Minutes of meeting held December 2nd 2011 in room 122 Draper. Betsy Blunt, Note-taker.

Present: Tobias Baskin (TB), Don Robinson (DR), Wilmore Webley (WW), Deb Warner (DW), Liz Brinkerhoff (LB), Alan Calhoun (AC), Marian MacDonald (MM), Betsy Blunt (BB), Ernie May (EM), Bernie Daly (BD)

Meeting started at 12:35 PM

1. Tobias Baskin (TB) asked the committee members to review the minutes of the last meeting. Minutes were approved.

2. TB announced that the agenda for today’s meeting is a presentation from Bernie Daly about the announced changes to operations at University Health Services (UHS).

3. Bernie Daly (BD) explained that there are two major components of UHS operations that were looked at, the student health insurance plan and the operation of UHS.

A. UHS operations. In late spring and summer, an outside consultant looked at the operations aspects of UHS. UMass, based on the number of students, has higher costs than our peers in higher education. BD gave a brief history of UHS: the facility is 50 years old, was built as a 110 bed inpatient facility and needs lots of retrofits to function as it should today. There is $5 million dollars in deferred maintenance and it would need $15 million in code upgrades. The set up of UHS lends to a real problem with privacy for areas and employees. It is considered a “failing building”. The Center for Counseling and Psychological Health has two locations, Hills North and Berkshire House so basically UHS has offices in 3 “failed buildings”.

There is a need to finance a new facility. A facility review revealed the need for 82,000 square foot building at a cost of approximately $50 million. The cost per year in debt service is approximately $2 million.

UHS is a trust funded operation, meaning that the funds for debt service are expected to be generated in house. Therefore, UHS is looking to trim ~$2 million per year to offset the cost of the new building debt.

B. Places for savings. UHS identified three main areas for cost savings: shorter opening hours, closing the pharmacy, and curtailing in-house laboratory services.

After hours operations were judged to cost $1.1 million per year, for staffing alone. Records indicate that after 6 PM on weekdays and on the weekends, there are few visits to the facility and no demographic trends could be identified among the visitors. There is a 24 hour nurse on duty along with Mental Health triage on call. Backup for this is UMPD and Residential life support.

The pharmacy was judged to lose ~ 0.1 million $ per year in direct costs and to require ~ 0.4 million $ in indirect costs. There are other pharmacies in a three mile radius.

Laboratory test reimbursements are at a low rate in comparison to our peer institutions. The cost savings plan includes restructuring the laboratory to run fewer in-house tests.
C. Discussion.
TB and EM pointed out that these plans appear to have been decided and implemented without consultation with the university community. BD agreed that the process could have been handled better and agreed that input from constituents should have been sought.

TB questioned whether the indirect costs ascribed to the pharmacy were specific to the pharmacy or were simply related to the space (i.e., heat and light).

There was discussion about which tests would be discontinued and the wisdom and actual cost savings to be attained. There was also discussion about developing a forum for communication to the community, the general role of UHS on campus, and the role of Faculty Senate in UHC operations and policy, and implementing a mobile clinic.

D. Insurance plan
In contrast to decisions about UHS operations that can be taken directly by UHS management, the insurance plan reflects a negotiation between the Union, the University, and a carrier. While UHS is a party to those negotiations, it has only a limited ability to control them. BD pointed out that the contract is renewed yearly, the cost of the student health plan has not increased in 11 years, and that the reliance on co-insurance rather than co-payments is based on the Union contract. There is a consensus that co-payments would lower the premiums.

As a follow up, BD forwarded copies of the consultant’s report (both executive summary and data slides) to HC members, redacted only to remove names of individual health care providers.

Likewise, soon after the HC meeting, the Chancellor announced the formation of a committee to examine the changes to UHS operations (on which TB will serve) and a committee to examine the insurance plan.

Meeting ended at 1:34 PM

Next scheduled meeting on January 27, 2012 at 12:30 PM Draper 122