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To: Human Services Subcommittee  
 From: Ben Ruef, Legislative Fiscal Office  
 Date: May 5, 2025  
 Subject: HB 5022 – Oregon Medical Board  
 Work Session Recommendations

<b>Oregon Medical Board</b>				
<i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
Other Funds	15,055,077	19,272,417	20,085,410	20,743,151
<b>TOTAL FUNDS</b>	<b>15,055,077</b>	<b>19,272,417</b>	<b>20,085,410</b>	<b>20,743,151</b>
Positions	42	42	42	44
FTE	42.00	42.00	42.00	43.50

The Oregon Medical Board licenses Medical and Osteopathic Doctors, Podiatric Physicians, Physician Assistants, and Acupuncturists; investigates complaints against licensees and takes disciplinary action when a violation occurs. The Board is also responsible for the scope of practice for First Responders and Emergency Medical Technicians.

LFO is recommending a budget for the Oregon Medical Board of \$20,743,151 Other Funds with 44 positions (43.50 FTE), which is a 7.6 % increase over the 2023-25 legislatively approved budget and a 3.3% increase over the 2025-27 current service level. The recommended budget maintains an estimated seven-month operating reserve in the agency’s ending fund balance.

Key adjustments include \$342,741 Other Funds and the addition of a permanent part-time Associate Medical Director (0.50 FTE) to provide in-house medical expertise, to support the Medical Director, and help ensure timely investigations and licensing processes. An additional \$315,000 Other Funds is included to address cost increases related to the Health Professionals’

Services Program (HPSP), criminal background checks conducted by the Oregon State Police, and merchant service fees associated with online licensing transactions.

The recommended budget also includes one limited duration Project Manager 2 position (1.00 FTE) to support the restart of OMB's licensing and compliance system project. This position is funded within the existing expenditure limitation allocated for the project.

Two fee adjustments and two new fees are incorporated to support ongoing operations:

- A 20% increase in late registration fees for physician associates and acupuncturists, effective July 1, 2026, is expected to generate \$1,070.
- A 20% increase in full and limited license registration fees for all licensed professions, effective July 1, 2026, is projected to generate \$302,078.
- A new \$25 annual HPSP passthrough fee per licensee, effective July 1, 2025, is projected to generate \$1.25 million in revenue for the 2025-27 biennium.
- A new \$75 fee is established to recover the cost of performing predetermination reviews required by Senate Bill 1552 (2024). This fee is estimated to generate little to no revenue due to low demand for the service.

These fees are estimated to generate \$1.6 million in additional revenue for the 2025-27 biennium.

## Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

### **Accept** LFO Recommendation

MOTION: I move the LFO recommendation to HB 5022. *(vote)*

**OR**

### **Modify** LFO Recommendation

MOTION: I move the LFO recommendation to HB 5022, with modifications. *(vote)*

## Performance Measures

See attached "Legislatively Proposed 2025-27 Key Performance Measures."

### **Accept** LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

**OR**

**Modify LFO Recommendation**

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

**Amendment**

LFO recommends a budget of \$20,743,151 Other Funds and 44 positions (43.50 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to HB 5022. *(vote)*

**Final Subcommittee Action**

LFO recommends that HB 5022, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5022, as amended, to the Full Committee with a do pass recommendation. *(vote)*

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2023-25 Agy. Leg. Adopted</b>	-	-	<b>18,442,127</b>	-	-	-	<b>18,442,127</b>	<b>42</b>	<b>42.00</b>
2023-25 Ebds, SS & Admin Act	-	-	830,290	-	-	-	830,290	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2023-25 Leg Approved Budget</b>	-	-	<b>19,272,417</b>	-	-	-	<b>19,272,417</b>	<b>42</b>	<b>42.00</b>
<b>2023-25 Leg Approved Budget (Base)</b>	-	-	<b>19,272,417</b>	-	-	-	<b>19,272,417</b>	<b>42</b>	<b>42.00</b>
Summary of Base Adjustments	-	-	707,981	-	-	-	707,981	-	-
<b>2025-27 Base Budget</b>	-	-	<b>19,980,398</b>	-	-	-	<b>19,980,398</b>	<b>42</b>	<b>42.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(94,905)	-	-	-	(94,905)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(600,000)	-	-	-	(600,000)	-	-
030: Inflation & Price List Adjustments	-	-	799,917	-	-	-	799,917	-	-
<b>2025-27 Current Service Level</b>	-	-	<b>20,085,410</b>	-	-	-	<b>20,085,410</b>	<b>42</b>	<b>42.00</b>
<b>Adjusted 2025-27 Current Service Level</b>	-	-	<b>20,085,410</b>	-	-	-	<b>20,085,410</b>	<b>42</b>	<b>42.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>657,741</b>	-	-	-	<b>657,741</b>	<b>2</b>	<b>1.50</b>
<b>2025-27 Legislative Actions</b>	-	-	<b>20,743,151</b>	-	-	-	<b>20,743,151</b>	<b>44</b>	<b>43.50</b>
Net change from 2023-25 Leg Approved Budget	-	-	1,470,734	-	-	-	1,470,734	2	1.50
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	7.6%	4.8%	3.6%
Net change from 2025-27 Adj Current Service Level	-	-	657,741	-	-	-	657,741	2	1.50
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	3.3%	4.8%	3.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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2023-25 Ebds, SS & Admin Act	-	-	830,290	-	-	-	830,290	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2023-25 Leg Approved Budget</b>	-	-	<b>19,272,417</b>	-	-	-	<b>19,272,417</b>	<b>42</b>	<b>42.00</b>
<b>2023-25 Leg Approved Budget (Base)</b>	-	-	<b>19,272,417</b>	-	-	-	<b>19,272,417</b>	<b>42</b>	<b>42.00</b>
Summary of Base Adjustments	-	-	707,981	-	-	-	707,981	-	-
<b>2025-27 Base Budget</b>	-	-	<b>19,980,398</b>	-	-	-	<b>19,980,398</b>	<b>42</b>	<b>42.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(94,905)	-	-	-	(94,905)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(600,000)	-	-	-	(600,000)	-	-
030: Inflation & Price List Adjustments	-	-	799,917	-	-	-	799,917	-	-
<b>2025-27 Current Service Level</b>	-	-	<b>20,085,410</b>	-	-	-	<b>20,085,410</b>	<b>42</b>	<b>42.00</b>
<b>Adjusted 2025-27 Current Service Level</b>	-	-	<b>20,085,410</b>	-	-	-	<b>20,085,410</b>	<b>42</b>	<b>42.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>657,741</b>	-	-	-	<b>657,741</b>	<b>2</b>	<b>1.50</b>
<b>2025-27 Legislative Actions</b>	-	-	<b>20,743,151</b>	-	-	-	<b>20,743,151</b>	<b>44</b>	<b>43.50</b>
Net change from 2023-25 Leg Approved Budget	-	-	1,470,734	-	-	-	1,470,734	2	1.50
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	7.6%	4.8%	3.6%
Net change from 2025-27 Adj Current Service Level	-	-	657,741	-	-	-	657,741	2	1.50
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	3.3%	4.8%	3.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 Fee Adjustments**

Package Description This package includes three fee adjustments to support agency operations. First, a \$25 annual passthrough fee per licensee for the Health Professionals' Services Program (HPSP) effective July 1, 2025, generating an estimated \$1.25 million in 2025-27. Second, a 20% late registration fee increase for physician associates and acupuncturists effective July 1, 2026 generating an estimated \$1,070 in revenue for 2025-27. Third, a 20% increase in full and limited license registration fees for all professions, effective July 1, 2026, generating an estimated \$302,078 in 2025-27 revenue. Total estimated revenue for the package is \$1,554,023.

LFO Recommendation The Legislative Fiscal Office recommends approval.

<b>LFO Recommended</b>	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 102 Budget Adjustments**

Package Description This package moves funds (\$35,000) from Office Expenses to Attorney General Expenses to align the agency budget with actuals.

LFO Recommendation The Legislative Fiscal Office recommends approval.

<b>LFO Recommended</b>	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 103 Business Efficiency and Succession Planning**

Package Description This package adds a permanent part-time Associate Medical Director position (0.50 FTE) and \$342,741 Other Funds expenditure limitation to support the Medical Director. The position will provide the agency with in-house medical expertise, distribute workload, and maintain timely investigations and licensing processes.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	342,741	-	-	-	342,741	1	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 104 Health Professionals' Services Program**

Package Description This package increases Other Funds expenditure limitation by \$125,000 for increased costs of the Health Professionals' Program, which monitors and supports healthcare providers with substance use or mental health conditions.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	125,000	-	-	-	125,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 105 Criminal Background Check Fees**

Package Description This package increases Other Funds expenditure limitation by \$110,000 to address rising costs associated with criminal background check fees paid to the Oregon State Police due to the growing number of license applications.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	110,000	-	-	-	110,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 106 Merchant Services Fees**

Package Description This package increases Other Funds expenditure limitation by \$80,000 to address rising costs associated with credit card fees from the growing number of license applications and renewals.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	80,000	-	-	-	80,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description Core Business Suite Replacement

This package includes one full-time limited duration Project Manager 2 position (1.00 FTE) to support the agency's efforts to restart its licensing and compliance system project. Because the project must go through joint review and approval under the LFO-EIS Stage Gate process, the agency needs a dedicated staff member to lead this work. The position would be responsible for updating and resubmitting core project documents—such as the business case and project charter—and revising the project management plan and other related materials as needed. The position will be funded using existing expenditure limitation included in the project's budget.

Licensing Predetermination Fee

This package establishes a fee of \$75 to recover costs of performing predetermination reviews as required by Senate Bill 1552 enacted in the 2024 legislative session. SB 1552, Section 44, states that licensing boards must have a process for a person who has been convicted of a crime to petition a licensing board prior to applying for a license for a determination as to whether a criminal conviction will prevent the person from receiving a license. The bill states, "The licensing board, commission or agency may charge a reasonable fee to pay the costs of making the determination." The fee is established at an amount estimated to recover the costs of staff time to complete the determination. Based on the operative date specified in the bill, the agency plans to begin offering predetermination services on July 1, 2025. The agency estimates zero revenue from this fee in 2025-27 biennium due to little to no demand for the service.

LFO Recommendation The Legislative Fiscal Office recommends approval.

<b>LFO Recommended</b>	-	-	-	-	-	-	-	-	1	1.00
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# Legislatively Proposed 2025 - 2027 Key Performance Measures

Published: 4/28/2025 9:16:42 AM

**Agency:** Oregon Medical Board

**Mission Statement:**

Protect the health, safety, and well-being of Oregonians by regulating the practice of medicine in a manner that promotes access to quality care.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. LICENSE APPROPRIATELY - Number of Board-Issued license denials overturned upon appeal.		Approved	0	0	0
2. DISCIPLINE APPROPRIATELY - Number of disciplinary actions overturned on appeal.		Approved	0	0	0
4. MONITOR LICENSEES WITH BOARD ORDERS AND CORRECTIVE ACTION AGREEMENTS - Percentage of licensees with Board Orders or Corrective Action Agreements who have a new Notice of Proposed Disciplinary Action within 5 years.		Approved	1.32%	3%	3%
6. RENEW LICENSES EFFICIENTLY - Average number of calendar days to process and mail a license renewal.		Approved	2.39	10	10
7. ASSESS CUSTOMER SATISFACTION WITH AGENCY SERVICES - Percent of customers rating satisfaction with the agency's customer service as "good" or "excellent" for: overall customer service, timeliness, accuracy, helpfulness, expertise, information availability.	Helpfulness	Approved	99%	90%	90%
	Overall		97%	90%	90%
	Expertise		99%	90%	90%
	Availability of Information		94%	90%	90%
	Timeliness		95%	90%	90%
	Accuracy		96%	90%	90%
8. BOARD BEST PRACTICES - Percent of total best practices met by the Board.		Approved	100%	100%	100%
9. LICENSE EFFICIENTLY - Average number of calendar days from receipt of completed license application to issuance of license.		Approved	0.07	3	3

**LFO Recommendation:**

The agency is directed to update KPM #2 and KPM #3 for the 2027 legislative session to reflect a more balanced measure that considers the broader context of licensing and disciplinary activity. This may include:

- The total number of appeals received,
- The percentage of board actions that result in appeals,
- The percentage of appeals upheld versus overturned,
- And the total number of disciplinary cases handled.

These additional metrics would provide a more complete picture of the board's decision-making consistency, fairness, and workload. Shifting the focus from outcomes alone to the volume and nature of appeal activity could better reflect both procedural integrity and overall system performance, without discouraging appropriate course corrections through the appeal process.

**SubCommittee Action:**