

The Regents of the University of California

**COMMITTEE ON HEALTH SERVICES**

January 18, 2012

The Committee on Health Services met on the above date at Highlander Union Building, Riverside campus.

Members present: Regents De La Peña, Makarechian, Mireles, Pattiz, Pelliccioni, and Zettel; Ex officio members Gould, Lansing, and Yudof; Advisory member Anderson; Staff Advisor Herbert

In attendance: Regents Blum, Hallett, Kieffer, Reiss, Ruiz, Schilling, Varner, and Wachter, Regents-designate Mendelson, Rubenstein and Stein, Faculty Representative Powell, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Allen-Diaz, Darling, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Fox, Katehi, Leland, White, and Yang, and Recording Secretary McCarthy

The meeting convened at 11:20 a.m. with Committee Chair De La Peña presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 14, 2011 were approved.

2. **GOVERNANCE OF STUDENT HEALTH CLINICAL SERVICES AND PROGRAMS**

The President recommended that:

- A. The Committee on Governance recommend an amendment of Bylaw 12.7 to assign the Committee on Health Services jurisdiction for oversight and development of policy for activities of student health and counseling programs, including the self-insured student health programs.
- B. Responsibility for implementation of the policies and procedures developed by the Committee on Health Services be delegated to the Senior Vice President for Health Sciences and Services.

- C. Responsibility for the financial management of the self-insured student health programs be delegated to the Chief Financial Officer according to procedures and policies developed by the Committee on Health Services.
- D. Chancellors be held accountable for the implementation on their campuses of the systemwide policies and procedures developed for the student health and counseling programs, including the self-insured student health programs.

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chairman Lansing thanked Committee Chair De La Peña, Senior Vice President Stobo, and their team for their review of the student health and counseling centers.

Committee Chair De La Peña stated that Marsh USA, Inc. (Marsh) had completed its review of the remaining four student health centers, and now has data on the student health centers at all ten UC campuses. This review process involved intensive work, including spending two to four days at each campus, and interviewing the directors of each student health center and counseling center, and vice chancellors for student affairs. Reports were given to the chancellors for discussion.

Addressing comments made during the public comment session on the pace of the review process, Committee Chair De La Peña stated that it would have been irresponsible not to have moved quickly. He stated that, as a result of the review process, student health centers would be safer and better administered than they had been six months prior. He emphasized that the University's goal is to provide the best possible health care for students, and expressed his appreciation for the support of the Office of the President, Senior Vice President Stobo, Chief Risk Officer Grace Crickette, and the team from Marsh.

Committee Chair De La Peña stated that implementation of the recommendations in this item would move the management of the student health centers to its proper place. It is the responsibility of the Regents and the Committee to develop policy regarding the student health centers. Students' views would be represented on the Committee through the student Regent. The operational portion of the policies would be implemented at the campuses by the chancellors.

Regent Pattiz congratulated Committee Chair De La Peña on the thoroughness and responsiveness of the review process of this important issue. He expressed his support for the team's work.

Regent Mireles stated his understanding that, during the campus implementation process, students at each campus would have the opportunity to help shape their experience at the student health centers. Committee Chair De La Peña stated that it is the intent of the review team that the campus advisory committees, headed by the chancellors, would include representation from all segments of the campus involved with the student health

centers, according to the implementation process of new policies and procedures generated by the Committee on Health Services. Regent Mireles stated that he would continue to work to ensure that students and student affairs staff would be included on those committees when the implementation procedures are crafted. Committee Chair De La Peña urged Regent Mireles to gather as much information as possible from students to bring to the Committee, since the student health centers are for the benefit of students. Committee Chair De La Peña affirmed that the Committee wanted to provide students with a good experience at the health and counseling centers, and also to ensure that the centers were properly administered by the University. He noted that the recommended improvements would also decrease the financial risk to the University and thus help control students' insurance premiums.

Regent Mireles affirmed his support for the necessary improvements that have already been made to the centers' operations. He expressed his hope that the Student Health Insurance Program (SHIP) would only be improved by its management being delegated to the Chief Financial Officer (CFO). Committee Chair De La Peña confirmed that the new management structure would do nothing to detract from the SHIP, but would give the program the appropriate financial oversight. Ms. Crickette stated that fiduciary and professional liability are different for the SHIP than for an employer-provided health insurance benefit, since the SHIP is a self-insured plan that the University sells to students. The Final Report of the UC Student Health Services Review Project (Marsh Report) addressed a lack of clarity regarding governance and some aspects that needed to be corrected in the administration of the SHIP. All of the Regents' other self-insured programs are well-administered by the CFO.

Chief Financial Officer Taylor added that the University's self-insured programs are run on a break-even basis and any surpluses are returned to the campuses. The SHIP would not be run to make money, but rather to ensure that the program is financially sustainable over the long term in order to serve students well. Regent Mireles stated that he had received many comments from SHIP stakeholders regarding the importance of students and student affairs staff remaining full participants in discussions concerning the administration of SHIP. Mr. Taylor and Ms. Crickette confirmed that this would be the case.

Faculty Representative Anderson expressed his concern that the Marsh Report revealed that wages of staff at the student health centers were substantially below those of similarly qualified professionals in their local communities, and that these wage levels make it difficult to recruit staff with the appropriate credentials. Mr. Anderson noted the absence of a plan for dealing with this wage discrepancy. He expressed his view that, since such a plan might require either an increase in student fees or in the Undergraduate Student Health Insurance Plan (USHIP) and the Graduate Student Health Insurance Plan (GSHIP) premiums, students should be directly involved in any discussions regarding any such possible increases. He stated that, should it be determined that revenue streams from the SHIP are inadequate, students should be involved in any discussions that would result in increased student costs, and less expensive alternatives should be considered. While the problems noted in the Marsh Report must be addressed, services provided to

students at student health centers are significantly different from hospital services provided to middle-aged or elderly patients, so a model appropriate for a medical center might be more expensive than one necessary in a student health context.

Dr. Stobo agreed with Mr. Anderson's remarks about wage levels, but noted the Marsh Report's comments regarding the difficulty of assessing productivity and work models without adequate information. Dr. Stobo stated that it was his intent to improve performance of the health centers within the existing resources. He stated his opinion that there should be sufficient funds, given the amounts paid in premiums for the number of enrollees, to provide a high level of health care for students.

Regent Pattiz stated that he assumed that the University would examine all financial components in its evaluation of the student health centers, and that input from students would be critically important in that process, since the SHIP was for students and funded by students. The University would also have to evaluate its liability if the centers are hiring personnel at wage levels significantly below market rates.

Committee Chair De La Peña stated that evaluating financial options was difficult since the team could not get adequate cost information from any campus. Part of the current project would be to get better information from the student health centers and to address differences in operations among the centers so that the finances can be properly evaluated.

President Yudof congratulated Committee Chair De La Peña for his work on this project and expressed his support for robust student input and direction as the project moves forward. The primary responsibility of the University is to ensure student safety and health. The University must be certain that students would be treated at the student health centers by professionals adhering to the highest clinical standards.

Regent Ruiz commented on the importance of student mental health issues in the review of the student health and counseling centers.

Chairman Lansing congratulated Committee Chair De La Peña on his prompt, thoughtful, and thorough review.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 11:40 a.m.

Attest:

Secretary and Chief of Staff