
    - 0 cases before the Court of Appeals

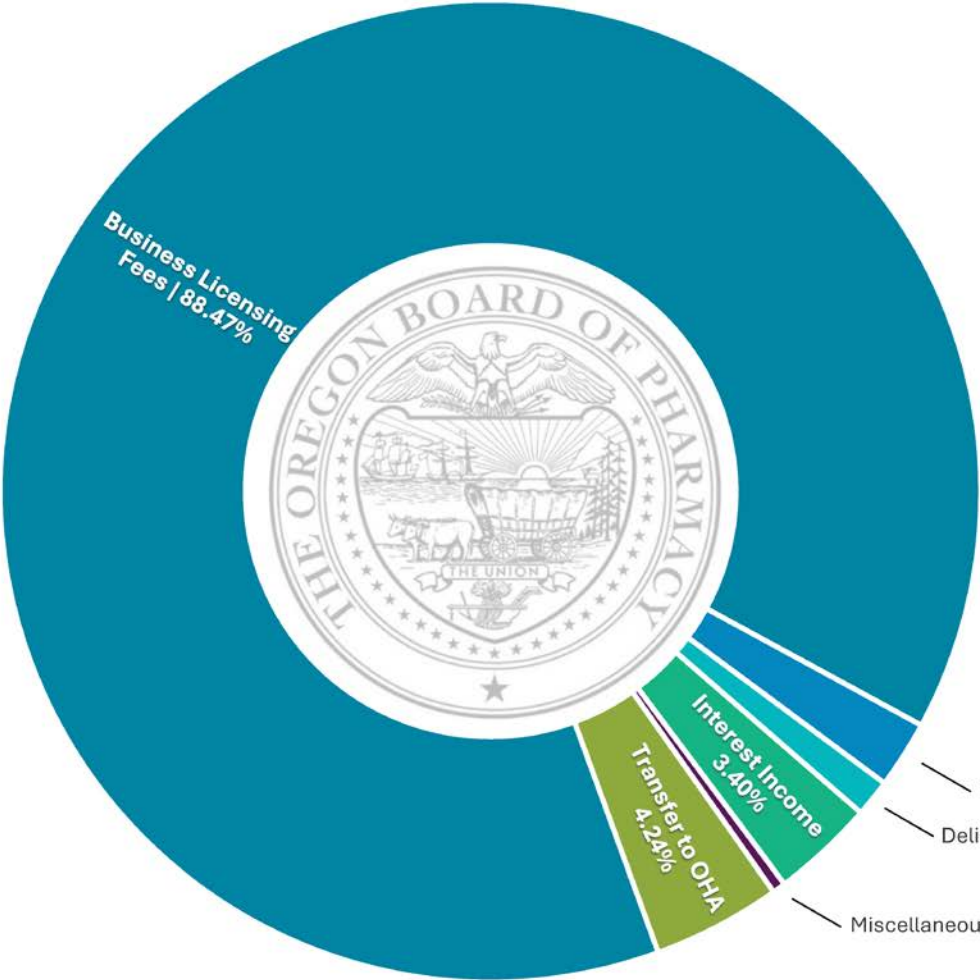


# 2025-27 Budget Request

- **Other Fund expenditure limitation request of \$14,210,412.00**
  - 32.69% increase from the 2023-25 LAB which includes: database modernization, HPSP, staffing realignments, and a 40% fee increase.
- **ESSENTIAL PACKAGES**
  - DAS adjustments (increases, decreases or reductions):
    - Package 010:Vacancy Factor and Non-ORPICS Personal Services = \$39,079
    - Package 021: Phase-In budget adjustments = \$42,733
    - Package 031 - Standard Inflation, Services and Supplies = \$324,534
    - Package 032 - Above Standard Inflation, DAS Price List items = \$7,547
    - Package 033 - Technical Adjustment = \$45,654



# Proposed Revenues by Type



## 2025-27 GRB Proposed Revenues: \$13,576,081

- Business Licensing Fees | 88.47%
- Non-Business License & Fees | 2.23%
- Delinquent Fees & Civil Penalties | 1.23%
- Interest Income | 3.40%
- Miscellaneous Fees | 0.43%
- Includes \$629,120 Transfer to OHA | 4.24%

Non-Business Licenses & Fees | 2.23%  
Delinquent Fees & Civil Penalties | 1.23%  
Miscellaneous Fees | 0.43%



# New Investments

Revenue changes include:

- Replace sunseting database with a more robust, secure, and scalable system that can meet current and future demands.
- Proposed Fee Increase of 40% will generate essential funding to address resource gaps and ensure the continuity and quality of operations in licensing and compliance. The last meaningful fee increase was in 2001, and since then, operational costs have risen significantly.



# Reduction Options

<b>2025-27 Proposed Reductions 10% Exercise</b>	<b>Amount</b>
<b>Services and Supplies</b>	
Board Meetings Reduction	\$72,660.00
<b>Personnel</b>	
Health Care Investigator/Advisor (Job Share) reduced 100%	\$522,760.43
Public Service Representative reduced 100%	\$170,696.99
Health Care Investigator/Advisor (Pharmacy Consultant) reduced 100%	\$522,760.43
<b>TOTAL</b>	<b>\$1,338,271.86</b>



# Current Cost Containment Actions

- Regular review of expenditures and spending requests to ensure need and minimize cost
- Working to settle disciplinary cases prior to hearing
- Judicious use of DOJ resources
- Maximize capacity of licensing software, to provide a customer-oriented interface for agency customers using online application and renewal software, as well as internal users to reduce manual workload.
- Plan regional pharmacy inspections to reduce travel and staff cost.





# Policy Packages

- Budget includes four Policy Packages:
  - 101 – Licensing/Registration Fee Increase – Recommended increase to address operational resource needs
  - 102 - Database Modernization Project – update the current system to meet business need
  - 103 - Health Professional Services Program – to cover the cost associated with continuing services
  - 104 – Agency Staffing Realignment – reclassify a position identified in partnership with DAS CHRO
- The biggest risk would be not having 101 approved, thus 102 cannot occur, impacting our ability to serve Oregonians.



# 2025-27 Budget Policy Package 101

## POLICY PACKAGE 101

- Licensing Fee Increase
- The board is proposing to increase current licensing and registration fees for all categories by 40%, to be effective July 1, 2025. The last meaningful fee increase occurred in 2001 for Pharmacists.
- The agency analyzed current licensing and registration fee trends and determined that the increase of 40% would result in fees that are comparable to neighboring states Washington and California and on par with the upward trend of continued fee increases seen across the industry.
- Package 101 total = **\$3,517,890.**



# 2025-27 Budget Policy Package 102

## POLICY PACKAGE 102

- Database Modernization Project
- As this system is sun setting, The agency is proposing to modernize the agency Licensing database.
- The agency will continue to utilize the current database while assessing all options to meet the agency needs.
- Package 102 total = **\$1,500,000.**



# 2025-27 Budget Policy Package 103

## POLICY PACKAGE 103

- Health Professional Support Program Ongoing Services
- The current contract for HPSP expires 6/30/2025 and the agency needs to continue to pay for the services beyond the contract expiration date to carry us through 2027.
- Package 101 total = **\$126,441.**



# 2025-27 Budget Policy Package 104

## POLICY PACKAGE 104

- Staffing Reclass
- The agency, in partnership with DAS CHRO, requests critical staffing resources to support the directives of the Governor's Agency Expectations and the Board's Strategic Plan. Currently one position requires reclassification to align the position duties with appropriate classification.
- Package 104 total = **\$48,299**



# 2025-2027 Budget Request

## Ending Balance

- The agency assumes at least a 6-month ending balance is necessary due to the uncertain cost of hearing and appeal costs.
- The agency is projected to have an ending cash balance \$1.2 million, or 2.8 months, at the end of the 2025-27 biennium in the Current Service Level Budget.
- The fee proposal projects to add approximately \$3.5 million in revenue, which will allow the agency to maintain the current service level and make critical investments to continue to meet the needs of Oregonians we serve.



Thank you!

