

HB 5022 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Jason Trombley, Department of Administrative Services

Reviewed By: Ben Ruef, Legislative Fiscal Office

**Oregon Medical Board
2025-27**

PRELIMINARY

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 19,272,417	\$ 20,085,410	\$ 20,743,151	\$ 1,470,734	7.6%
Total	\$ 19,272,417	\$ 20,085,410	\$ 20,743,151	\$ 1,470,734	7.6%

Position Summary

Authorized Positions	42	42	44	2
Full-time Equivalent (FTE) positions	42.00	42.00	43.50	1.50

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Medical Board is entirely funded by Other Fund revenues. The Board receives the majority of its revenue from fees for licensure and registration from the following groups: medical doctors, doctors of osteopathy, podiatrists, physician associates, and acupuncturists. New issuance and renewal of medical doctors and osteopathic physician’s licensure make up 83% of the Board's revenue and increases on a net basis by approximately 2.6% per year. The Subcommittee’s recommended budget includes fee increases as well as the establishment of fees to support the Health Professional Services Program and a licensing predetermination fee. With the approval of the Subcommittee’s recommended budget, the ending balance is equivalent to seven months of operating expenditures.

Summary of Human Services Subcommittee Action

The mission of the Oregon Medical Board is to protect the health, safety, and well-being of Oregon’s citizens by regulating the practice of medicine in a manner that promotes access to quality care. The Agency is responsible for the licensure and regulation of medical doctors, doctors of osteopathic medicine, podiatric physicians, physician associates, and licensed acupuncturists.

The Subcommittee recommended a budget of \$20,743,151 Other Funds expenditure limitation and 44 positions (43.50 FTE). This represents a 7.6% increase from the 2023-25 Legislatively Approved Budget. The Subcommittee recommended the following packages:

- **Package 101: Fee Adjustments.** This package includes three fee adjustments to support agency operations. First, a \$25 annual passthrough fee per licensee for the Health Professionals’ Services Program effective July 1, 2025, generating an estimated \$1.3 million in revenue during the 2025-27 biennium. Second, a 20% late registration fee increase for physician associates and acupuncturists

effective July 1, 2026, generating an estimated \$1,070 in revenue for the 2025-27 biennium. Third, a 20% increase in full and limited license registration fees for all professions, effective July 1, 2026, generating an estimated \$0.3 million in revenue during the 2025-27 biennium. Total estimated revenue for the package is \$1.6 million.

- Package 102: Budget Adjustments. This package will move \$35,000 Other Funds expenditure limitation from Office Expenses to Attorney General Expenses to align the agency budget with actuals.
- Package 103: Business Efficiency and Succession Planning. This package will increase Other Funds expenditure limitation by \$342,741 to add a permanent part-time Associate Medical Director position (0.50 FTE) 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.
- Package 104: Health Professionals' Services Program. This package increases Other Funds expenditure limitation by \$125,000 for increased costs of the Health Professionals' Services Program, which monitors and supports healthcare providers with substance use or mental health conditions.
- Package 105: Criminal Background Check Fees. 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.
- Package 106: Merchant Services Fees. This package increases ongoing Other Funds expenditure limitation by \$80,000 to cover credit card fees from the growing number of license applications and renewals.
- Package 801: LFO Analyst Adjustments. This package makes two adjustments:

Core Business Suite Replacement – This adjustment 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 would be funded using existing Other Funds expenditure limitation included in the project's budget by moving \$312,464 from Services and Supplies to Personal Services. The Agency is directed to return with a project funding request during the 2026 Legislative Session.

Licensing Predetermination Fee – This adjustment establishes a fee of \$75 to recover costs of performing predetermination reviews as required by Senate Bill 1552 enacted in the 2024 Legislative Session. Senate Bill 1552, Section 44(4)(a), 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 the 2025-27 biennium as there is currently little to no demand for the service.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Medical Board
Jason Trombley -- 971-719-3903

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ -	\$ -	\$ 19,272,417	\$ -	\$ -	\$ -	\$ 19,272,417	42	42.00
2025-27 Current Service Level (CSL)*	\$ -	\$ -	\$ 20,085,410	\$ -	\$ -	\$ -	\$ 20,085,410	42	42.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 84700-015 - Operations									
Package 103: Business Efficiency and Succession Planning									
Personal Services	\$ -	\$ -	\$ 342,741	\$ -	\$ -	\$ -	\$ 342,741	1	0.50
Package 104: Health Professionals Services Program									
Services and Supplies	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000		
Package 105: Criminal Background Check Fees									
Services and Supplies	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000		
Package 106: Merchant Services Fees									
Services and Supplies	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 312,464	\$ -	\$ -	\$ -	\$ 312,464	1	1.00
Services and Supplies	\$ -	\$ -	\$ (312,464)	\$ -	\$ -	\$ -	\$ (312,464)		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 657,741	\$ -	\$ -	\$ -	\$ 657,741	2	1.50
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 20,743,151	\$ -	\$ -	\$ -	\$ 20,743,151	44	43.50
% 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%
% Change from 2025-27 Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	3.3%	4.8%	3.6%

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 5/5/2025 2:33:12 PM

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 Approved 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:

The Human Services Subcommittee approved the Key Performance Measures and targets.

PRELIMINARY