

## **FY21 UBC Student Health Services Budget Proposal Overview**

### **February 4, 2019**

#### **Student Health Services Mission**

Student Health Services (SHS) provides leadership for student health and wellness on the OSU campus, including the provision of primary health care, public health, prevention, wellness, and advocacy services. SHS's mission is to enhance student success through holistic and comprehensive strategies to support health and well-being, while at OSU and throughout students' lives. SHS takes a holistic and ecological view of student well-being, and through numerous partnerships contributes to a safer and healthier campus environment that is conducive to student success.

#### **Student Health Services Scope of Services**

SHS is fully accredited by the Accreditation Association for Ambulatory Health Care, which is a national standard of the highest quality of care. The OSU Health Fee allows for unlimited medical visits at SHS at no charge. The fee also funds essential prevention, wellness and student support services. There are additional charges for certain services, such as lab, x-ray, minor procedures, etc.

Medical services include a full range of medical and nursing care, including primary health care, psychiatry, immunizations, asthma/allergy care, sports medicine, travel medicine, occupational health, women's health care, full laboratory services, radiology, tobacco cessation, substance use disorder counseling, nutrition, and physical therapy. SHS operates out of three clinical locations: the main Plageman clinic, the Tebeau Hall same-day care clinic, and Dixon Recreation. SHS also provides a number of student support services, including medical referrals, enrollment in state-funded birth control, immunization compliance, and a high-quality student health insurance plan.

During the 2018-19 academic year, SHS had approximately 50,000 student encounters, including 37,000 clinical visits and 13,000 non-appointment visits, such as nursing services and calls to the Nurse Advice line. In this same time period, SHS Prevention and Wellness staff reached over 24,000 students, including substance use and violence prevention, sexual health, a vibrant peer education program, and a growing collegiate recovery community. SHS also houses the Survivor Advocacy Resource Center (SARC), which serves as the primary point of contact and support for survivors of sexual violence in navigating their options. These programs and services assist OSU in meeting federal compliance, including Title IX, the Clery Act, and Drug Free Schools and Campus Act.

#### **Mental Health at SHS:**

Like CAPS, SHS is experiencing an increase in demand for mental health care, as well as management of high-acuity, chronic, and co-occurring medical and mental health conditions. SHS provides mental health services through primary health care visits and specialized care, such as psychiatry and substance use disorder counseling.

In the 2018-2019 academic year, mental health represented over 20% of all diagnoses made by SHS clinicians (primary care clinicians and psychiatrists). In contrast, diagnoses for respiratory illnesses totaled 13% of all diagnoses given.

- Of students who received a mental health diagnosis at SHS in the past year:
  - o 51% had 2 or more unique diagnoses
  - o 23% had 4 or more unique diagnoses

Demand for mental health care at SHS continues to grow. In Fall Term 2019 alone SHS saw an increase demand for mental health services:

- Visits to SHS specifically for mental health concerns increased 50% from Fall 2018.
- Students with 2 or more unique mental health diagnoses increased 25% from Fall 2018.
- Alcohol and Drug counseling visits within SHS increased 67% from Fall 2018.

The growing demand for mental health services is also reflected in the need for psychiatric appointments:

- Psychiatric services at SHS provide critical access for OSU students – it can take up to 6 months for students to access this service within the local community.
- SHS also struggles to keep up with demand: Student wait on average up to 28 days to get a first appointment with a SHS psychiatrist. A second appointment can take an additional 28 days.

While demand remains high, mental health services offered through SHS primary health care providers and psychiatrists are highly valued by students.

- 93% of students surveyed agree or strongly agree that on-campus health care access contributes to their academic success and/or overall well-being.
- 95% of students receiving psychiatric services rated their SHS psychiatrist as good, very good or excellent; 100% of students receiving psychiatric services rated their SHS psychiatrist as thorough and competent
- 87% of students receiving psychiatric services said they were likely or very likely to see their SHS psychiatrist again for a future needs.

### **Cost-drivers and Revenue Generation:**

Currently, SHS is reliant on the OSU Health Fee to fund approximately 60% of SHS operating expenses. Given the current fiscal reality at OSU, SHS will need other revenues to maintain current service levels and manage needed program growth, particularly related to mental health and care for high-acuity health care needs.

Like most areas at OSU, SHS is significantly impacted by flattening enrollment in combination with other cost drivers, such as double-digit mandatory employee benefit increases. Medical inflation nationally hovers around 6%, and due to the longevity of a number of SHS clinicians, OPE expenses within SHS remain exceptionally high. Also impacting the SHS budget are increasing assessment costs to the university, which increased over 95% from FY18 to FY20 (Health Fee increases were allowed to help SHS manage the dramatic increase, but these assessments are still a significant cost driver).

Other budget impacts include:

- Staffing needs and compensation:
  - o SHS faces the need for more specialized clinical staff to meet the increasing demand for complex health and mental health care management. While the number of students seen at SHS has remained steady, the amount of time and resources needed to manage more serious cases has increased, along with the need for higher levels of specialization, such as internal medicine to manage this more complex co-occurring conditions and psychiatry.
  - o The recent SEIU bargaining contract will impact salary expenses for classified staff at SHS, which include providers who are on the higher pay ranges.
  - o SHS is further challenged in not being able to compete with the competitive salaries offered by Samaritan and other community health care entities. This has become a consistent recruitment problem, particularly in attracting specialists, such as internal medicine and psychiatry.
- Inadequate facility:
  - o Plageman Hall was founded in 1936 with the “modern” wing of Plageman completed in the 1960’s. The clinical space is sub-optimal and the challenges of maintaining an aging facility are only increasing with each year.
  - o SHS is challenged in maintaining adequate building and equipment reserves to meet security and technology needs, along with ongoing facility upkeep and maintenance. SHS is working with a facilities collaborative within Student Affairs to explore opportunities for shared services, including the acquisition of a new door entry system.

Fortunately, SHS is uniquely advantaged in having the capability to generate new revenue via billing insurance plans for services that are currently free of cost to students. The primary barrier in achieving this aim is OSU’s current HIPAA status, which limits the ability to contract with insurance vendors. With formal compliance as a hybrid entity (only SHS and Pharmacy as compliant entities), SHS would be able to initiate an insurance billing program and bill student insurance for office visits, which are currently covered at no cost by the Health Fee. Billing for office visits alone could yield between \$3 - \$3.5M per year, which would allow for SHS to operate on a flat fee while meeting evolving student and facility needs. An optimal billing program would also assume all students are required to have insurance as a condition of enrollment, which would include the Oregon Health Plan (Medicaid) for students with high financial aid.

**FY21 Fee Increase Request: 7%**

The FY20 operating budget for SHS was approved at \$17.8M. For FY21, SHS is requesting a 7% fee increase, which would help mitigate the higher inflationary costs and CSL facing SHS. (Current OSU Health Fee is \$171.54 -- \$134.56 funds SHS). The FY21 CSL levels are currently 11.5%, so a 7% would yield a loss. The SHS fund balance remained strong at the end of FY19. This includes the recommended 30% operating reserve, plus a minimum of \$1M in cash to utilize for emergency response.

SHS has maximized all opportunities to reduce expenses internally, including a close review of all vacancies and combining FTE and delaying recruiting when possible. SHS has also been able to increase revenue through small adjustments to fees charged for services and state family planning services.

Student Health Services has considered imposing a small office visit fee, e.g., \$10 per visit to generate needed revenue -- this could generate up to \$450K per year, and would only impact students using SHS. Other university health centers in Oregon have adopted these fees to augment their revenue. However, in consultation with OSU students, SHS has determined that even a \$10 charge could negatively impact students' access to needed care. With the heightened focus on supporting students with high financial need at OSU, SHS is hesitant to add any potential barriers in access essential services. Thus, SHS will focus on revenue generation through a insurance billing program as a primary goal for this coming year.

## Counseling & Psychological Services Budget Proposal for FY21

Prepared by: Ian Kellems, PhD, Executive Director, CAPS

### Overview of CAPS Services

CAPS' mission is to provide mental health counseling to students, and to provide consultation, outreach and education to OSU students, faculty, and staff. We do this in order to facilitate students' academic success, mental health, and personal development and promote a culture of positive mental health at OSU. Of the many important and essential roles CAPS plays on campus, the most important is the provision of mental health clinical services to OSU students.

Across the nation, university counseling centers continue to experience an unprecedented increase in demand for mental health services, and CAPS is no different. **Over the past five years the number of students seeking clinical services at CAPS has expanded from 1,897 in 2013-2014 to 3,170 in 2018-2019, which is an increase of 67%.** CAPS is making every effort to keep up with this increased demand for services. **The number of total clinical appointments provided by CAPS has increased during this five-year period from 9,985 in 2013-2014 to 15,311 in 2018-2019, which is an increase of 53%.** In addition to growing the total number of appointments, CAPS is fundamentally changing its model of clinical service delivery to increase its capacity to serve students. These fundamental changes include building an innovative infrastructure of services, beyond traditional individual therapy, that can serve a greater number of students (e.g., group therapy). The number of group therapy appointments has increased from 1,646 in 2013-2014 to 3,119 in 2018-19, an increase of 89%. Another example of CAPS' commitment to serving more students through innovation is the Single Session Clinic (SSC), which began in fall 2018. The idea for the SSC grew out of an observation that many students didn't necessarily need a series of individual therapy appointments, but could benefit greatly from a one-time meeting that could help them identify solutions to what is bothering them. **In its first year the SSC served 385 unique students!** And not only did the SSC serve a large number of students, but a very high percentage (88%) of those students agreed that they got what they needed from their single session appointment.

Despite CAPS' successful efforts to significantly increase our clinical capacity, while receiving very modest increases in resources, **CAPS' current service levels are not adequate.** Students often have to wait weeks, or even months for an individual therapy appointment. These delays have numerous negative consequences for students, beyond their prolonged distress, including impaired academic performance and increased rates of premature withdrawal. Given the dire economic impact of current downward enrollment trends, it is now more important than ever that we provide our students with the support they need, so that they can stay enrolled and ultimately graduate.

Although CAPS is perhaps best known for its provision of clinical services to students, it also fulfills other important roles on campus. CAPS has a very active Mental Health Promotion team, whose purpose is to use public health strategies to create a culture of positive mental health across campus. Our public health efforts during the past year have resulted in several major accomplishments, including: raising awareness about mental health issues, creating a **mandatory syllabus statement encouraging students to reach out for success** when they are struggling (see attached), having the CAPS phone number placed on the back of every student ID, and implementing **Kognito—an interactive online program that trains faculty, staff, and students to support students who may be experiencing mental health struggles.**

#### University Values Regarding Mental Health

Budget allocations are more than just numbers—they are values statements. It is therefore critical, especially during times of significant economic limitations such as presently, to understand how supporting students' mental health fits into OSU's values. Strategic plan 4.0's Goal IV lists "good physical and mental health" as one of the values that OSU will build an organizational culture on. President Ray, in his 2019 State of the University address, stated that **"One area that I am most troubled by is student mental health..."** and that **"...we are working to enhance a culture of caring. Improving student wellness is among the university's priorities because we know that student success is founded in student wellness."** ASOSU leadership has identified a limited number of campus-wide priorities this year, one of which is **"...ensuring that every student has access to the mental healthcare and other student wellness services they need..."** The above quotes and references highlight how supporting our students' mental health is a core OSU value that should be accurately reflected in our budget allocations.

#### CAPS Budget History

During several years in the recent past (most notably 2012-2015), CAPS experienced a high rate of employee turnover. The vacancy funds accumulated during this multi-year period of frequent vacancies unintentionally resulted in the growth of CAPS' working capital fund, in excess of what was recommended. As a solution to this perceived excess, ASOSU's Student Fee Committee directed CAPS to intentionally operate at a deficit, in order to spend down its excess working capital. For the budget periods FY17, FY18, and FY19 CAPS followed this directive and spent down its working capital, not asking for any student fee increases. The unintended side effect of this strategy was that, because CAPS was required to operate at an artificially low student fee for numerous years, it dug itself into a financial hole that it then had to climb out of. In consultation with other student fee-funded units, it was determined that the lowest impact plan for this "climbing out" would be for CAPS to spread fee increases over two years of budget requests (FY20 and FY21). In accordance with this plan, CAPS' FY20 budget request was for a 20% increase, which raised the CAPS student fee from \$43.96 to \$52.77. At the time of last year's budget request CAPS was also advised that, in addition to the FY20 20% increase in its student fee, it would also need another 20% increase in its FY21

budget request to maintain current service levels. Therefore CAPS was tentatively assigned a “placeholder” of 20% for its anticipated FY21 student fee increase. However, **newly updated financial cost projections indicate that CAPS needs a 4.63% increase to maintain current service levels, which is significantly lower than the anticipated and planned for 20% increase.**

CAPS Budget Request for FY21

Despite recent strategic optimizations that have increased its capacity, **CAPS’ current service levels do not come close to meeting our students’ mental health needs.** While the number of students coming to CAPS for mental health support has increased by 67% over the past five years, the number of CAPS therapists has not changed significantly (CAPS had 18 FTE therapists in 2013-14, and CAPS currently has 19.3 FTE therapists). **If CAPS’ staffing had been increasing at the same rate as student utilization (67%), then CAPS would currently have 11 more therapists than it does** (for a total of 30, instead of 19.3). Therefore, **assigning CAPS’ FY21 student fee at a level which only maintains currently inadequate service levels is not in the students’ or the institution’s best interests.** This year presents a rare opportunity, with a confluence of factors including CAPS’ less-than-anticipated budgetary needs, students’ needs and pleas for increased mental health support, and institutional messaging about the importance of creating a culture of care at OSU. **It is therefore respectfully requested that UBC consider approving funding for CAPS to hire three additional therapists, so that CAPS can serve more of the many students experiencing mental health concerns.** Adding three therapists would increase CAPS’ student fee by a total of \$7.54 (14.29%) compared to last year. The addition of these three therapists could have exponential positive impact, in that they could not only serve more students, but would also give CAPS the increased bandwidth to ramp up its implementation of systemic changes that will further optimize our capacity to serve more students (e.g., Single Session Clinic). To provide additional information for UBC’s deliberations, included below is a table describing the budget implications of CAPS hiring anywhere from zero to five additional therapists. Thank you for considering this request.

Impact of additional counselors on CAPS’ student fee amount:

Additional Counselors	Total CAPS Fee Amount	CAPS \$ increase	CAPS % Increase
0	55.21	\$2.44	4.63%
1	56.91	\$4.14	7.85%
2	58.61	\$5.84	11.07%
3	60.31	\$7.54	14.29%
4	62.01	\$9.24	17.51%
5	63.71	\$10.94	20.73%

Mandatory Syllabus Statement (now included on all OSU syllabi)

**Reach Out for Success:** University students encounter setbacks from time to time. If you encounter difficulties and need assistance, it's important to reach out. Consider discussing the situation with an instructor or academic advisor. Learn about resources that assist with wellness and academic success at [oregonstate.edu/ReachOut](https://oregonstate.edu/ReachOut). If you are in immediate crisis, please contact the Crisis Text Line by texting OREGON to 741-741 or call the National Suicide Prevention Lifeline at 1-800-273-TALK (8255)



### **What does next year's tuition increase support?**

**What does tuition pay for?** Tuition is the largest part of the Education and General (E&G) budget which supports most of the faculty, graduate assistants, and staff that deliver academic programs; the physical infrastructure supporting those programs; and the service, support and administrative functions that allow those programs to work. In short, tuition is the largest source of funding for the academic mission of the university. 75% of the spending of those budgets is on salaries and benefits for faculty, staff, and graduate assistants.

### **How much of the budget comes from tuition?**

The OSU budget has four principal parts: Education & General (E&G) funds (at both Cascades and Corvallis), restricted funds (like Federal grants for research or federal financial aid), self- support funds (like Housing and Dining or Athletics) and Statewide Public Service (SWPS) funds. The funds in the non-E&G budgets don't receive tuition and their budgets are not available for Education and General budget purposes. Tuition provides 66% of the Education and General budget.

**Why does tuition keep going up?** The biggest reason for tuition increasing is that costs increase every year. OSU has inflation in salaries, benefits, and costs of goods and services like any organization. The costs of many salaries are set by contracts based on market forces and benefit costs are set by the state. For example, from last year to this year salary costs increased \$8.5M, benefits costs \$10.2M, and service and supply costs \$3.4M. That's an inflation rate of about 4.1%. The other cost pressure is the need to make commitments for new services (sometimes at the request of students or staff, sometimes for compliance), repair of facilities, or future return (like hiring more fundraising staff now to generate more scholarships in the future). Those new commitments for the current year were about \$10.4M. The total cost increases from last year to this year are about 6.0% overall.

### **How much will costs go up next year?** We expect:

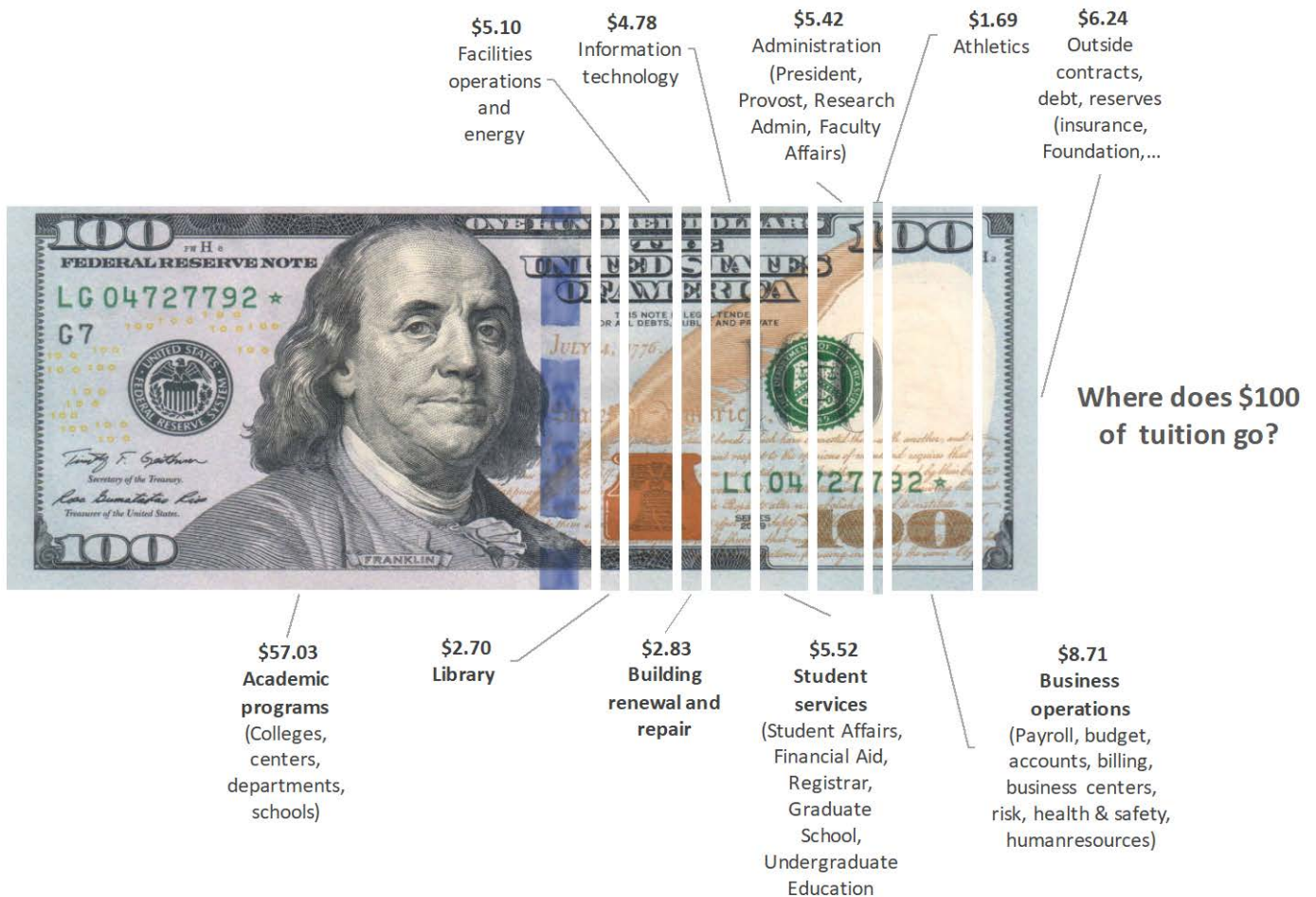
- Salaries to go up between 3% and 4% depending on the employee group or \$11.2M (total E&G salaries in Corvallis are \$293.1M a year).
- Benefits increases this year will be about 2.5%, mostly for health insurance, or \$3.0M (total benefits costs are about \$156.8M a year).
- Inflation on general goods and materials is estimated to be about 2.5% or \$3.0M (total spending here is \$122M per year).
- Overall the inflation increases are about 3.2% or \$18.1M.

**So what about tuition increases for next year?** The University Budget Committee is still discussing recommendations on tuition for the president, but it is likely the recommendation will be for a 3.2% increase in undergraduate tuition. That is about the rate of inflationary cost increases from this year to next year. The tuition rate increase would cover about \$13.3M of that \$18.1M increase. For a resident student that would be about \$315 per year. Of that \$315:

- \$177 would go to cover salary increases for faculty and staff
- \$54 would go to help cover increased benefit costs for faculty and staff
- \$31 would go cover increased costs (salary and benefits) for graduate assistants
- \$53 would go for increased costs for materials, goods, and services (everything from utilities to insurance to library materials)

**How are the rest of the cost increases to be covered?** The tuition rate increases would cover only \$13.3M of the \$18.1M increase in costs. In addition to those inflationary costs, the university also tries to make important new strategic commitments each year like major repairs on buildings, expanding private fundraising, and improving critical services for faculty and students. The new commitments OSU would like to make total \$14.4M. If those increases were made, with the \$18.1M, costs would increase \$32.5M. Tuition rate increases would cover only \$13.3M of that. An increase in state funding will provide \$5.6M, a little bit of enrollment growth (net of growth in Ecampus less declines in Corvallis) will yield \$1.3M, and increases in other revenues will provide about \$0.9M for a total revenue increase of \$21.1M. This means OSU will have to adjust spending down, make fewer of the new strategic commitments, or increase enrollment above current projections to balance the budget. As in most years, tuition rate increases are not covering all of the cost increases at the university.

**How are general tuition dollars distributed to functional units at OSU?** Each tuition dollar is distributed across the various units providing academic, service and support activities for the campus. The current distribution of those dollars is shown below. (The proportional distribution of general state dollars is the same---about \$0.26 of state funding is available for each dollar of tuition distributed).



**Context--Enrollment**

- This year's freshmen class is down over 200 students and the senior class is up over 150 students.
- That would predict Corvallis undergraduate enrollment projections for next year down 2% to 4%.
- Projections are for flat graduate student enrollment and 7% credit hour growth in Ecampus.
- Efforts are underway to increase recruiting of non-resident students (domestic and international), graduate students, and resident undergraduates (both transfers and students direct from high school). Successful efforts would improve the current projections, but it is too early to know if they will have an impact for next year.

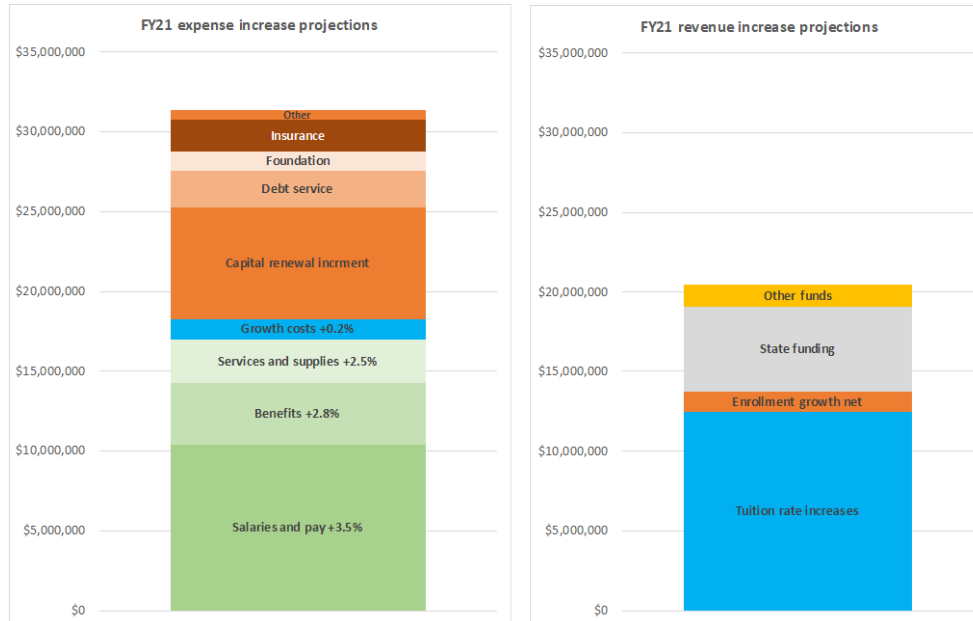
**Context--Cost and Revenue Increase Projections**

Figure 1 shows a summary of the cost and revenue projections for the Corvallis Education and General budget for FY2021. The left-hand chart shows cost increases in three categories: inflationary drivers (green shades), costs for enrollment growth (blue), and new commitments for long-term issues (brown shades). Major parts of those costs are:

- Salary costs are expected to grow between 3.0% and 4.5%, depending on the employee group. There is significant uncertainty on salary costs, since negotiations are still underway with United Academics OSU (UAOSU) and the Coalition of Graduate Employees (CGE).
- Benefit costs are estimated to increase by about 2.7%, due principally to increases in health insurance rates as rates for retirement programs went up significant this year and are flat for next year.
- Inflation on services and supplies is projected at about 2.0%.
- Aggregate inflation is estimated at about 3.2% overall, depending on the final salary agreements.
- Growth is projected in Ecampus which requires some investment in additional faculty (fairly modest at about \$1.3M).
- Additional commitments are also needed in other areas to address long-term issues including:
  - an incremental \$7.0M (for a total of \$20.0M in FY2021) to address capital renewal needs.
  - \$2.3M in additional debt service on new revenue bonds supporting completed projects
  - \$2.0M in additional insurance increases, and
  - \$1.2M for the OSU Foundation and Alumni Association to build staff capacity for the next campaign.

The specific amounts in Figure 1 are for the Corvallis campus. OSU-Cascades and the Statewide Public Services (SWPS) will see the same inflationary increases.

Reaching a plan for a balanced budget for 2020-2021 will include an assessment of whether any existing programs should be reduced, discussions on tuition rates, updates to enrollment projections as applications and admissions proceed, actual costs for things like insurance, and opportunities to reduce any of the new commitments planned.



**Figure 1:** Growth in expense (left) and revenue (right) from FY20 to FY21 budget for Education and General budget, Corvallis.

**Table 1:** Tuition Scenario Table (Corvallis campus): Precise percentage increases in each box are different than the nominal increases in per credit hour charges at the top because there is a fixed zero-credit hour charge that is part of undergraduate tuition and rates are rounded to the nearest whole dollar. This is a starting point for discussion, not recommended rates. Scenario B is set at the estimated overall inflationary increase. Rates are applied to resident undergraduate (including Ecampus) and non-resident undergraduate tuition rates. These rates are for discussion and planning---no decisions on tuition have been made.

	<b>Scenario A: Resident 1.5%, Non-resident 1.5%</b>	<b>Scenario B: Resident 3.2%, Non-resident 3.2%</b>	<b>Scenario C: Resident 4.5%, Non-resident 4.5%</b>
<b>State increase second year of a biennium, +4.1%</b>	Resident undergraduate: 1.37% Non-res undergraduate: 1.38% Financial aid increase \$0.7M Surplus or (deficit): <b>\$(15.3M)</b> \$148 annual increase residents \$442 annual increase non-res	Resident undergraduate: 3.20% Non-res undergraduate: 3.06% Financial aid increase \$1.1M Surplus or (deficit): <b>\$(11.9M)</b> \$315 annual increase residents \$900 annual increase non-res	Resident undergraduate: 4.57% Non-res undergraduate: 4.28% Financial aid increase \$1.5M Surplus or (deficit): <b>\$(9.3M)</b> \$443 annual increase residents \$1325 annual increase non-res
	Base resident tuition & fees: 1.85% Average res. tuition & fees: 1.74%	Base resident tuition & fees: 3.56% Average res. tuition & fees: 3.32%	Base resident tuition & fees: 4.85% Average res. tuition & fees: 4.52%

- Graduate tuition increase assumed at 2.5% resident, 4.5% non-resident; professional tuition at 3-4%, no increase in differential tuition.
- Cost estimates include about 3.2% overall inflation this year because of modest increases in benefit costs; costs of growth (about 0.2% for modest growth in Ecampus, but declines in Corvallis); and new commitments (this year largely for capital renewal and repair, insurance, debt service, and the OSU Foundation).