

OREGON BOARD OF PHARMACY

2025-27 Budget Presentation

**Joint Ways and Means
Education Subcommittee**

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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-four FTE.

The 2025-27 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.

For the years 2023-24 the agency issued 6,500 new licenses and 41,500 renewals

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 six strategic organizational pillars outlined in the Board's [2024-2029 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. The strategic pillars outlined in this plan will be the guiding force for the board and agency staff, with goals that will help us establish the necessary regulatory framework to promote and integrate the best pharmacy practices, ultimately ensuring 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 six strategic organizational pillars include:

- Licensees
- Registrants
- Innovation
- Operations
- Regulation & Compliance
- Communication

The agency's focus is on customer service and efficient service delivery:

- 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:** Relationships - to establish and build trust with key interested parties (internal/ external: board/agency staff/community) through leadership that is transparent, collaborative, cohesive, and fosters an accountability culture.
- **Goal #2:** Strategic Alignments - to improve agency staff workload challenges and improve operational performance in meeting both the Governor's and board's priorities.
- **Goal #3:** Brand Management - to improve the agency's brand recognition and visibility with all Oregonians.

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

- The board will be evaluating its operations to ensure optimal service alignment while also preparing for the evolving needs of the pharmacy workforce. These ongoing realignments (2024-2029) will directly support us in meeting statutory obligations.
- To achieve these goals, the board has conducted an analysis to guide the development of the best structure for our organization. This refined structure will allow us to operate with a strong focus on customer service, efficient service delivery, and achieving the board's overall objectives.
- 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:

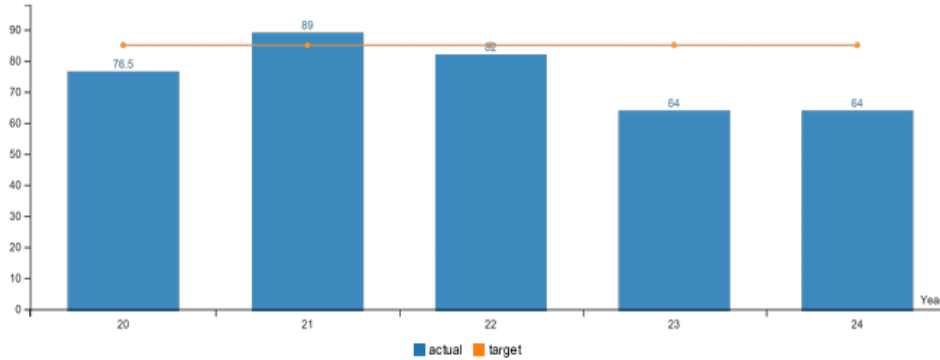
- 1) Percent of annually inspected pharmacies that are in compliance with pharmacy laws and rules.
- 2) Percentage of individual and facility licenses that are issued in within 30 days.
- 3) Percent of pharmacies inspected biannually.
- 4) Average number of days required to complete an investigation.
- 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.

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%

How Are We Doing:

In October 2023, the board implemented a new inspection process to improve transparency, communication, and oversight of pharmacy compliance. The goal was to enhance identification of potential patient safety risks. This report summarizes inspection data from January to December 2023, encompassing both the previous and new processes.

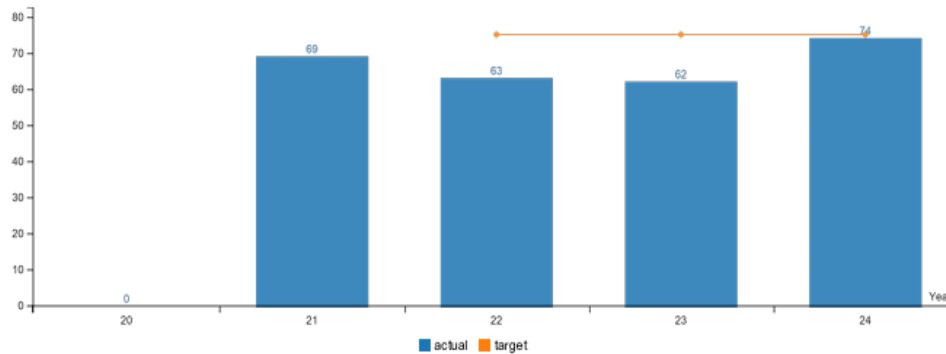
Compliance Officers conducted 511 Retail Pharmacy and Institutional Pharmacy inspections. Inspection results included 121 Passes, 205 Passed With Notes, 24 Required Responses, 51 with Deficiency Notifications, and 109 with Non-Compliance Notifications. Approximately 64% of pharmacies required no further board action, and 35.8% had no observed violations.

Factors Affecting Results:

In 2020, the board instituted a biennial inspection model with a focus on patient safety. The COVID-19 public health emergency, which persisted until May 2023, significantly impeded our inspection activities. Concurrently, pharmacies encountered challenges in meeting public demands and operational continuity. Also, in October 2023, the board implemented a new inspection process to improve transparency, communication, and oversight of pharmacy compliance.

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%

How Are We Doing:

This measure assesses our efficiency in processing applications for over 30 different types of licenses and registrations. It is crucial that we maintain a consistent approach in evaluating each applicant against the minimum qualifications to uphold public safety.

In 2023, 74% of licenses were issued within 30 days, an increase of 12% from 2022. This demonstrates a significant improvement in our processing efficiency. During the year, a total of 3,291 licenses were issued, representing an 11.6% increase over 2022. The average processing time was 42 days for facilities and 29 days for individuals, compared to 38 and 35 days respectively in 2022.

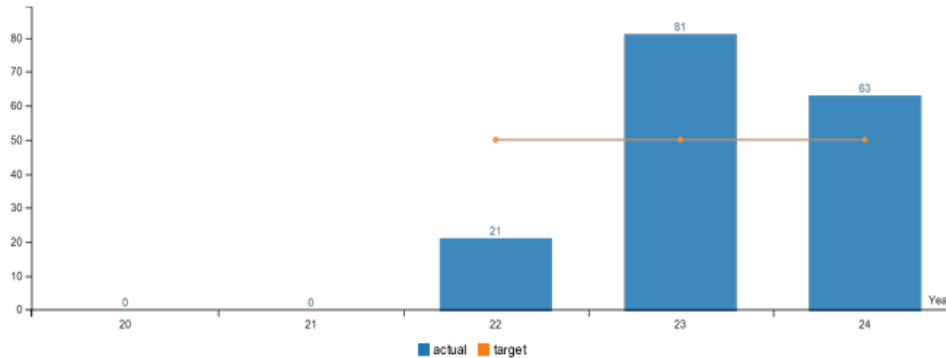
Factors Affecting Results:

The data includes all applications that were initially incomplete. This requires agency staff to follow up to obtain the necessary information, causing delays in processing. Applications involving out-of-state discipline or criminal background checks require thorough review and may be subject to investigation and preparation for deliberation at a bi-monthly board meetings, further extending processing times.

Staffing limitations have impacted our ability to process applications promptly. Early 2023 saw a 33% reduction in available licensing staff resources due to vacancies and staff leave (including vacations or other protected/approved leave), affecting application processing in the first and second quarters. Despite these challenges, our team remains committed to enhancing communication with applicants and refining internal workflow processes for greater efficiency. The efficiency of current processes could be significantly improved by upgrading to a more modern software platform, which is currently under consideration.

KPM #3

Percent of pharmacies inspected biennially. Goal = 100% (divided into annual targets of 50%)



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

How Are We Doing:

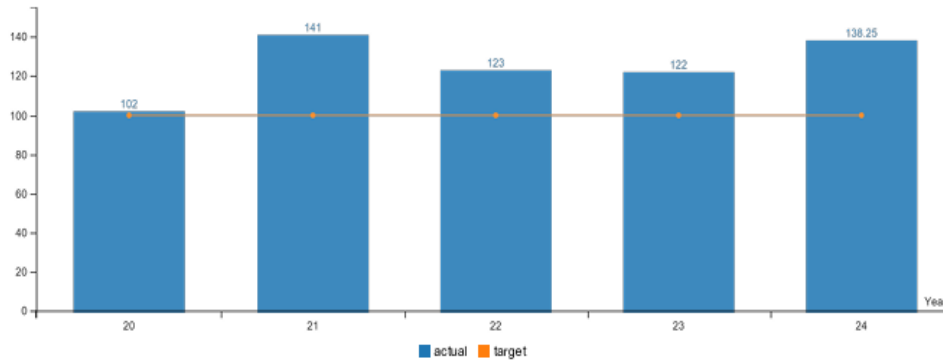
The report encompasses inspections conducted from January 1 to December 31, 2023. Following a 2021 change to a biennial inspection cycle, 511 of the 808 Oregon retail and institutional pharmacies (63%) were inspected in 2023.

Factors Affecting Results:

The board implemented a biennial inspection cycle in 2021. The COVID-19 pandemic delayed full implementation until the 2023-2025 cycle. The inspection cycle was July 1, 2021 to June 30, 2023, so the most recent percentage reflects data from two cycles. At the end of the inspection life cycle, there is usually a spike in inspections as the team focuses on closing out their work for the biennium. Therefore, there tends to be a higher number of inspections every other year. However, due to staff absences and medical leave, fewer inspections were able to be completed than expected. One compliance officer position was approved to be hired to add capacity to the team, but the position was not filled until November 2023.

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

How Are We Doing:

The total number of investigatory cases from January 1, 2023 – December 31, 2023, was 1160, which is an increase from 2022's total of 1061 and 2021's total of 834. This number is inclusive of all cases, which include those initiated from inspection results, licensee and registrant application cases, drug diversion and theft cases, impairment cases, unprofessional conduct cases and a consumer complaints. Cases are triaged for public safety which may cause delays in processing of other types of cases. On average, cases were reported and presented to the board in 138 days, an increase of 17 days from 2022.

Factors Affecting Results:

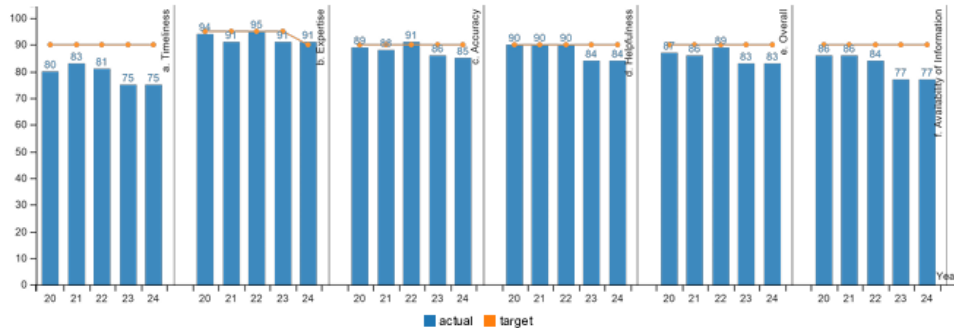
Factors affecting results included agency staff leave (including vacations or other protected/approved leave) combined with an increase in cases, inspections, and training.

An additional Compliance Officer position was approved in the 2023-25 Legislatively Adopted Budget to address increased case workload, but the position was not filled until 11/15/2023. A new Compliance Officer may not be assigned their first case until they've completed approximately 6 months of one-on-one training and supervision, which requires time and resources from the Compliance team. This may result in a transient decrease in the efficiency of processing cases, as the full benefit from the new position may not be statistically evident for the first year. In 2024, the Compliance team has had additional vacancies that may continue to affect these results.

It should be noted that beyond a certain threshold, there may be a direct, inverse relationship between the overall number of cases and processing efficiency. This is primarily due to the time associated with manual tracking of cases, disposition of correspondence, and the strategic planning of resource allocation for the triaging of cases; the impact of these, in part, could be substantially mitigated by an upgrade to a more contemporary software platform, which is in consideration.

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
a. Timeliness					
Actual	80%	83%	81%	75%	75%
Target	90%	90%	90%	90%	90%
b. Expertise					
Actual	94%	91%	95%	91%	91%
Target	95%	95%	95%	95%	90%
c. Accuracy					
Actual	89%	88%	91%	86%	85%
Target	90%	90%	90%	90%	90%
d. Helpfulness					
Actual	90%	90%	90%	84%	84%
Target	90%	90%	90%	90%	90%
e. Overall					
Actual	87%	86%	89%	83%	83%
Target	90%	90%	90%	90%	90%
f. Availability of Information					
Actual	86%	86%	84%	77%	77%
Target	90%	90%	90%	90%	90%

How Are We Doing:

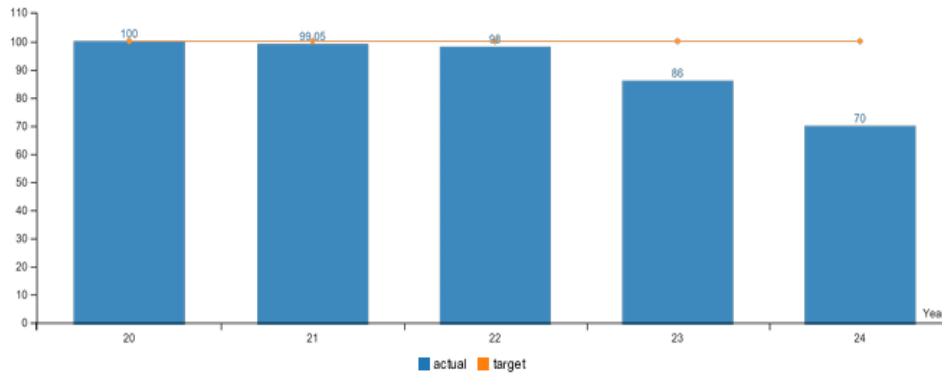
The percentage results provided represent the respondents who responded with a rating of either “Excellent” or “Good”. Those that responded “Don’t Know” or “N/A” were not factored into these ratings. Our overall customer satisfaction average of 83% is a decrease of 5% from 2021. The overall service questions indicate decrease in satisfaction of applicants.

Factors Affecting Results:

- 33% reduction in licensing staff due to overlapping resignations (1 failed recruitment – increased hiring timeframes)
- Agency staff resources at a minimum during peak workload times
- Agency staff category reassignments & additional training times on additional licensure categories
- Training time for new employees

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
Is the Board following Best Practices?					
Actual	100%	99.05%	98%	86%	70%
Target	100%	100%	100%	100%	100%

How Are We Doing:

The purpose of the self-evaluation is to assist boards and commissions in developing governance oversight. The self-evaluation contains 15 yes or no survey questions about Executive Director expectations and feedback, strategic management, strategic policy development, fiscal oversight, and board management. The board regularly works to follow best practices and annually completes a self-assessment of their work as the governing body for the Board of Pharmacy. The Executive Director provides weekly communications to the board and meets with the board President as needed.

The eight board members who were appointed at the time of the previous calendar year participated in the response. A score of 70% of the 15 questions received a yes response, 30% received a no response with an average of one comment per person. Agency staff developed a Best Practices Self-Assessment Guide to assist the board in evaluating and responding to the survey to demonstrate the board's adherence to best practices.

Factors Affecting Results:

This year, eight out of nine members participated in providing feedback for this measure due to the board having one member resign prior to participating in the survey. There were few comments or questions in the results and around the process. Because the survey was conducted in April 2024 and many changes had been made between October 2023 and the time of the survey (e.g., a new Executive Director hired and onboarded), some board members expressed that it was difficult to recall and assess the best practices from earlier in 2023 and asked how to separate scores around two different Executive Director tenures. The evaluation was helpful in that it brought up suggestions that agency staff develop and implement a revised board member orientation process. This process was revised and went into effect in 2024.

A complete copy of the [2024 Annual Performance Progress Report](#) (linked here) will also be available in the 2025-27 Governor's Budget document under Special Reports.

2025-27 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 33 categories of drug outlets both in-state and out of state, a chart reflecting these categories is in the Appendix on [page 27](#). The 2025-27 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 2025-27 budget includes four policy packages to 32.69% increase from the 2023-25 LAB which includes: database modernization, HPSP, staffing realignments, and a 40% fee increase. The biggest risk is not having the fee increase approved, thus we cannot modernize our database.

“Personnel Services” costs represent 62% 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 5%. 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 2023 and 2024 there were 2,245 cases, 274 final orders issued altogether, and we currently have 13 hearings requested and being managed along with no cases 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 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.

Major Changes in the Last 6 Years

- Very high turnover in Executive Director position. ED1: Joseph Schnabel - 2019-2023, ED2 2023-2024, Current Interim, Sept 2023-present, on track to hire new permanent ED by March/April 2025- this will mean 4 directors in 3 years.
- Staffing constraints, pharmacy closures, and pressure to meet patient needs have all increased in the sector and continue to weigh heavily on the morale and well-being of Pharmacists, interns and pharmacy technicians.
- Entities that make up the pharmacy supply chain, from manufacturers and distributors to retail and institutional pharmacies continue to deal with economic challenges and supply chain disruptions in the wake of the COVID pandemic.
- Many community pharmacies are closing or reducing operating hours. In 2016 there were 785 total pharmacies operating in Oregon. By 2024, that number dropped to 701. These closures disproportionately impact underserved urban and rural communities.
- The remaining pharmacies struggle to serve a larger customer base, leading to strained service capacity, extended wait times and increased stress and workload for pharmacy employees.
- In the last few years, as part of their strategic plan, the board has revised a significant number of rules to improve clarity, respond to changes in practice, and address new state and federal laws.
- Board adopted new inspection process 8/2023 that was implemented 10/2023
- In 2020, the board directed staff via the strategic plan to review and amend all Divs in Chapter 855. Staff determined there as a need to update the structure of the rules and reorganized the rules starting with items such as applicability, qualifications, application, renewal, lapse, etc. The newly adopted rules now lie in the 100 level Divisions and we continue to review, amend and adopt new rules each year.
- The board adopted over 100 rules in the calendar year 2023. 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 of staff time required to adequately address issues raised by interested parties. More pharmacies than ever before are owned and operated by corporations, many of which are large, publicly held national and multinational companies with complex business and financial structures, with heavily staffed legal departments and government relations teams. Medicaid, managed care companies and pharmacy benefit management companies (PBM’s), in their efforts to reduce costs, are inadvertently contributing to a disruptive environment by placing barriers, restrictions and requirements on access to and reimbursement for pharmacy services, drugs and devices.

Efficiency Actions

Actions the agency employs to contain costs include:

- 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.

2025-27 Budget Information

The Board's 2025-27 proposed budget includes an Other Fund expenditure limitation request of **\$14,210,412**, 32.69% increase from the 2023-25 LAB which includes: database modernization, HPSP, staffing realignments, and a 40% fee increase.

The following packages supports the agencies activities as described.

2025-27 Essential Packages include various packages from 010 – 033. These packages make a variety of 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

2025-27 Policy Packages

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.

Policy Package 102 Database Modernization Project

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.

Policy Package 103 Health Professional Support Program Ongoing Services

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.

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 and will need to be amended.

Summary of Proposed Legislation

The agency does have proposed legislation:

[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.

Bills the Agency is Tracking

[HB 2103](#) – Directs the State Board of Pharmacy to adopt rules to classify xylazine as a Schedule IV controlled substance.

[HB2318](#) – Requires the Oregon Health Authority to review studies on temperature excursions during transit of mail order drugs.

[HB 2457](#) – Establishes the Rare Disease Advisory Council.

[HB 3223](#) – Prohibits a mail-order, specialty or online pharmacy from transferring prescription drugs intended for dispensation to a patient to a pharmacy located in this state unless the pharmacy has agreed to receive the prescription drugs.

[HB 3279](#) - Authorizes the Oregon Department of Emergency Management to issue temporary professional licenses during states of emergency to individuals formerly licensed by certain professional licensing boards.

[SB 295](#) – Authorizes a pharmacist to assess, diagnose and treat certain health conditions.

Summary of Long-Term Vacancy Information

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

Reduction options in Governor’s budget

Services and Supplies – Board Meetings Reduction - \$72,660.00

Personnel – 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

Ending Balance

Assuming the Governor’s Budget is approved; the Board will have a 2.88 month ending balance at the end of 2025-27 of **\$1,218.** The agency assumes at least a 6-month ending balance is necessary due to the uncertain cost of hearings and appeal cases. An updated ending balance chart is located on [page 31](#).

APPENDIX

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

[Page 21](#) – Licensee count / Funds /FTE

[Page 22](#) – Compliance Case Chart

[Page 23](#) – Inspection Chart

[Page 24](#) – 2025-27 Program Allocation

[Page 25](#) – 2025-27 Expenditures by Type

[Page 26](#) – Licensee Category by Type

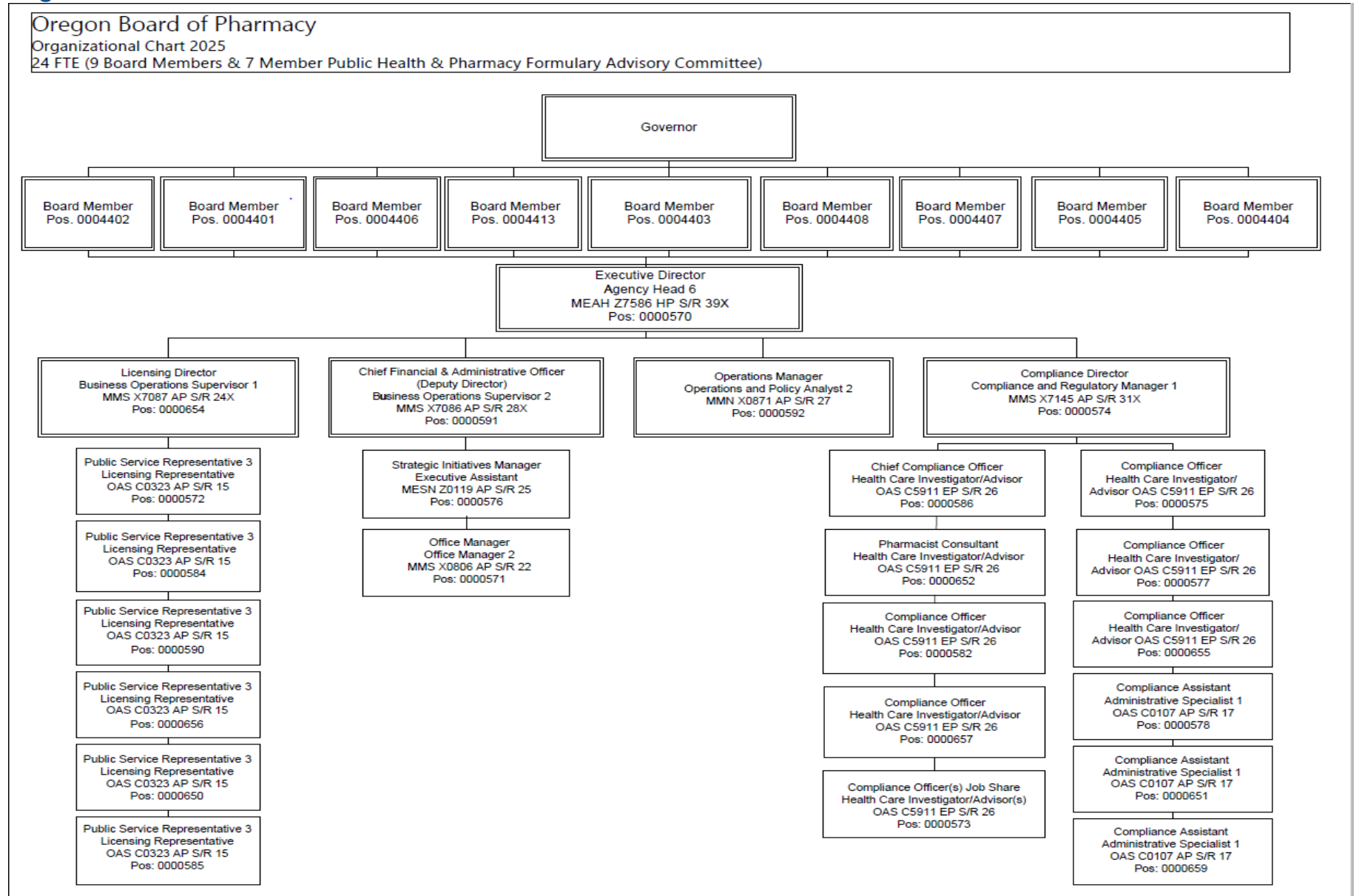
[Page 27](#) – Program Prioritization for 2025-27

[Page 28](#) - Long Term Vacancy List

[Page 29-30](#) - Agency Reduction Options for 2025-2027

[Page 31](#) – Ending Balance Information

Organizational Charts



Organizational Charts

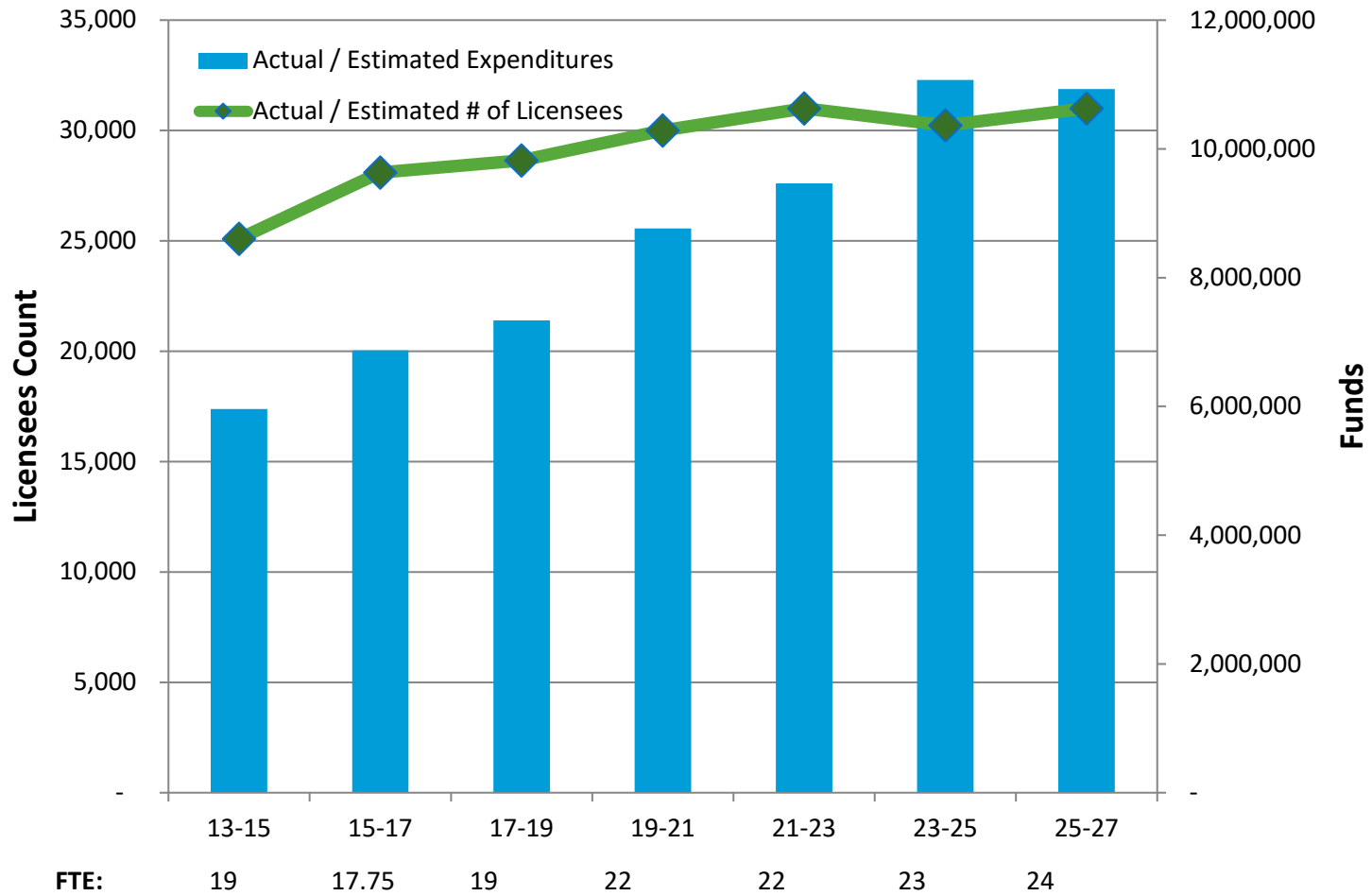


PUBLIC HEALTH AND PHARMACY FORMULARY ADVISORY COMMITTEE

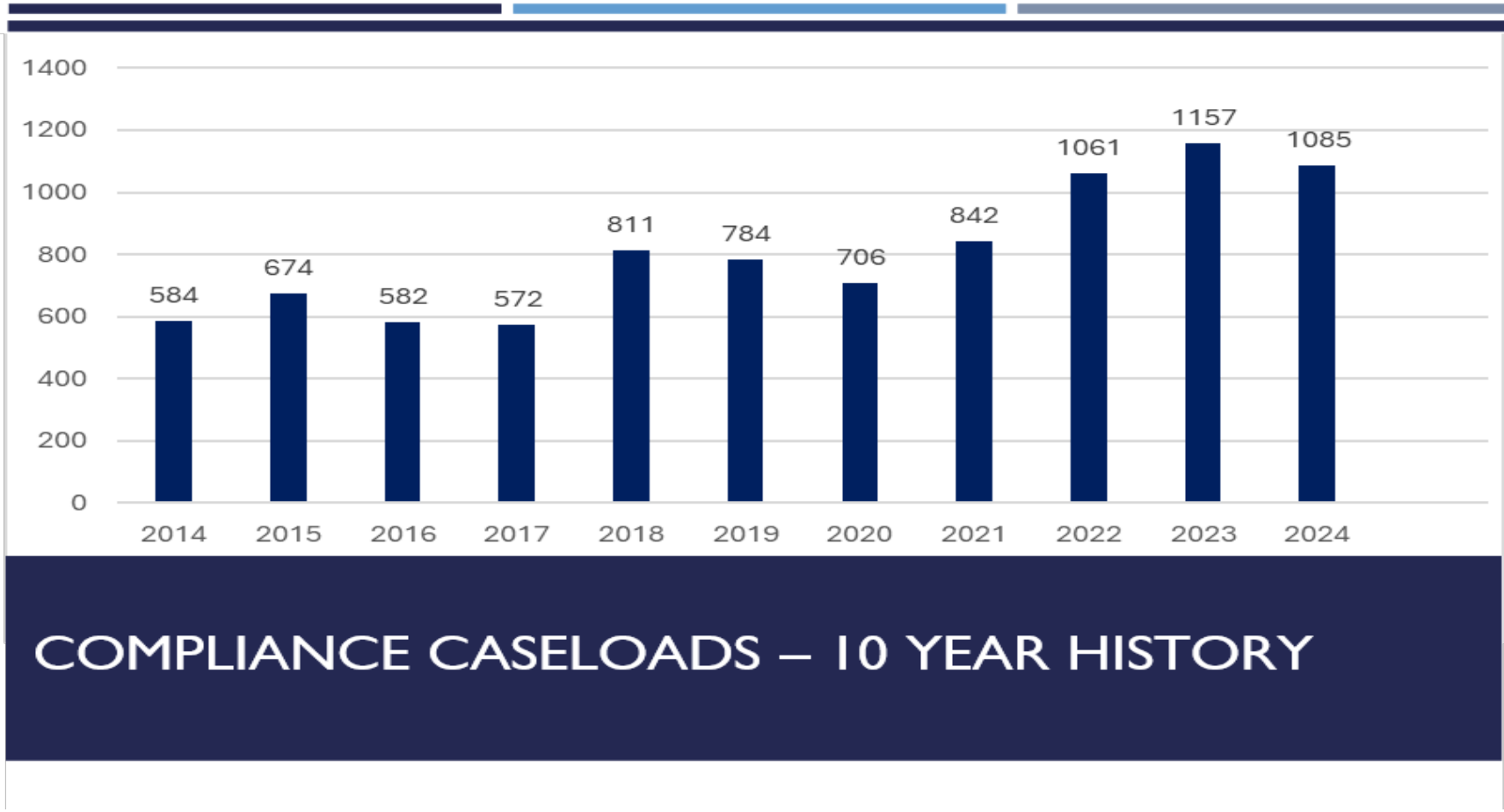
Established January 1, 2018

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

Licensees / Funds / FTE Comparison Chart

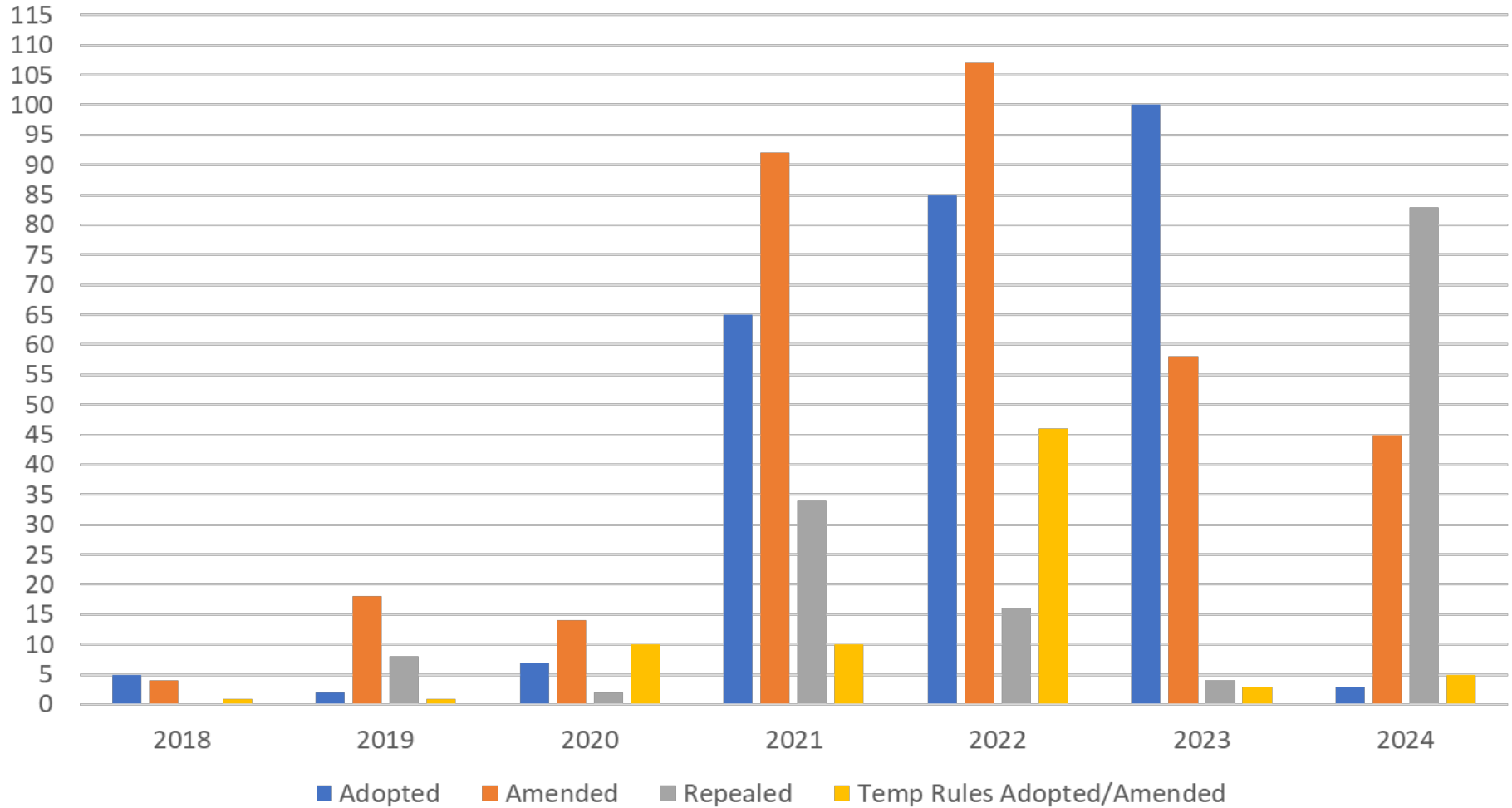


Compliance Cases

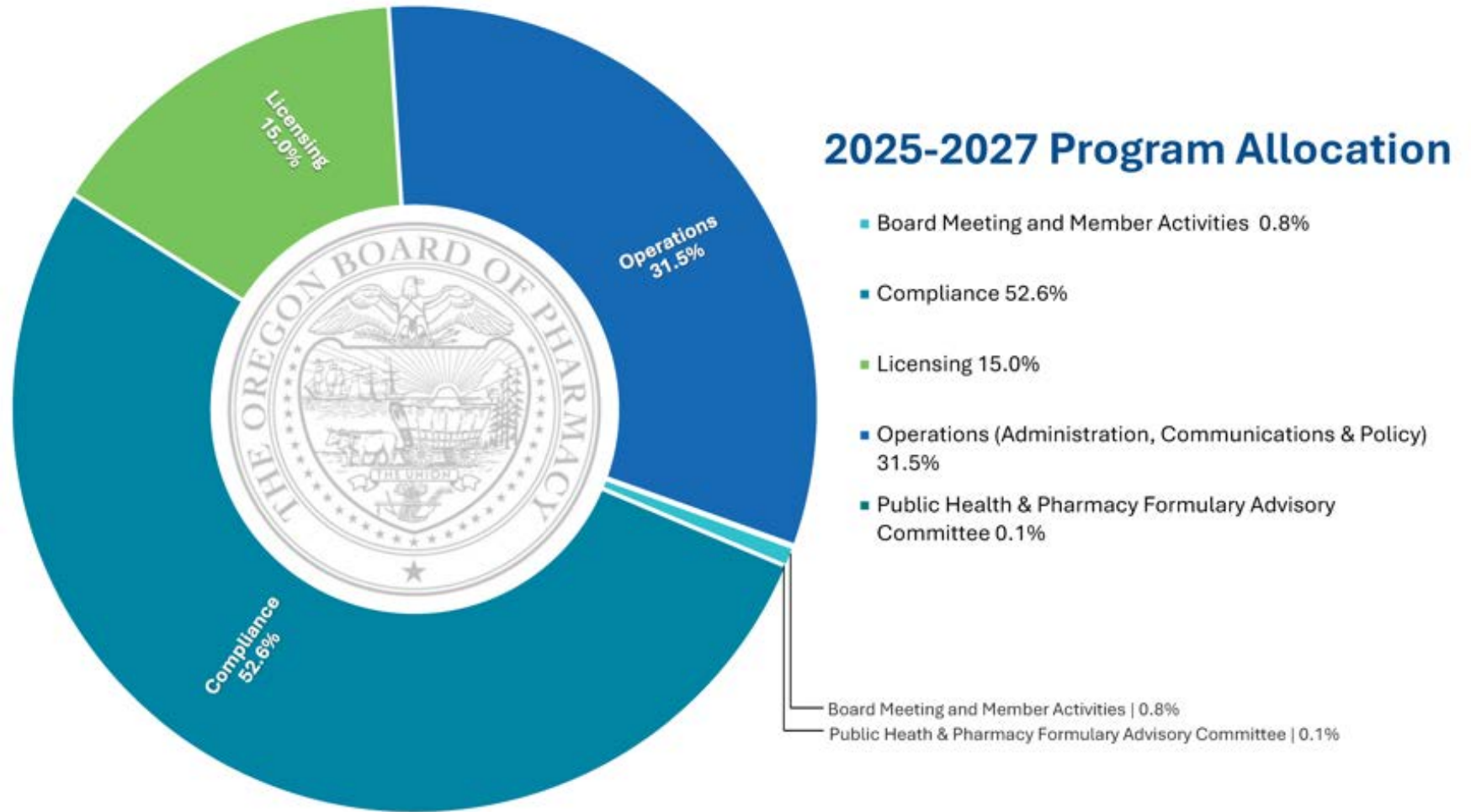


Compliance Program Rules

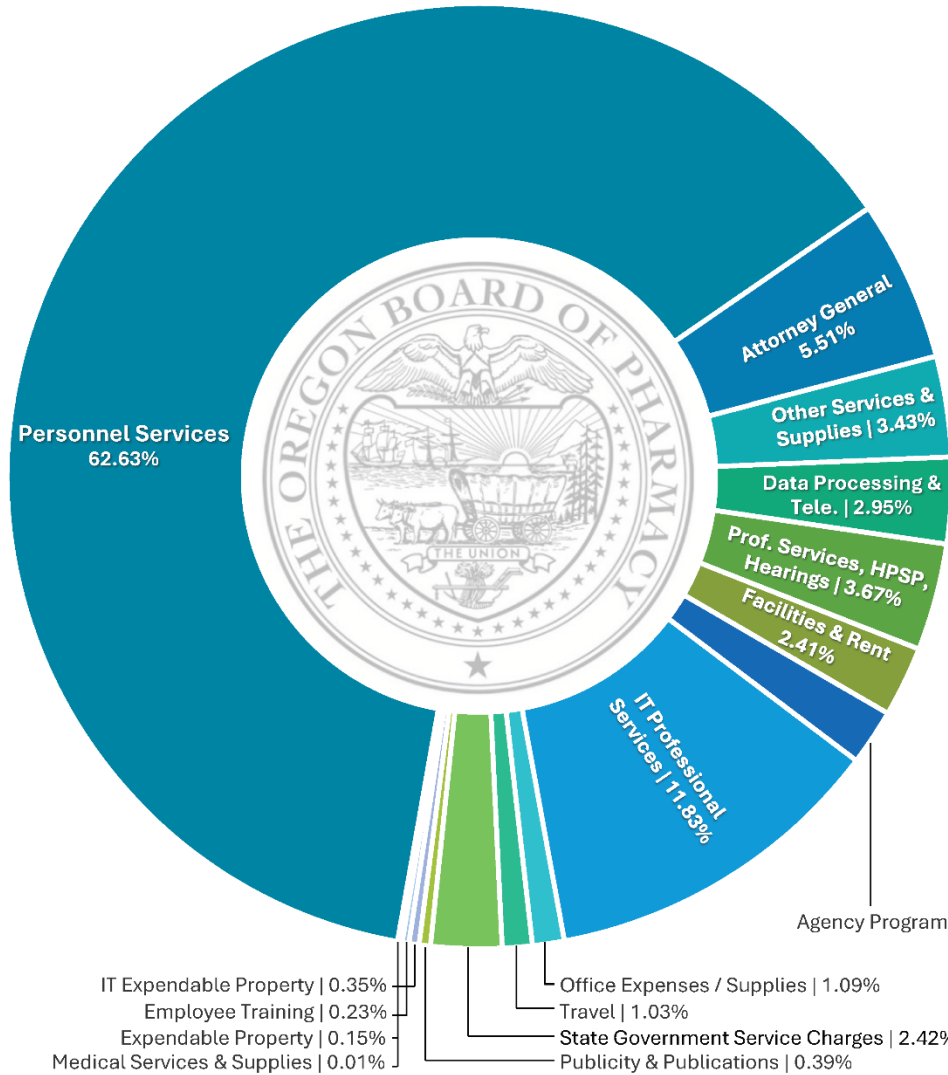
**OBOP OREGON ADMINISTRATIVE RULES
2018 – 2024 YTD**



2025-27 Program Allocation



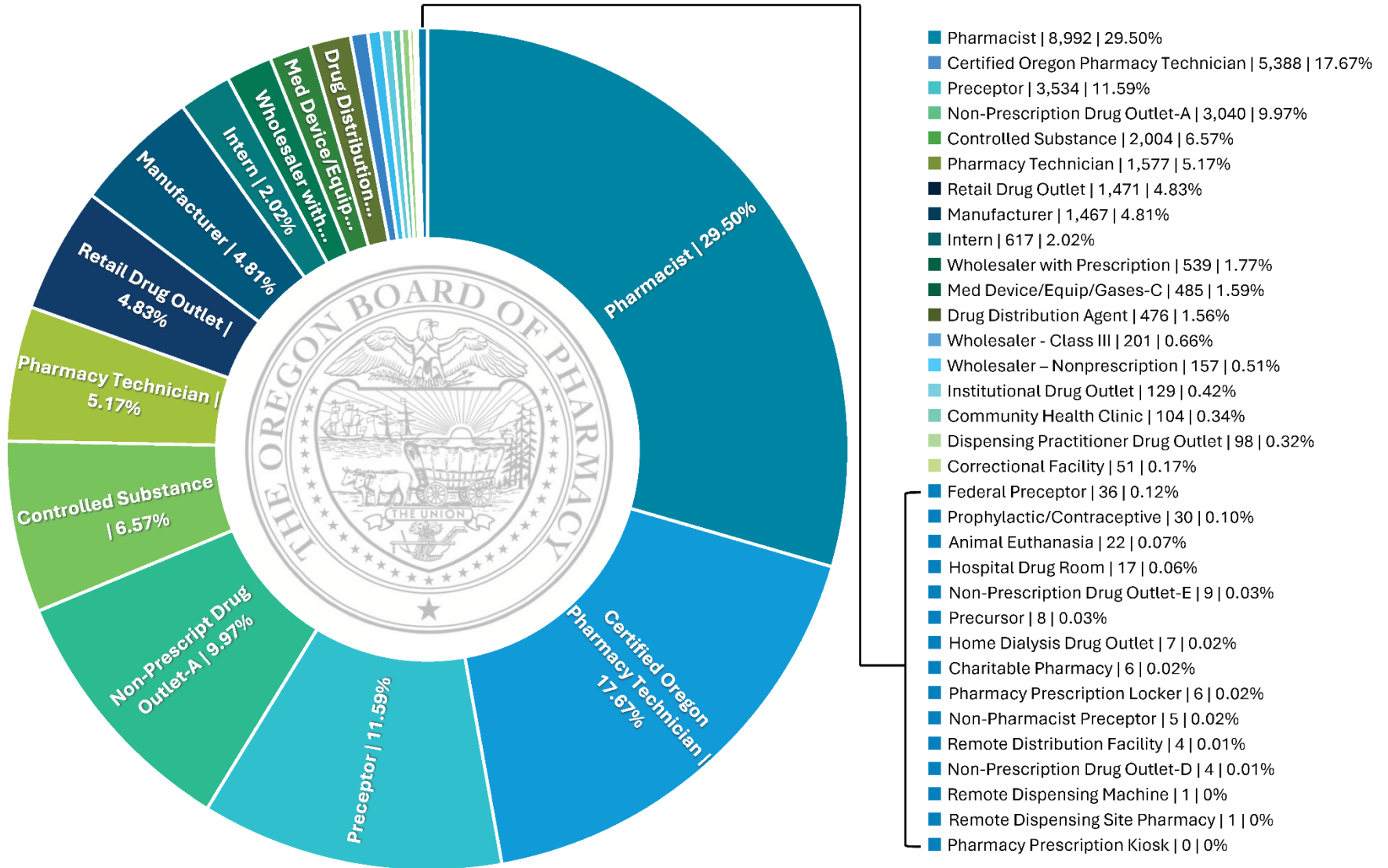
2025-27 Expenditures by Type



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%

Licenses by Category



Program Prioritization for 2025-27

Program Prioritization for 2025-27																					
Agency Name: Oregon Board of Pharmacy 2025-27 Biennium														Agency Number: 85500							
Program 1																					
Program/Division Priorities for 2025-27 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	
85500	1	OBOP	Operations (Administration, Communications & Policy)	85500 1-6	3			4,538,335				\$4,538,335		7.00	N	Y	S	ORS 475 & 689		None unless 10% Reductions are considered. The impact is included on the Reduction form 107b17.	
85500	1	OBOP	Licensing & Exams	85500 2,5	3			2,494,506				\$2,494,506		7.00	N	Y	S	ORS 475 & 689		None unless 10% Reductions are considered. The impact is included on the Reduction form 107b17.	
85500	1	OBOP	Compliance	85500 1,3,4,5	3			7,060,544				\$7,060,544		10.00	N	Y	S	ORS 475 & 689		Includes HPSP, if 10% Reductions are considered, see 107b17.	
85500	1	OBOP	Board Activities	85500 6	3			107,380				\$ 107,380		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. This Committee includes 7 members, legislatively authorized and effective 1/1/18. The Committee is meeting approximately 4 times per year.	
85500	1	OBOP	Formulary Committee	Agency Mission	3			9,647				\$ 9,647		0.00	N	N	S	ORS 689.645 and .649			
												\$ -									
												\$ -									
												\$ -									
												\$14,210,412		0	24.00						

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

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.

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

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
1. Eliminate funding for Services & Supplies	Moving from 3-day to 2-day board meetings and having 3 in-person meetings per year and 3 virtual meetings per year will significantly reduce costs in the areas of instate travel, lodging, daily per diem, meal per diem, parking reimbursement and catering costs. Negative impacts due to less board meetings may include a longer timeline to implement strategic plan initiatives such as reviewing and amending administrative rules and other policy discussions.	\$72,660.00 OF	RANK #1
2. Eliminate One Full Time Healthcare Inspector/Investigator Position – Personal Services Budget Object (Compliance)	Eliminate a Healthcare Inspector/Investigator position. A reduction would result in delay of pharmacy inspections and negatively impact the amount of time to complete an investigation arising from inspection impacting statutory compliance of 120 days to report to the board. May negatively impact KPMs.	\$522,760.43 OF	RANK #2
3. Eliminate One Full Time Public Service Representative (Licensing) Personal Services Budget Objects	Eliminate a Public Service Representative 3. Reduction would negatively impact the processing of new applicant/licensee and registrant applications and renewals. This significantly impacts an applicant's employment	\$170,696.96 OF	RANK #3

	<p>opportunity. Eliminating this position would require restructuring and reassigning duties to remaining Licensing staff. May negatively impact KPMs.</p>		
<p>4.Eliminate One Full Time Healthcare Inspector/Investigator Position – Personal Services Budget Object</p>	<p>Eliminate a Healthcare Inspector/Investigator position. A reduction would result in delay of pharmacy inspections and negatively impact the amount of time to complete an investigation arising from inspection impacting statutory compliance of 120 days to report to the board. This position also oversees drafting policy discussion, proposed amendments or draft OARs, facilitates the PHPFAC members and assists SMEs with providing draft Formulary and Protocol Compendium amendments, assists with legislative mandates and fiscals, communication to licensees, outreach to colleges/schools of pharmacy. The agency would need to restructure and reassign the Pharmacy Consultant duties which would negatively impact the Compliance department as well as impact the directives of the PHPFAC and delay administrative rulemaking directives and strategic plan initiatives.</p>	<p>\$522,760.43 OF</p>	<p>Rank #4</p>

Ending Balance Information

Agency: Oregon Board of Pharmacy

Contact: Ciji Shelton-Flores

Updated Other Funds Ending Balances for the 2023-25 and 2025-27 Bienna								
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or statutory reference	2023-25 Ending Balance		2025-27 Ending Balance	
					In LAB	Revised	In CSL	Revised
Limited	85500-001-00-00-00000	1171 OF State Board of Pharmacy Account	Operations	ORS 689.135	1,670,042	4,497,264	1,287,784	5,785,048