

The University of Michigan

Regents Communication

Approved by the Regents

June 18, 2009

ACTION REQUEST

Subject: 2009-2010 University Health Service Fee

Action Requested: Authorization of 1.6% Increase in UHS Fee

Background:

We are requesting a fee increase of 1.6% for FY2009-10. This represents a \$2.70 increase for a new fee of \$171.20 per student per term. The fee increase will be used to fund health promotion activities and educational programming including a part-time coordinator and new blood test for the TB Testing Program, increased hours for a Nurse Care Coordinator in M-Thrives, a part-time educator for the Alcohol and Other Drugs Program, improved testing for STDs in males, reduced pricing for mental health drugs and temp hours and pharmaceuticals for a Smoking Cessation Program. Other increases in this budget are offset by ongoing cost containment efforts. A summary comparison of the Health Service 2009 and 2010 Budgets and requested fee increase is attached (attachment 1).

The UHS Student Fee History chart (attachment 2) shows UHS fees over the past nine years. A Patient Encounter Report (attachment 3) shows the impact of higher enrollments on UHS clinic activity in recent years. A Five Year Trend Analysis details fee increases from FY2006 through the proposed fee for FY2010 (attachment 4). We believe this budget demonstrates our commitment to containing costs while continuing to provide a broad expanse of services to students.

We recommend that the Regents approve a 1.6% increase in the UHS fee for FY2010.

Respectfully submitted,



E. Royster Harper
Vice President for Student Affairs

June 2009

University Health Service Rate Proposal Overview

June 2009

The University Health Service Fee for the 2009-2010 academic year will be presented to the Regents at the June 18 meeting. The recommended increase for the fee is 1.6% or \$2.70 per semester. The fee increase will be used to fund health promotion activities and educational programming:

TB Testing: New blood test and 0.5FTE Program Coordinator	\$74,250	0.5%
M-Thrives: 0.5 FTE Nurse Care Coordinator	64,740	0.5%
Alcohol and Other Drugs: 0.5 FTE Health Educator	39,000	0.3%
STD Testing: Chlamydia testing for males	16,000	0.1%
Mental Health: Mental health generic drug subsidy	10,900	0.1%
Smoking Cessation: pharmaceutical subsidy and staffing	<u>10,000</u>	<u>0.1%</u>
	\$214,890	1.6%

The first five of these programs were piloted with funding from one-time savings. The smoking Cessation Program is a new initiative. UHS would like to make them all part of the base budget.

A summary of the proposed UHS budget of \$18.2 million is presented in Attachment 1.

Cost Containment

In light of the current difficult financial situation, UHS will be absorbing roughly \$293,000 in decreased revenue and increased costs:

2.0% Salary Program: non-Bargained-for	\$144,000
2.5% Salary Program: Bargained-for	27,000
Fringe Benefits Associated with Salary Program	53,000
Reduced Interest Income	53,000
Reduced Net Income from fewer HPV Vaccinations	<u>16,000</u>
Total to be Absorbed Within Existing Resources	\$293,000
Combine Coder and Data Analyst Positions	\$95,000
Malpractice Insurance Premium Reduction	79,000
Switch Carpet Cleaning Vendors	28,000
Reduce Building Maintenance	25,000
Reduce OT, Temps, Travel, Hosting, Supplies	<u>66,000</u>
Total of Cost Containment Efforts	\$293,000

Cost containment has been an ongoing effort at UHS. Other examples from recent years include:

Participation in Pharmaceutical Purchasing Group	\$350,000
Reduction in Travel and Consulting Budgets	97,000

Extended Equipment Replacement Cycles	28,000
Reconfiguration of Telephone Services throughout UHS	27,000
Closing of Ophthalmology and Rheumatology Clinics	<u>12,000</u>
	\$514,000

Programs to be Funded with 1.6% Student Fee Increase

TB TESTING. This program targets incoming students from high-risk countries for TB screening. A new blood test called Quantiferon Gold provides greater accuracy and is more valid than conventional skin testing technology. This makes positive test results much more persuasive for students. In a one-year pilot utilizing Quantiferon Gold, a program coordinator and enhanced education, UHS was able to triple the number of students willing to take the necessary medication.

M-THRIVES. In FY08 funding was approved for a 0.5 FTE Nurse Case Manager to coordinate the medical, mental health, academic and financial needs of students with very complicated health problems. Due to steadily increasing demands for these services UHS is requesting an additional 0.5 FTE.

ALCOHOL and OTHER DRUGS. Alcohol and other drugs represent the number one health risk on campus. This request is for an additional 0.5 FTE AOD educator. This would allow for an increase in outreach and education in the Greek houses.

STD TESTING. UHS has followed CDC guidelines in routine testing of females for Chlamydia (student fee increase in FY02/03). CDC guidelines now recommend similar testing for men who are asymptomatic requesting screening, who have minimal symptoms, or who have had contact with an infected partner. UHS is requesting funds to initiate this enhanced laboratory testing.

MENTAL HEALTH. UHS has found that for some students, the expense of anti-depressant drugs was prohibitive. Because medication compliance is so important for these patients, UHS piloted subsidization of the most commonly prescribed generic drugs for depression and anxiety, to provide them at \$10 for a thirty-day supply. UHS is requesting funds to sustain this effort.

SMOKING CESSATION PROGRAM. During the years leading up to and following the transition to a smoke-free campus, UHS must implement a smoking cessation program for students. This would include drug subsidization and a part-time temporary employee. UHS is requesting \$10,000 to initiate this program.

Attachment 1

UNIVERSITY HEALTH SERVICE BUDGET COMPARISON

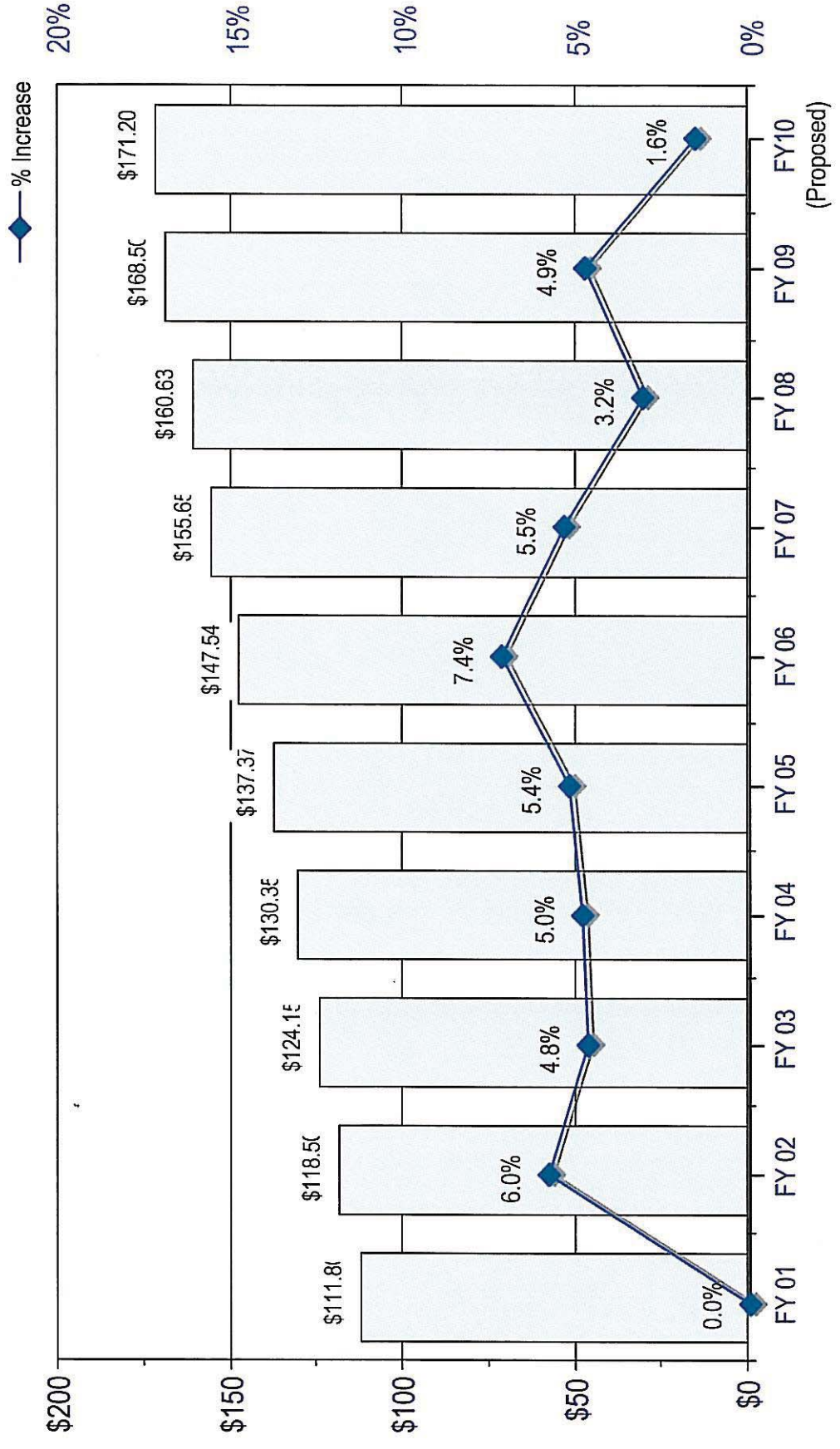
	FY 09 BUDGET	PROPOSED FY 10 BUDGET	VARIANCE AMOUNT	%
INCOME:				
Clinical & Other Revenue	\$ 5,081,968	\$ 4,908,100	\$ (173,868)	-3.4%
*Student Fee	13,143,000	13,353,600	210,600	1.6%
TOTAL INCOME	\$ 18,224,968	\$ 18,261,700	\$ 36,732	0.2%
EXPENSE:				
Salaries	\$ 9,779,924	\$ 9,849,425	\$ 69,501	0.7%
Fringe Benefits	3,031,776	3,053,321	21,545	0.7%
Non-Salary Expenses	5,379,219	5,358,954	(20,265)	-0.4%
Building/Equipment Fund	-	-	-	0.0%
TOTAL EXPENSE	\$ 18,190,919	\$ 18,261,700	\$ 70,781	0.4%
NET INCOME (LOSS)	\$ 34,049	\$ -	\$ (34,049)	
Total UHS Student Fee Per Student Per Semester	\$ 168.50	\$ 171.20	\$ 2.70	1.6%

*Note: This is based on 78,000 student semesters.

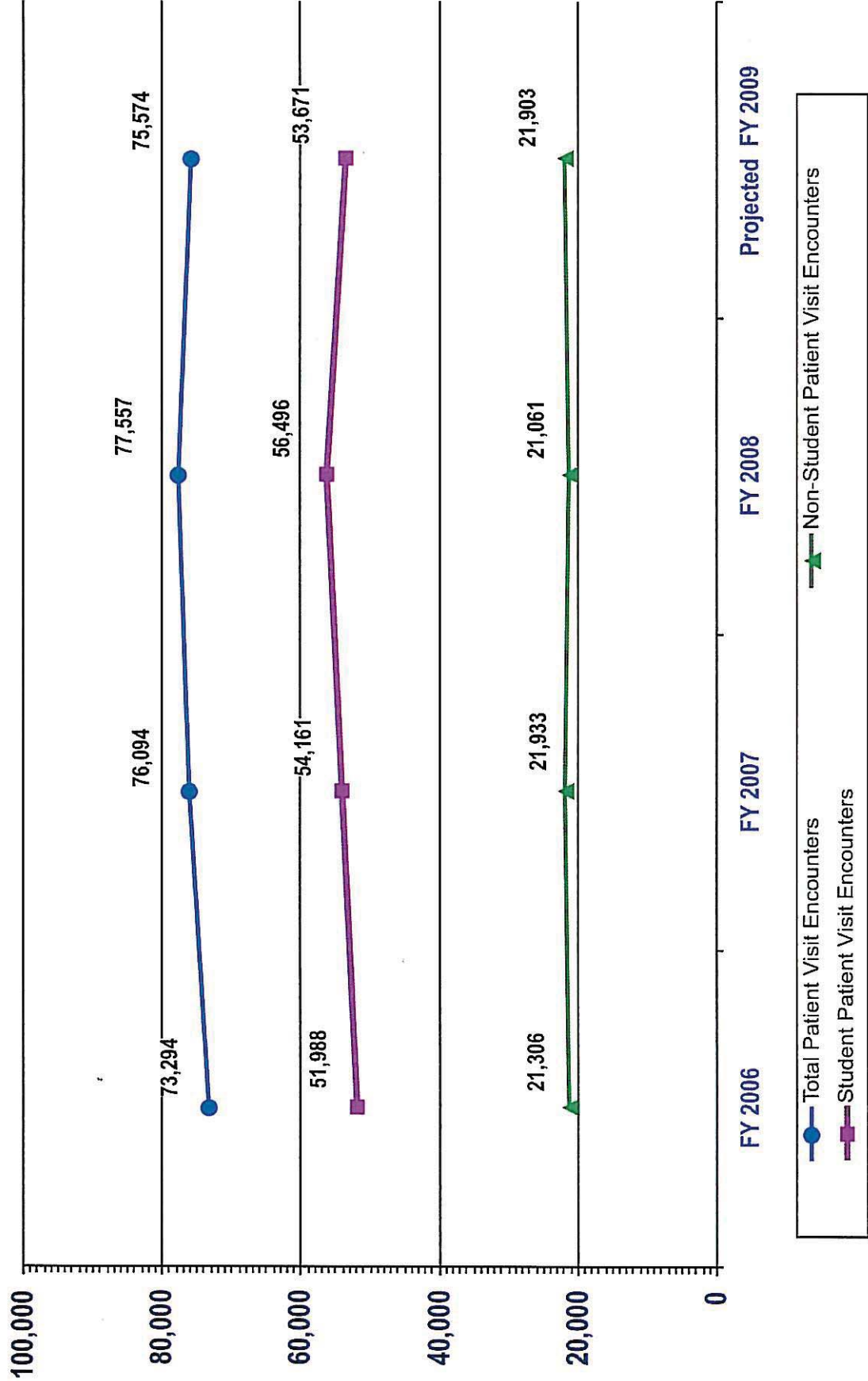
Attachment 2

University Health Service Student Fee History

FY 01 to FY 10



Attachment 3 University Health Service Patient Encounter Report-All Clinics as of March, 2009



Attachment 4

**UNIVERSITY HEALTH SERVICE
FIVE YEAR TREND ANALYSIS OF STUDENT FEE INCREASES
FY 06 THROUGH FY 10**

DESCRIPTION	FY 06	FY 07	FY 08	FY 09	PROPOSED FY 10
Operations Cost Increase	4.2%	4.2%	2.8%	2.6%	
Nurse, Allergy/Travel Clinic				0.8%	
Electronic Health Record Data Base Administrator				0.6%	
U-Mix Health Promotion Program				0.9%	
M-Thrive Patient Care Coordination			0.4%		0.5%
Utilities		0.9%			
Health Promotion		0.4%			
Psychiatry	1.6%				
Student Insurance Offset	0.8%				
Malpractice Premium Increase	0.6%				
Radiology Cost Increase	0.2%				
New Blood Test for TB Testing					0.5%
AOD Health Educator .5 FTE					0.3%
STD Testing: Chlamydia Testing for Male					0.1%
Mental Health Generic Drug Subsidy					0.1%
Smoking Cessation Program					0.1%
TOTAL UHS FEE INCREASES:	7.4%	5.5%	3.2%	4.9%	1.6%
UHS STUDENT FEE	\$147.54	\$155.65	\$160.63	\$168.50	\$171.20