

Executive Director’s Report for July 13, 2021

ADMINISTRATIVE

2019-2021 Biennium Budget (July 1, 2019 through June 30, 2021)

Budget Summary through May 2021

Revenue	May 2021	Biennium to Date	% of Budget Received	2019-21 Biennium Total Budget
All sources (including cash reserves & reimbursements)	69,307	2,672,120	128%	2,093,769

Expenditures	May 2021	Biennium to Date	% of Budget Spent	2019-21 Biennium Total Budget
Personal Services	59,415	1,307,777	88%	1,493,346
Services & Supplies	37,798	820,782	90%	912,078
Total	97,213	2,128,559	88%	2,405,424

Licensing fee revenue is received once a year – even-numbered years for individual licensees & odd-numbered years for facility licensees – which results in a significant revenue increase at the end of each calendar year and is the main reason why our agency must maintain a higher than average ending balance at the end of each fiscal year and each biennium (typically 8-10 months). Our agency also self-insures against unknown expenses such as costs associated with administrative hearings. It is important to note that there is a difference between the agency’s approved limitation (authorization to spend) and its cash reserve. If our agency anticipates exceeding the approved limitation total for any expense category, we must request additional limitation authority from the Oregon Legislature via an Emergency Board (Ways & Means) proceeding, even if we have a sufficient cash reserve to cover expenses.

Background on Revenue Sources

The revenue budgeted for the biennium includes fund from multiple sources, including ones that pass through the agency. The total for the biennium includes a beginning cash balance of \$1,350,827 (cash reserves carried over from the previous biennium), the total amount collected for death filing fees – which supports both the Board programs and the Indigent Disposition Program (IDP) Fund – licensing fees, estimates for miscellaneous revenue such as civil penalty payments and interest, and a transfer-in reimbursement amount of \$151,377 from the other 833 boards.

The death filing fee is projected to collect approximately \$1,260,000 in total revenue for the 19-21 biennium. The actual amount received will depend upon the number of actual deaths registered and billed within the biennium. The revenue projection is based upon the population data provided by the State Economist’s Office, which is an anticipated 63,000



deaths within the biennium. In accordance with ORS 692.415, at least \$6 of every \$20 death filing fee is earmarked for the Indigent Disposition Program.

LICENSING

Licensing Transactions Executed Pursuant to Delegated Authority

1. **Permanently Lapsed Individual Licenses:** None
2. **Permanently Lapsed Facility Licenses:**
 - a. Canyon City Cemetery
 - b. Moon Creek Cemetery
 - c. Restlawn Cemetery
 - d. St. Andrews Cemetery
 - e. Blue Mountain Christian Fellowship Memorial Gardens
 - f. Gales Creek Cemetery Inc
 - g. Hill's Cemetery Association of Oregon
 - h. Mosier Cemetery
 - i. Mosier Pioneer Cemetery
 - j. Turner Twin Oaks Cemetery Inc.
 - k. Trinity Crematorium
 - l. Roseburg Funeral Alternatives
 - m. Sutherlin Funeral Alternatives
 - n. River View Cemetery Association of Portland Crematory
 - o. J P Finley And Son Mortuary
 - p. Long & Shukle Memorial Gardens
3. **Individual or Facility Licenses Suspended:** None
4. **Licenses Revoked:** None

AD: Alternative Disposition Facility; **AE:** Apprentice Embalmer; **AF:** Apprentice FSP; **CE:** Cemetery; **CM:** City owned Cemetery; **CO:** Combination Embalmer and FSP; **CR:** Crematory; **CS:** Special Tax District owned Cemetery; **CY:** County owned Cemetery; **DC:** Death Care Consultant; **EM:** Embalmer; **FE:** Funeral Establishment; **FS:** Funeral Service Practitioner; **IP:** Intern Permit; **PN:** Preneed Salesperson; **RR:** Removal Registration.

Licensing Statistics

Type of License	April 2 2021	July 2 2021	Change from Apr - July	Trend
Death Care Consultants	0	0	0	—
EM Apprentices *	37	39	2	▲
FSP Apprentices *	57	58	1	▲
Interns	12	5	7	▼
Embalmer Only *	13	13	0	—
FSP Only	176	183	7	▲
Combination License: EM *	386	389	3	▲
Combination License: FSP *	386	389	3	▲
28Military Combination License: EM	0	0	0	—
Military Combination License: FSP	0	0	0	—
Preneed Salespeople **	159	169	10	▲
Funeral Establishments	194	191	3	▼
Immediate Disposition Companies	9	7	2	▼
Crematoriums	67	65	2	▼
Cemeteries, Operating	300	296	4	▼
Cemeteries, Operating, Municipal	36	34	2	▼
Cemeteries, Operating, County	7	7	0	—
Cemeteries, Operating, Special District	128	124	4	▼
Cemeteries, Registered Non-Operating	49	49	0	—
Removal Registrations	32	32	0	—
Alternative Disposition Facilities	2	2	0	—
Combined Total of all Licenses, Registrations:	2,050	2,052	2	▲

License Examinations

For the duration of the pandemic, we have made a concerted and diligent effort to continue administering the FSP law examination. The last exam was held on March 16, 2021 at Mt. Hood Community College. The next exam is scheduled for July 22, 2021 at Mt. Hood Community College.

We will continue to work with Doug Ferrin and Terri Makinson of the Funeral Service Program at MHCC and the MHCC testing center staff to accommodate our exams for the foreseeable future.

Funeral Service Practitioner Law Exam					
	Pass Rate			Score Range	
Exam Date	Passed	Failed	Pass Percentage	Highest Score	Lowest Score
March 16, 2021	12	1	92.3%	98%	73%
December 1, 2020	3	0	100%	87%	82%
August 25, 2020	5	0	100%	97%	78%
June 23, 2020	8	1	88.8%	96%	70%
April 7, 2020	3	0	100%	93.3%	76.6%
March 23, 2020	6	0	100%	96.6%	80%



MCB

OREGON MORTUARY & CEMETERY BOARD

Regulating Death Care Facilities & Practitioners in Oregon.

December 30, 2019	2	0	100%	90%	80%
December 20, 2019	2	0	100%	98.3%	95%
November 25, 2019	5	0	100%	98.3%	76.6%

Death Care Consultant Law Exam					
Exam Date	Pass Rate			Score Range	
	Passed	Failed	Pass Percentage	Highest Score	Lowest Score
March 16 2021	0	1	0%	66%	66%
December 1, 2020	0	1	0%	56%	56%
July 11, 2019	0	1	0%	68%	68%
June 18, 2019	0	1	0%	65%	65%
September 25, 2015	0	1	0%	60%	60%
September 15, 2014	0	2	0%	67%	57%
October 18, 2013	0	1	0%	53%	53%
January 25, 2013	0	1	0%	63%	63%
July 23, 2012	0	2	0%	54.5%	52%
*October 20, 2010	1	0	100%	76%	76%

*First Death Care Consultant Exam offered.

COMPLIANCE

Inspections (Completed in FY 2020-2021)

Overview

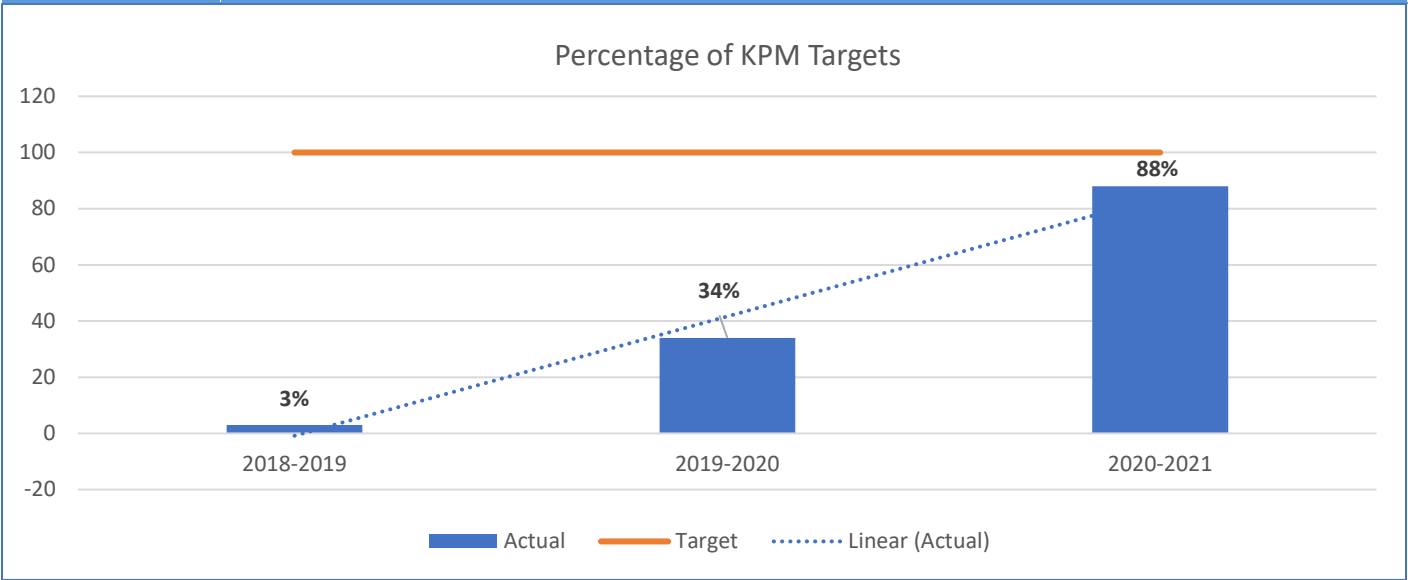
OMCB's Compliance Division has made tremendous progress in enhancing the pace and quality of our inspections. The past year presented a number of unprecedented challenges as agency staff dealt with restrictions related to the COVID-19 pandemic, wildfires, and remote working. While we were limited in all travel and in-person contact, our updated protocols to expand and increase virtual inspections were extremely successful – specifically, almost all facility inspections have been completed, except for cemeteries.

We have developed an effective virtual inspection process that has reduced the time necessary for completing inspections since state employee travel is still restricted. We have reworked our initial communications to make the inspection process and expectations clear and consistent – which has helped to reduce the turnaround time. The virtual inspection process was already being utilized for licensing actions (LA) when a document inspection was required to complete the licensing process, but not necessarily an onsite inspection. In response to many unique and unanticipated challenges, we have expanded the virtual inspection process from a supplemental tool to our primary means of inspection.

During the next quarter, we anticipate a gradual return to in-person, on-site inspections as restrictions are eased. However, the expanded virtual inspection process can and should be utilized as a viable tool moving forward.

Inspection Key Performance Measure (July 1, 2020 through June 30, 2021)

KPM #1	Facility inspection – Percent of licensed facilities inspected not less than once per biennium.
	Data Collection Period: Reporting Year 2021 (July 1, 2020 – June 30, 2021)



Total Inspections Completed During Reporting Year 2021 (July 1, 2020 – June 30, 2021)				
Facility Type	July – Sept. 2020 (Q1)	Oct. – Dec. 2020 (Q2)	Jan. – March 2021 (Q3)	April – June 2021 (Q4)
Funeral Establishment	6	56	52	27
Cemetery Authority	33	13	21	68
Crematory Authority	3	21	24	4
Alternative Disposition Facility	0	0	0	0
Immediate Disposition Company	0	1	1	5
Total Full Biennial Inspections Completed per Quarter	42	91	98	104
Total Full Biennial Inspections Completed				335
Total Non-Biennial Licensing Action (LA) Inspections	5	3	0*	2
Total Inspections Completed per Quarter	47	94	98	106
Total Inspections Completed				345

*All LA inspections were full biennial inspections this quarter.

OMCB currently regulates 758 licensed facilities located throughout the state. Our agency’s statutory mandate is to inspect at least half of these (approximately 379) during each fiscal year. Q1 was largely an inspection-specific training period for our new Inspectors and the Education & Compliance Program Manager. During Q1 and Q2, we were required to adjust in response to the many challenges mentioned above and were able to successfully implement virtual inspections during the subsequent quarters, which allowed us to achieve our target numbers in Q2 through Q4.

The tables below illustrate the number of inspections completed per month & total by Inspector for the 2020 fiscal year (July 1, 2020 – June 30, 2021). To achieve the targets, each Inspector must complete approximately 16 inspections per month on average. In October and November of 2020, we developed protocols to classify licensing actions as full biennial physical (virtual) and document inspections, which resulted in increased completed inspections in December and continued through the current quarter.

Inspector	Biennial Inspections Completed Per Month for July 1, 2020 – December 31, 2020					
	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20
Gregory	8	6	5	11	9	25
James	5	6	11	9	8	32
Total Inspections	13	12	16	20	17	57

Inspector	Inspections Completed Per Month for January 1, 2021 – June 30, 2021						
	Jan 21	Feb 21	Mar 21	Apr 21	May 21	June 21	Total
Gregory	17	14	18	20	9	23	165
James	14	18	17	10	12	28	170
Total Inspections	31	32	35	30	21	51	335



Special Projects/Other items:

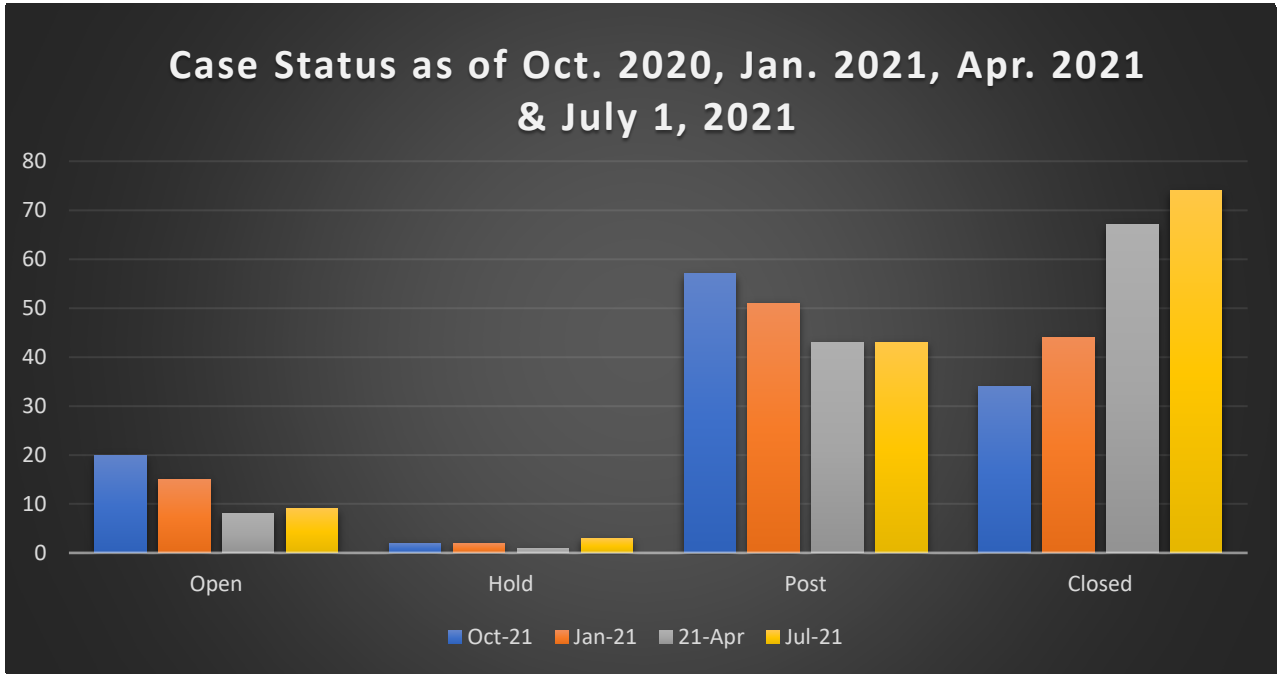
The Education & Compliance Program Manager & Inspectors are working to establish a more streamlined post-inspection process in order to provide better communication and consistency following an inspection and prior to a board meeting. We hope to have these changes formalized and implemented by the next board meeting.

Inspectors are still responding to requests for information related to Eternal Hills, which can be a time-consuming endeavor.

A continuing challenge will be managing inspections through Thentia – our new online licensing management system. During previous board meetings, staff has reported some of the challenges with bringing this new system online. Currently, individual licensees and facilities have been brought online. As we have previously encountered, there have been numerous successes and challenges in using these portals. Inspections and investigations will be added in future stages. We anticipate this will be a challenging transition period as well. However, we are confident that it will be a valuable step toward modernizing and enhancing the efficiency of agency operations.

Investigations

The following chart shows the total number of cases by phase as of October 2020, January 2021, April 2021 & July 1, 2021. Cases that were opened in prior years but did not close during the prior calendar year are included until closed. As reported during previous board meetings, we have prioritized all post status cases so they can be closed as quickly as possible. Our progress in resolving/closing older, historical cases has been paused as staff has had to support IDP essential duties. We fully anticipate continuing that project in the next quarter, after the IDP Administrator position is filled. Since the last board meeting, we have closed **seven** additional cases.



Case Status by the Numbers October 1, 2020 through July 1, 2021				
Case Status	October 2020	January 2021	April 2021	July 2021
Open	20	15	8	9
Hold	6	2	1	3
Post	57	51	43	43
Closed	34	44	67	74

Case Phases:

“Open”: All cases not yet reported to the Board and are in various stages of review or investigation – such as intake, investigation, writing investigative report, or presenting to Board.

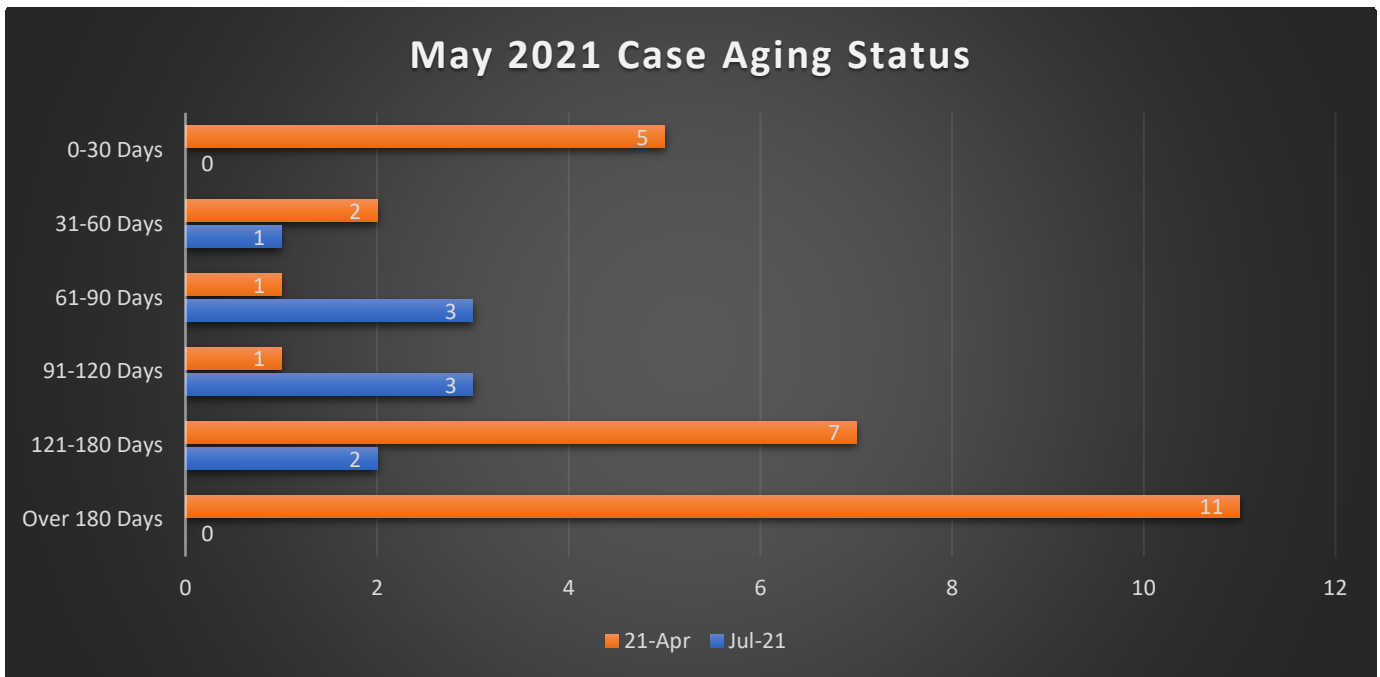
“Hold”: Cases that have been presented to the Board, but require some other activity or action by another entity before the Board completes deliberation on a case. This may include cases awaiting determination by another agency, or findings in civil or criminal proceedings. In some cases, it can also mean additional investigation is required for clarification before returning to the Board for review/discussion.

“Post”: Cases that have been presented, but there is post-meeting activity still required before closure. This includes closing out cases resulting in no action, as well as all activity relating to cases where action is being taken, through the course of any negotiations, appeals, or related activity. This process has the potential of taking years before a case can be closed.

“Closed”: Cases that have been moved completely through the Post phase and have been closed out. This may include closed cases requiring some form of monitoring or follow-up for a period of time, such as in the case of a probationary period or when there are relevant consent order terms to be monitored.

Case Aging

The following chart identifies the specific aging for all open cases and provides a comparison of numbers reported at the previous board meeting and current numbers. These show the totals by age period, **including** the cases presented to the Board during the July meeting.



NOTE: Approval of the Executive Director’s Report will also authorize up to an additional 60 days for case reporting to the Board under ORS 676.165 to cover any cases where aging will exceed the aging limits based on the date of the next available scheduled meeting. All aging will continue to accrue and any case reports exceeding aging limits will be reported both here as well as on legislative key performance measures.

Indigent Disposition Program (IDP) Fund

The Indigent Disposition Program (IDP) Fund is funded by a portion of the death filing fee. The death filing fee has historically been \$20 per death report filed, billed to funeral homes monthly. On June 23, 2021, Governor Brown signed House Bill 2120, which increases the death filing fee from \$20 to \$30 in order to ensure that the IDP Fund remains sustainable at least through 2026.

HB 2120 specifies the following allocation for the increased death filing fee of \$30:

- 1) \$14 shall be deposited into OMCB’s agency account (no change)
- 2) \$16 shall be deposited into the IDP Fund (an increase of \$10)



The death filing fee increase becomes effective on January 1, 2022. Agency staff will be coordinating with Board officers & Oregon Vital Statistics regarding messaging to licensees and other interested persons.

It is important to note that the death filing fee is only collected for the initial report of a death and is not associated with the cost for certified copies of a record of death (formerly called death certificates). With the updated fee amount, \$16 from each \$30 received will be allocated to support the IDP Fund and its administration.

Indigent Disposition Program (IDP) Fund Background

In January of 2016, the death filing fee management and IDP Fund administration was transferred from the Public Health Division to OMCB via legislative action. Additionally, changes to ORS 97.170 took effect, which established additional requirements that a funeral establishment or immediate disposition company must complete prior to performing final disposition for an indigent person and applying for reimbursement.

During the four years prior to OMCB taking over administration of the IDP Fund, the fund paid indigent claims for 0.9% to 1.3% of deaths in the state, depending upon the year. Although the maximum reimbursement rate was set at \$650, the fund was rarely able to pay the maximum amount. Over the five years prior to the transfer of the fund's management, the average amount paid was \$492, with monthly averages varying widely – while the fund was able to reimburse nearly the maximum during some months, reimbursements averaged only \$262 during others.

When OMCB took over administration, the law changed to provide funeral establishments and immediate disposition companies with a more predictable, fixed rate – the initial amount was \$461. The reimbursement rate was set in mid-2015 as a calculation of the maximum amount that the fund could provide given a 100% payment rate by funeral establishments for death filing fees and the anticipated death rate for 2015 and 2016.

In July of 2018, the Board voted to increase the reimbursement rate from \$461 to \$500, based upon death rate projections and IDP Fund solvency.

During the April 9, 2019 meeting, the Board voted to keep the reimbursement amount at \$500.

IDP Administrator Position

Beginning in February of 2021, the IDP Administrator went on an extended leave of absence that lasted through March. In early April, she submitted a letter of resignation. Since that time, current OMCB staff has continued the essential duties to maintain the IDP Fund – most importantly, processing death filing fee payments and invoices & processing IDP claims and payments. While this has been a challenge and the rate of IDP claim payments has decreased, these essential duties have continued. Also, OMCB staff discovered a significant number of IDP claims that had not been processed prior to the IDP Administrator taking leave. There is a significant backlog that is currently being reviewed and processed for approval.

The agency's Executive Director, agency staff & DAS HR have been working on the IDP Administrator recruitment. The initial minimum qualification evaluation has been completed and 8 candidates have just completed the video interview stage, which will be viewed and rated by the agency's Executive Director, Education & Compliance Program Manager & Investigator. Once this has been completed, interactive virtual interviews will be scheduled.

IDP Fund Numbers (Calendar Year 2018 through 2021):

Indigent Claims Received	CY 2018	CY 2019	CY 2020	CY 2021 YTD
Total Number of Claims Received	421	398	475	149
Number of Claims paid	399	324	304	93
Approved, Processing	N/A	49	111	35
Currently Open Claims (Waiting on additional information, researching, etc.)	N/A	4	39	20
Withdrawn/Denied	21	21	18	1

Indigent Claims Reimbursed	CY 2018	CY2019	CY 2020	FY 2021 YTD
Average Amount Reimbursed per Qualifying Claim*	\$474	\$497	\$485	\$500
Total Amount Reimbursed	\$172,470	\$212,612	\$248,536	\$46,500
Average Number of Total Claims received per Month	35.1	44.2	39.5	25
Average Number of Qualifying Claims received per Month	33.3	41.4	34.5	15.5**

*Claims are reimbursed at the actual amount claimed up to the maximum of \$500.

**Backlog in processing claims due to IDP Admin open position skews this number lower than trend.

Solvency

Indigent Claims Reimbursed	FY 18/2019	FY 19/2020	FY 20/2021 YTD
Filing Fee Total	\$735,510	\$731,504	\$626,660
Total Amount Reimbursed	\$212,612	\$248,536	\$138,146
30% to IDF	\$220,653	\$219,462	\$152,244
Net Cash By FY	\$8,041	-\$29,074	\$49,849
Ending Cash Balance	\$97,697	\$68,623	\$118,473