

Ways and Means Written Reference Materials

Oregon Medical Board, Agency 847



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Governor’s Budget Document

<https://www.oregon.gov/omb/board/about/Documents/84700%20OMB%202025-27%20Governor%27s%20Budget.pdf>

Additional Details Supporting the PowerPoint Presentation

Agency mission, goals, and historical context

The Oregon Medical Board (“Board” or “OMB”) is an entirely other-funded agency established in 1889 to ensure that only qualified and competent individuals are licensed to practice medicine in Oregon. The Board is responsible for licensure and regulation of the professions of medical doctor (MD), doctor of osteopathic medicine (DO), doctor of podiatric medicine (DPM), physician associate (PA), and licensed acupuncturist (LAc).

The Board is 100% other funded; it receives no General Fund dollars. The Board’s revenue comes primarily from licensee fees, which are held in trust for the purpose of supporting the Board’s programs and serving our licensees and the public.

The 14 members of the Board (six medical doctors, two doctors of osteopathic medicine, one podiatric physician, two physician associates, and three public members) are appointed by the Governor and confirmed by the Senate. Board members have ultimate responsibility for the activities of the agency and the decisions concerning licensure, discipline, and regulations through administrative rules on numerous medical and ethical issues. Board members also appoint and review the work of the Executive Director; review the findings and recommendations of the Acupuncture and Emergency Medical Services Advisory Committees; guide agency initiatives and communications through the Legislative and Editorial Committees; and monitor and inform the agency on developing trends and issues in medical practice.

Current board membership and committee assignments are available on the Board’s website at <https://www.oregon.gov/omb/board/Pages/default.aspx>.

The Board’s purpose is public safety. Public protection is achieved through prevention, remediation, discipline, and ensuring members of the public are informed about their medical providers and Board processes. The Board operates in an atmosphere of constant change due to ongoing developments in the medical profession. In responding to these changes, the Board is guided by its values of integrity, accountability, excellence, customer service, and equity.

The mission of the Oregon Medical Board is to protect the health, safety, and wellbeing of Oregon's citizens by regulating the practice of medicine in a manner that promotes access to quality care. The OMB is also focused on fostering licensee wellness and ensuring equitable health care is available to all Oregonians.

The Board is governed by Oregon Revised Statute (ORS) Chapter 677, known as the Medical Practice Act, and Oregon Administrative Rules (OAR) Chapter 847. In recognizing that the practice of medicine is a privilege, not a right, the Legislature established the Board in 1889, tasking it with the responsibility to protect the public from unauthorized or unqualified persons and from unprofessional conduct by licensed persons. The Board has proudly protected the people of Oregon for more than 135 years.

Major agency changes, budget drivers, risks, and information technology projects

No major agency changes are anticipated in 2025-27.

In conducting Oregon Medical Board programs, agency staff use a single system that performs nearly all the Board's core business functions, including licensing and investigative case management. In 2018 the agency recognized that this system was aging and we did not have vendor support to improve the system to maintain efficient services for our customers. We created a business plan for a system replacement and began working with the state Enterprise Information Services division to execute, using the Stage Gate Process to carry out the project in a well-governed manner and in keeping with best practices. We received Stage Gate 1 approval in October 2020.

With the 21-23 and 23-25 agency budgets, the Legislature approved policy packages to replace this system with a more modern and flexible solution. We achieved Stage Gate 2 and 3 endorsements during the 2021-23 biennium. Throughout much of the 2023-25 biennium, the agency has been working with a contracted Systems Integrator to plan and configure the new system.

Disappointingly, the implementation has now stalled with little systems configuration completed, as we find that the implementation vendor is unable to fulfill their contracted responsibilities. We are engaged with the State Procurement Services division and the Department of Justice to terminate the contract.

Meanwhile, we have continued planning for alternatives that will allow us to complete this much-needed systems replacement in a cost-effective and responsible manner. We are actively engaged with our partners at the Enterprise Information Services division and expect to have a new project plan in the coming months. This will require additional budget limitation in 2025-27 and we are working with our Legislative Fiscal Office Analyst to adjust our budget.

We do not anticipate that the coming expenses to complete our systems replacement will require additional fee increases. The Governor-Recommended fee adjustments in our 2025-27 policy package 101 are expected to meet agency needs, including funding to complete this project.

The risk of not successfully completing the systems replacement project is that the agency becomes increasingly likely to have a significant issue with the ability to continue to provide licensing services as well as managing the investigations processes and effectively overseeing compliance cases.

When the project is complete, the agency will have a single, easily configurable system that will provide all existing essential functions and allow the agency to add other needed functionality

and services for operating efficiencies and to benefit our licensees, the public, and agency staff, improving services to our customers.

The agency's major budget drivers are:

- Increasing numbers of licensees increase overall agency workload.
- Increasing numbers of complaints against licensees increase Investigations staff and Board member workload.
- Increasing personal services expenses and inflation as well as technology and information security-related expenses drive the Board's expenses and fees necessary to pay for agency services.

The agency's most significant budget risks are:

- **Keeping licensing fees low.** The need to maintain reasonable licensing fees while retaining adequate ending balance to provide agency services. As an Other-Funded agency, we must carefully monitor revenue, expenditures, and fee changes to ensure the agency is appropriately funded.
- **An aging core business suite software system.** This system performs nearly all agency business functions and is approaching its end of life. As discussed above, the agency is currently planning for a replacement system.
- **Pending lawsuits.** The Board is a regulatory agency, and disciplined licensees or others may not agree with our actions. This does not mean those actions are improper. The Board affords extensive due process to all applicants and licensees to ensure appropriate outcomes. Licensees are entitled to a contested case hearing and may appeal Board decisions within the courts. These proceedings can be costly. The Board strives to retain appropriate funding limitation to be sure we have the financial resources to act in the best interests of public safety. The Board has also been named as a party in other lawsuits that do not directly involve the agency but rather the records in the agency's custody.
- **Number of licensees.** As an entirely Other Funded, fee-based agency, changes in the number of applicants and licensees impact the funds available to pay agency expenses. The agency carefully monitors the numbers of licensees to project future cashflow and anticipate the need to increase fees. Failing to increase fees at the appropriate time could mean the agency is unable to pay its expenses.
- **Legislative mandates.** New legislation must be implemented within the timelines of the legislation, often within existing staff resources while continuing to deliver the agency's programs without interruption or delay.

Environmental factors impact the agency's budget and ability to achieve our mission and strategic goals. The most significant environmental factors impacting the agency are:

- **Advances in medicine.** The evolution of the medical profession requires that the agency continue to partner with other agencies, both in-state and nationally, to establish best practices and seek solutions to public health issues, such as increasing reliance on telemedicine, disparities in health care, physician wellness, and the opioid epidemic.
- **Licensee expectations.** Board staff monitors national and international trends in order to anticipate the needs and expectations of applicants and licensees in how we deliver services.
- **Cybersecurity.** The ever-growing threats to the security of the confidential information we collect.

Legislation necessary to implement the Governor’s budget

None.

With every legislative session there are numerous proposals that impact the agency. During 2023 and 2024, the agency tracked over 250 bills with potential impacts. For 2025, there are bills that could impact the agency in large and small ways. OMB staff will continue to monitor these bills and provide fiscal impact statements timely.

Reductions included in the Governor’s budget

The Governor’s Budget for 2025-27 reduces the OMB budget by \$74,182 for reductions in anticipated expenses for services provided by other state agencies.

Shared programs and dependencies

The Oregon Medical Board, the Oregon State Board of Nursing, the Board of Dentistry, and the Oregon Board of Pharmacy have partnered to contract for the Health Professional’s Services Program (HPSP). This program provides confidential monitoring for health care professionals with a substance abuse or mental health diagnosis. The program is focused on ensuring the continued safe practice of enrolled health care professionals. Licensees enter into the program either through Board referral or self-enrollment. Licensees who self-enroll remain anonymous as long as they fully comply with the program. Careful long-term monitoring, combined with referral to treatment programs where indicated can allow disciplined licensees to be successfully remediated and eventually restored to full practice. As the largest of the participating Boards, the Oregon Medical Board and Oregon State Board of Nursing together pay 87% of the Health Professionals’ Services Program costs. In 2023, the Oregon State Board of Nursing ceased ongoing participation in the Program. The result is that the program costs began shifting to the three remaining boards rather than four, resulting in an increased cost to the Oregon Medical Board. In 2024, the Board of Nursing voted to re-engage with the program in mid-2025, but the Oregon Board of Dentistry announced it would withdraw from the program

due to increasing costs. The remaining boards are working together to ensure the ongoing sustainability of the program.

As an agency, we share our expertise with other health boards and state agencies when they need additional support.

The Board also collaborates with the Oregon Health Authority on the Prescription Drug Monitoring Program (PDMP), a tool to help health care providers manage their patient's prescriptions. The program was started to support the appropriate use of prescription drugs. The information is intended to help patients and health care providers work together to determine what medications are best for them.

In addition, the Board collects data prescribed by the Health Care Workforce Committee. The data collected helps state and federal programs identify health care shortages to ensure Oregon citizens have access to the health care services they need.

Summary of the Governor's Budget

The Board is 100% other funded; it receives no General Fund dollars. The Board's revenues and expenditures are paid by and dedicated to those who are served; 98% of agency revenue comes from the licensing and renewal activities of the agency. The other 2% of revenue is generated by civil penalties and various fees for services the agency provides.

With the 2025-27 budget, the Governor has approved the six policy option packages proposed by the OMB. The Governor's budget reduces the agency budget by approximately \$74,000 for reductions in anticipated expenses for services provided by other state agencies.

Please see the 2025-27 Governor's Budget document for complete information about the policy packages recommended by the Governor at:

<https://www.oregon.gov/omb/board/about/Documents/84700%20OMB%202025-27%20Governor%27s%20Budget.pdf>

Results of Secretary of State audits

As of January 1, 2025

In January 2024, the Oregon Secretary of State published an audit of the Oregon Medical Board with four recommendations to further OMB's efforts to address the risk of inequitable disciplinary decisions, [SOS Report 2024-02](#). The OMB agreed with all four recommendations, and a summary of OMB's plans and ongoing work in each recommendation is provided below.

Recommendation 1: Implement sanctioning guidelines and/or a sanction matrix to help reduce the risk of inconsistent and inequitable case decisions, target date July 1, 2025.

OMB hired an intern who is studying for a Master in Biostatistics to review five years of investigative outcomes and disciplinary data in order to draft initial categories of violations and resultant sanctions. OMB staff then reviewed guidelines utilized by other medical boards in other states and other health boards within Oregon for additional resources. An initial draft guideline with violation ranges and a list of aggravating and mitigating factors informed by prior case data was developed, and the OMB then convened a workgroup of interested individuals and associations to review and refine the guidelines. OMB hosted a series of public meetings throughout 2024. The workgroup's recommendations will be reviewed and approved by the members of the Board in 2025.

Recommendation 2: Add the ability to categorize cases by primary or most serious complaint type, or another effective categorization system, to the agency's forthcoming new data system, target date July 1, 2025.

Upon review, the OMB's current database captures "complaint category" when a complaint is received. This is not adequate for analyzing the equity and consistency of disciplinary outcomes. Staff have created a new "case closure category" in the investigative database. The field will be populated by the Executive Director in consultation with the Assistant Attorney General and Investigations Manager during the order drafting process.

Recommendation 3: Use complaint data to conduct regular, systematic reviews of past cases to help monitor for and ensure equity and consistency, target date July 1, 2026.

A full year's data will be necessary for meaningful analysis. Staff plan to determine the key data collection points, perform quality assurance on the data, and develop a framework for analysis in 2025 as the work on recommendations 1 and 2 is formalized.

Recommendation 4: Develop and implement written policies and procedures for analyzing board disciplinary decisions for equity and consistency, target date July 1, 2026.

Once an initial dataset is gathered, the Board can develop a plan for how to analyze the data in a meaningful way to assess whether the agency's outcomes are equitable and consistent.

Recent changes to budget and/or management flexibility impact on agency operations

Not applicable.

Workforce challenges

The agency has been working to fulfill the Governor's expectations for succession planning.

The Oregon Medical Board's 2023 Succession Plan identified a need to build capacity behind the agency's only medical professional on staff. In the 2023-25 biennium, we have made progress by successfully hiring a new Medical Director and developing a policy option package to add a permanent 0.5 FTE Associate Medical Director position. This policy option package, package 103, is included in the Governor's Recommended Budget.

With two of the eight members of the agency's management team eligible to retire now, or within the next five years, the agency is working to develop our leadership pipeline from our subject matter experts within the agency. There are several other staff members eligible to retire now or within the next five years, including the entirety of our Licensing Call Center staff, which would significantly impact our customer service, one of our agency's Key Performance Measures.

The agency Information Technology (IT) positions have been identified as critical to the OMB's ability to securely and efficiently utilize the vast amounts of sensitive data involved in effectively licensing and regulating the practice of medicine in our state. With the ongoing software system replacement project, these competencies remain paramount to the agency's continued success. These competencies include database architecture, software development, quality assurance and testing, and data security.

The current work to pivot our software system replacement project due to the pending termination of our Systems Integrator contract puts additional pressure on the internal IT team of 3 FTE to support the current aging system while potentially having to take on the added work of developing the new solution. If solution development and implementation shifts in-house, we would look to hire additional IT limited duration positions to support the ongoing day-to-day needs of the agency. Once the project is successfully completed, we will need to re-assess the ongoing agency IT needs regarding permanent positions.

For 2025, we anticipate the most critical need for succession planning efforts will be focused on the IT classifications as we continue to pursue developing a software solution that supports all program areas of our agency and retains our critical Level 3 data.

The OMB continues to work toward the Governor's expectations of a 50-day recruitment. Overall, the agency is at an average of 48 days to fill positions from the time they are posted. These numbers are somewhat skewed for 2024 due to the challenges faced from hiring a new Medical Director who was not able to start in the position for approximately four months after accepting the agency's offer due to contract issues with her previous employer. Further, the recruitment of Acupuncture Advisory Committee members has been challenging as a sub-committee of the Board and the processes involved in posting these positions.

Supervisory Span of Control Report

Not applicable.

Program Prioritization for 2025-27

Program Prioritization for 2025-27

Agency Name: Oregon Medical Board																					
2025-27 Biennium																			Agency Number: 84700		
Agency-wide																					
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	
Agcy	Prgm/ Div																				
1	1	OMB	Licensing	1) Process new license applications 2) Renew existing licenses 3) Answer questions from licensees and applicants 4) Work with investigators on problem applications 5) Update database records (addresses, license status, etc.) 6) Develop license policy	1, 6, 7, 9	3		3,664,813				\$ 3,664,813	11	11.00		Y	S	ORS 677			
2	1	OMB	Investigations and Compliance	1) Investigate complaints 2) Assist Board in developing remedies 3) Coordinate contested case hearings 4) Monitor licensees under probation 5) Provide required information to national databases 6) Work with License staff on problem applications 7) Perform triage and investigative services for the Health Professionals' Services Program	2, 4, 7	3		10,128,537				\$ 10,128,537	16	16.00		Y	S	ORS 677			The agency request budget includes the addition of a .5 FTE Supervising Physician position.
	1	OMB	Executive and Communications	1) Provide information for board members and advisory committee decision-making 2) Represent the agency to outside entities including the media 3) Oversee the agency's 4 departments 4) Coordinate development and promulgation of laws and rules 5) Ensure provision of legal expertise 6) Provide education and publish newsletter on regulatory and disciplinary issues 7) Provide public information including: written verifications of licensure and telephoned inquiries 8) Provide Human Resources 9) Includes compensation for 14 Board Members and 10 Committee members, totaling \$168,600	7, 8	4		3,304,195				\$ 3,304,195	7	7.00		Y	S	ORS 677			

Program Prioritization for 2025-27

Agency Name: Oregon Medical Board																					
2025-27 Biennium																		Agency Number: 84700			
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	
Agcy	Prgm/ Div																				
	1	OMB	Administrative & Business Services	1) Provide public information through electronic data requests 2) Agency network, database, and web site development and maintenance 3) Budgeting, cash receipts, and disbursement 4) Purchasing and general services 5) Contracting of medical consultants, legal, and other services 6) Office facilities rental, equipment maintenance, and telecommunications	6, 7, 8, 9	4		2,987,865				\$ 2,987,865	8	8.00		Y	S	ORS 677			
							#	#	20,085,410	-	-	\$ 20,085,410	42	42.00							

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:

Activities were prioritized based on the following criteria:

- 1) Does the activity fulfill a statutory mandate?
- 2) Does the activity support the mission of the Oregon Medical Board?
- 3) Does the activity support the Governor's priorities?
- 4) What activities will serve the most Oregonians?

Proposed technology projects

See discussion of our systems replacement project, above.

Proposed capital construction projects

Not applicable.

Reduction options requested by LFO

Not applicable.

Long-term vacancies

The Board has two positions that were vacant for 12 months or more as of December 31st. The Administrative Specialist position is currently in recruitment and the Information Systems Specialist position is filled as a limited duration position. The agency has experienced difficulty in hiring several positions due to market constraints, particularly in the information technology team.

Position Title	Other Funds Budget	Vacant Date	Reason For Vacancy and Current Status
Administrative Specialist 1	\$ 175,743	3/31/2023	Hiring difficulties. Recruitment began in January, 2025. The previous recruitment resulted in hiring only one candidate for two available positions.
Information Systems Specialist 3	\$ 211,774	4/5/2019	Hiring difficulties. Position has been filled as limited duration at a different classification while long-term needs are evaluated.

Other Funds Ending Balance Form

Oregon Medical Board (OMB)									
2025-27 Biennium					Contact Person (Name & Phone #): Carol Brandt (503) 939-5151				
Updated Other Funds Ending Balances for the 2023-25 and 2025-27 Biennia									
(a)	(b)	(c)	(d)	(e)	(f)		(g)		(j)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or statutory reference	2023-25 Ending Balance		2025-27 Ending Balance		Comments
					In LAB	Revised	In CSL	Revised	
Limited	84700-000-00-00-00000	8470000401 Oregon Medical Board	Operations	ORS 677.290	6,606,598	7,145,132	4,908,135	6,290,305	<p>Current projections of 2023-25 ending balance is higher than LAB primarily due to lower than anticipated spending for the previous and current biennia. The agency's Core Business Suite replacement project encountered delays, reducing project expenses during both the 2021-23 and 2023-25 biennia. Based on renewal cycles, the agency requires a minimum of six months ending balance. The 2023-25 Revised Ending Balance represents a reserve of approximately 8.25 months operating expenses to begin 2025-27. The 2025-27 Revised Ending Balance does not include the Governor's Budget fee increase or policy option packages. This is a reserve of approximately 6.7 months operating expenses to begin 2027-29.</p> <p>The agency projects just 4.4 months of operating expenses reserves to begin 2029-31.</p>

Lottery Funds Ending Balance Form

Not applicable.

ARPA Ending Balance Form

Not applicable.