

Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER)

Report to
the Mississippi Legislature



A Review of the Medical Clinics at Mississippi's Universities and Community and Junior Colleges

Because no central policy of the Board of Trustees of Institutions of Higher Learning addresses funding method or services to be provided by university medical clinics, PEER found a wide range of costs and levels of service at these clinics. FY 2005 costs to university funds per clinic visit ranged from \$25.75 at the University of Mississippi Medical Center to \$329.82 at Mississippi Valley State University. The level of service at university medical clinics varied from solely nurse-provided health care at Mississippi University for Women to clinics with physical therapy centers (at Mississippi State University, the University of Mississippi Medical Center, and the University of Mississippi).

PEER also concluded the following regarding university medical clinics:

- Overall, since academic year 2002, student usage of university medical clinics system-wide has decreased by 5%.
- In FY 2005, universities spent \$770,730 to subsidize faculty and staff visits to the medical clinics.
- Mississippi's universities spent approximately \$10.1 million on medical clinics in FY 2005, approximately \$6.6 million of which came from university funds.
- Although students at satellite campuses pay the same tuition and general fees as students on main campuses, these students do not have the same ready access to the university medical clinics. Thus students at the satellite campuses are, in effect, subsidizing the clinic for students at the main campus.
- Operational philosophies for university medical clinics range from heavy subsidizing by the university to entrepreneurial operations that rely extensively on fees for services. Because student usage of medical clinics has declined at most campuses, universities may need to re-evaluate their operational philosophies and entertain questions about the clinics' role in accomplishing the universities' mission in view of societal changes.

Regarding the clinics at community and junior colleges, the State Board for Community and Junior Colleges does not have policies requiring or regulating medical clinics. None of the community and junior college clinics provides a physician for students; all health care at these clinics is provided by nursing staff. Mississippi's community and junior colleges spent \$252,294 on their medical clinics in FY 2005.

November 14, 2006

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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The Mississippi Legislature

Joint Committee on Performance Evaluation and Expenditure Review

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November 14, 2006

Honorable Haley Barbour, Governor
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Members of the Mississippi State Legislature

On November 14, 2006, the PEER Committee authorized release of the report entitled **A Review of the Medical Clinics at Mississippi's Universities and Community and Junior Colleges.**

A handwritten signature in black ink, appearing to read "R. White".

Senator Richard White, Chair

This report does not recommend increased funding or additional staff.

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A Review of the Medical Clinics at Mississippi's Universities and Community and Junior Colleges

Executive Summary

Introduction

In response to an anonymous complaint, the PEER Committee reviewed the operation of medical clinics at Mississippi's public universities and community and junior colleges. PEER sought to determine:

- what services the clinics provide;
- the capacity of each clinic to provide services;
- who has access to each clinic;
- how each clinic is monitored;
- how each clinic is funded; and,
- how efficiently the clinics operate relative to each another.

Background

No state laws require or regulate medical clinics at Mississippi's public universities or community and junior colleges.

The Board of Trustees of Institutions of Higher Learning (IHL) has only two policies relating to the medical clinics at the state's public universities. The first of these policies notes that individual university administrations are responsible for their campus medical clinics. The second policy requires the universities to establish and charge a rate to the university's medical clinic for facility costs (e.g., utilities and maintenance) and account for these costs separately as an auxiliary of the university.

The State Board for Community and Junior Colleges does not have any policies requiring or regulating medical clinics at community and junior colleges.

Conclusions Regarding University Medical Clinics

Because no central IHL policy addresses funding method or services to be provided by university medical clinics, PEER found a wide range of costs and levels of service at the university medical clinics. FY 2005 costs to university funds per clinic visit ranged from \$25.75 at UMMC to \$329.82 at MVSU. The level of service at university medical clinics varied from solely nurse-provided health care at MUW to clinics with physical therapy centers (MSU, UMMC, and UM).

Mississippi has eight public universities located throughout the state. Each of the main campuses of these universities, as well as the University of Mississippi Medical Center, operates a medical clinic.

Services, Capacity, and Usage of University Medical Clinics

PEER found that all of the Mississippi universities' medical clinics offered at least the following services:

- consultation with a physician (except at the Mississippi University for Women, which provides a nurse practitioner) with no additional fee charged at the time of the service. USM charges \$5 at the time of service to students for consultation with a physician;
- visit with a nurse with no additional fee at the time of service; and,
- access to laboratory services for a fee.

Some of the clinics provide services beyond this minimum level, such as access to a pharmacy, mental health counseling, an infirmary (i.e., facilities for overnight stay and monitoring), or physical therapy. Usually these services involve charging a fee to the patient, although UMMC, ASU, and MVSU do not charge fees for any of the services of their clinics.¹ Universities offering these additional services are:

- *Pharmacy:* USM and MSU clinics operate pharmacies on a for-profit basis. UM provides prescription medications to university clinic patients through the School of Pharmacy. The UMMC medical complex operates a pharmacy. DSU and JSU clinics fill prescriptions for acute illnesses.
- *Counseling:* USM, MSU, UM, DSU, and MUW. Although this is a free service to students, the counseling centers are operated independently of the medical clinics. JSU and UMMC offer free access to counseling through the St. Dominic Hospital.

¹ Throughout this report, PEER uses the traditional acronyms to represent the names of the universities: ASU=Alcorn State University, DSU=Delta State University, JSU=Jackson State University, MSU=Mississippi State University, MUW=Mississippi University for Women, MVSU=Mississippi Valley State University, UM=University of Mississippi, UMMC=University of Mississippi Medical Center, and USM=University of Southern Mississippi.

- *Infirmary*: DSU, ASU, and JSU.
- *Physical therapy*: MSU and UM. The UMMC medical complex operates a physical therapy department.

None of the university medical clinics has trauma care.

Because such a diversity of services is offered, PEER could not compare directly the effectiveness and efficiency of each university medical clinic's staff. In order to compare directly the clinics' service effectiveness and efficiency, more detailed information about visits for each service offered and dedication of staff time to each function would be necessary. Currently, this information is not available for all universities.

Concerning staffing of university medical clinics, overall, Mississippi's universities utilize approximately sixteen full-time-equivalent physicians and forty-nine full-time-equivalent nurses.

In terms of students' use of the clinics, MSU had the highest usage in academic year 2005, with the average student visiting the clinic 2.5 times that year. MVSU had the lowest average student usage, with fewer than half of the students using the clinic that year. Overall, since academic year 2002, student usage of university medical clinics system-wide has decreased by 5%. MSU accounts for much of the usage, and when the system-wide use is considered without MSU, university medical clinics have experienced a 10% system-wide decrease in student usage.

University Subsidies for Faculty and Staff's Use of Medical Clinics

In addition to providing services to students, all Mississippi universities also allow faculty and staff to receive care at the medical clinics. Most of the university medical clinics provide free physician visits for faculty and staff. USM and MSU clinics allow faculty and staff to receive clinic services on a fee-for-service basis. DSU and MUW allow faculty and staff to receive care from a nurse practitioner, rather than a physician.

As many as one in four visits to the university medical clinics in FY 2005 were from faculty and staff of the universities. At some universities, such as ASU and MUW, faculty and staff usage rates for the university medical clinics are higher than student usage rates. In FY 2005, universities spent \$770,730 to subsidize faculty and staff visits to the medical clinics. This represents money that universities could have spent for additional clinic staff, expanded medical services for students, or for academic purposes.

Cost of Operations and Funding of University Medical Clinics

Mississippi's universities spent approximately \$10.1 million on university medical clinics in FY 2005. Of this amount, approximately \$6.6 million was from university funds.² Seventy-seven percent of the expenditures for university medical clinics were for clinics at USM, MSU, and UM, which represented 67% of the state university system's enrollment for that fiscal year.

In calculating the total costs at university medical clinics, PEER noted that IHL policy requires that each university establish and charge a rate to the clinic for facility costs (e.g., utilities and maintenance) and that these costs be accounted for separately as an auxiliary of the university. PEER found that three of the university medical clinics (MVSU, JSU, and UMMC) do not account separately for their clinics' facility costs, as required by IHL policy, thus costs are not truly comparable between university medical clinics.

Funding of University Medical Clinics

For the university system as a whole, PEER found that reliance on universities' use of university funds to operate university medical clinics decreased by 8% from FY 2002 to FY 2005. As reliance on university funds has decreased, reliance on fees charged to users of the clinics has increased. From FY 2002 to FY 2005, fees for service increased 19%.

Effect of University Medical Clinic Costs on Satellite Campus Students

Most of the state's universities operate satellite campuses that do not have medical clinics. The students at satellite campuses pay the same tuition and general fees as do the students on the main campuses. Although a percentage of the tuition and general fees that they pay is used to help fund the university medical clinics, students who attend satellite campuses do not have reasonable access to use of the medical facilities as do students on the main campuses. Therefore, these students at satellite campuses are paying for a service that they cannot readily use and are in effect subsidizing the clinic for students at the main campus.

Operational Philosophies and Effects on Clinic Operation

Operational philosophies for university medical clinics range from heavy subsidizing by the university to entrepreneurial operations that rely extensively on fees for services. Because student usage of medical clinics has declined at most campuses other than MSU, universities may need to re-evaluate their operational philosophies and entertain questions about the clinics' role in

² *University funds* used to cover operational costs of a university's medical clinic are composed mainly of revenue from tuition and general fees and could also possibly include general funds appropriated by the Legislature to the university, foundation funds, and other revenue sources.

accomplishing the universities' mission in view of societal changes.

Issues to Consider in Making Choices Regarding Future Operations of University Medical Clinics

Student enrollment has increased faster than student usage of university clinics. Since FY 2002, student enrollment has increased by 11%, while the student usage rate (student enrollment divided by the number of clinic visits) of university medical clinics has decreased by 5%. In view of this fact, universities may wish to re-evaluate their clinics and determine whether to continue their current operational philosophies or whether to move more toward one end of the continuum or the other (i.e., university subsidized versus enterprise).

Ultimately, the university administrations should consider the demographics of their student populations, societal changes, and how the clinics help to accomplish the mission of the universities in making decisions about their medical clinics. In the past, a university often served as a surrogate parent and provided necessary medical care. However, a dramatic shift in the delivery of medical services has occurred and raises the question of whether the need for university-sponsored medical care will continue to be necessary.

Conclusions Regarding Medical Clinics at Community and Junior Colleges

The State Board for Community and Junior Colleges does not have policies requiring or regulating medical clinics. Nurses provide all health care services and usage rates are lower than those of many of the university clinics. The community and junior colleges spent \$252,294 on their medical clinics in FY 2005.

Mississippi's public community and junior college system has fifteen colleges. Five of these operate medical clinics:

- Pearl River Community College;
- Jones County Junior College;
- East Central Community College;
- Coahoma Community College; and,
- Copiah-Lincoln Community College.

East Mississippi Community College does not operate a clinic, but has an agreement with a local health clinic for student medical care.

Unlike the universities, none of the community and junior college clinics provides a physician for students on campus. Registered nurses and licensed practical nurses, who cannot prescribe pharmaceuticals, carry out the majority of health care services in these community and junior college clinics.

For FY 2005, on average, 37% of students visited the medical clinic at each college. The system-wide cost to operate these clinics was \$22.63 per visit.

Recommendations

1. The Board of Trustees of Institutions of Higher Learning should create a policy to require all faculty and staff at public universities to pay a market rate to receive services at university medical clinics unless a visit is required as a condition of employment.
2. Each community and junior college should create a policy to require all faculty and staff to pay a market rate for services received at a community or junior college medical clinic unless a visit is required as a condition of employment.
3. The Board of Trustees of Institutions of Higher Learning should amend its policy to show the costs of fees, such as health care fees, charged to students. Students at satellite campuses who do not have reasonable access to student health services should not be required to pay the effective fee to operate a university medical clinic.
4. IHL should alter its policy and bylaws 901.04 to require clinics to capture information relevant to managerial analysis of the medical clinics. This should include records of visits by type of service provided and to determine the reasonable allocation of costs and revenue associated with each activity operated by the clinic.

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A Review of the Medical Clinics at Mississippi's Universities and Community and Junior Colleges

Introduction

Authority

In response to an anonymous complaint, the PEER Committee reviewed the operation of medical clinics at Mississippi's public universities and community and junior colleges. PEER conducted the review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-51 et seq. (1972).

Scope and Purpose

PEER sought to examine the medical clinics at Mississippi's universities and community and junior colleges and determine:

- what services the clinics provide;
- the capacity of each clinic to provide services;
- who has access to each clinic;
- how each clinic is monitored;
- how each clinic is funded; and,
- how efficiently the clinics operate relative to each another.

Method

In conducting its review, PEER:

- reviewed state laws relating to the Board for Community and Junior Colleges and community and junior colleges' medical clinics;
- reviewed state laws relating to the Board of Trustees of Institutions of Higher Learning and individual institutions' medical clinics;
- reviewed policies of the Board of Trustees of Institutions of Higher Learning related to university medical clinics;
- interviewed personnel at each of the universities' medical clinics;
- reviewed clinics' accounting information;
- reviewed clinics' operations manuals; and,
- analyzed data collected by the clinics to determine clinics' capacity, use, and efficiency.

Background

State Laws Regarding Medical Clinics at Universities and Community and Junior Colleges

No state laws require or regulate medical clinics at Mississippi's public universities or community and junior colleges.

MISS. CODE ANN. Section 37-103-25 (1972) does authorize the Board of Trustees of Institutions of Higher Learning and the boards of trustees of the community and junior colleges to:

. . .prescribe the amount of tuition and fees to be paid by students attending the several state-supported institutions of higher learning and community colleges and junior colleges of the State of Mississippi.

This allows the universities and community and junior colleges to charge fees or tuition to fund medical clinics for students.

Policies of the Board of Trustees of Institutions of Higher Learning Regarding University Medical Clinics

The Board of Trustees of Institutions of Higher Learning (IHL) has only two policies relating to the medical clinics at the state's public universities.

The first of these policies addresses administrative responsibility for the university medical clinics and private physician practice. According to IHL's policies and bylaws 901.0701:

For the main campuses of the eight universities, the Board reaffirms that the Institutional Executive Officer of each of these campuses has been and will continue to be responsible for the administration of the health care facilities. However, full-time health care professionals may have a limited private practice for non-student health care

with the provision that these professionals will reimburse the university for the full cost of the use of the university physical facilities, personnel, and supplies.

Although IHL's policy allows physicians to operate a limited private practice in the university medical clinics as long as the university is reimbursed for private expenses, currently no university physician sees private patients in a university medical clinic.

The second policy addresses how universities are to account for costs of facilities such as medical clinics. According to IHL's policies and bylaws 901.04:

Auxiliary enterprises shall be charged for facilities maintenance service provided by the institution. Student and faculty housing, foodservice, bookstores, student union, intercollegiate athletics and student health centers shall be charged for facilities maintenance services by the institution whether formally organized as an auxiliary enterprise or not. Each institution shall establish rate(s) to charge for facilities maintenance services provided to auxiliary enterprises adequate to reimburse the institution for such services. A schedule of such rates shall be submitted annually with the facilities maintenance plan.³

Thus each university is to establish and charge a rate to the university's medical clinic for facility costs (e.g., utilities and maintenance) and account for these costs separately as an auxiliary of the university.

Policies of the Board for Community and Junior Colleges Regarding Medical Clinics

The State Board for Community and Junior Colleges does not have any policies requiring or regulating medical clinics.

³ In governmental accounting, an auxiliary enterprise is created in a college or university to furnish services to students, faculty, or staff on a user-charge basis. The purpose of using auxiliary enterprise accounting is to measure the extent to which user fees for service adequately cover the expense of operation.

Conclusions Regarding University Medical Clinics

Because no central IHL policy addresses funding method or services to be provided by university medical clinics, PEER found a wide range of costs and levels of service at the university medical clinics. FY 2005 costs to university funds per clinic visit ranged from \$25.75 at UMMC to \$329.82 at MVSU. The level of service at university medical clinics varied from solely nurse-provided health care at MUW to clinics with physical therapy centers (MSU, UMMC, and UM).

Mississippi has eight public universities located throughout the state. Each of the main campuses of these universities, as well as the University of Mississippi Medical Center, operates a medical clinic. Seven of the universities—UM, MSU, DSU, USM, JSU, ASU, and MUW⁴-- have satellite campuses that do not have medical clinics.⁵

Services, Capacity, and Usage of University Medical Clinics

Services Offered by University Medical Clinics

All of the university clinics, except for the one at USM, offer students consultation with a physician (or with a nurse practitioner at MUW) without charging an additional fee at the time of the service. USM charges students \$5 at the time of the service for consultation with a physician. Other services offered to students by university medical clinics include pharmacy, mental health counseling, and physical therapy services (MSU, UMMC and UM).

Universities make their own decisions about the types and extent of services to offer their students.

As noted on page 3, services at university medical clinics are not coordinated by any agreement between the universities and IHL. Universities make their own decisions about the types and extent of services to offer their students.

⁴ Throughout this report, PEER uses the traditional acronyms to represent the names of the universities: ASU=Alcorn State University, DSU=Delta State University, JSU=Jackson State University, MSU=Mississippi State University, MUW=Mississippi University for Women, MVSU=Mississippi Valley State University, UM=University of Mississippi, UMMC=University of Mississippi Medical Center, and USM=University of Southern Mississippi.

⁵ MSU contracts with Rush Medical Center to provide medical services to students at its Meridian campus and contracts with Baptist Health Systems to provide medical services to students at its School of Architecture campus in Jackson.

PEER found that all of the Mississippi universities' medical clinics offered at least the following services:

- consultation with a physician (except at the Mississippi University for Women, which provides a nurse practitioner) with no additional fee charged at the time of the service. USM charges \$5 at the time of service to students for consultation with a physician;
- visit with a nurse with no additional fee at the time of service; and,
- access to laboratory services for a fee.

UMMC, ASU, and MVSU do not charge fees for any of the services of their clinics.

Some of the clinics provide services beyond this minimum level, such as access to a pharmacy, mental health counseling, an infirmary (i.e., facilities for overnight stay and monitoring), or physical therapy. Usually these services involve charging a fee to the patient, although UMMC, ASU, and MVSU do not charge fees for any of the services of their clinics. Universities offering these additional services are:

- *Pharmacy:* USM and MSU clinics operate pharmacies on a for-profit basis. UM provides prescription medications to university clinic patients through the School of Pharmacy. The UMMC medical complex operates a pharmacy. DSU and JSU clinics fill prescriptions for acute illnesses.
- *Counseling:* USM, MSU, UM, DSU, and MUW. Although this is a free service to students, the counseling centers are operated independently of the medical clinics. JSU and UMMC offer free access to counseling through the St. Dominic Hospital.
- *Infirmary:* DSU, ASU, and JSU.
- *Physical therapy:* MSU and UM. The UMMC medical complex operates a physical therapy department.

None of the university medical clinics has trauma care.

Exhibit 1, page 7, lists the universities and shows the clinics' hours of service and the physician schedule at each clinic.

Exhibit 1: University Medical Clinics' Full-Time Equivalent Physician and Nurse Hours for Academic Year 2005

	Time of Regular Business Hours - Monday through Friday	Physician Hours at Clinic during Business Days	FTE Physicians (Fall & Spring Semester)	FTE Nurses (Fall & Spring Semester)	Students	Number of Student Visits	Visits Per Student
Alcorn State University	8:00 AM to 9:00 PM; Friday 8:00 AM to 8:00 PM	12:30 PM to 1:30 PM Monday & Wednesday; 3:00 PM to 5:00 PM Monday & Thursday; 3:00 PM to 4:00 PM Tuesday	0.18	3.93	3,166	4,641	1.47
Delta State University	3:00 PM Sunday through Friday 3:00 PM	Students must register before 7:30 AM	0.18	4.00	3,413	7,120	2.09
Jackson State University	8:00 AM to 5:00 PM	8:30 AM to 9:30 AM; 2:00 PM to 3:00 PM; sign in 30 minutes prior	0.50	5.00	7,109	3,431	0.48
Mississippi State University	8:00 AM to 5:00 PM Monday Through Wednesday and Friday; 9:00 AM to 5:00 PM on Thursday, by appointment or walk-in	8:00 AM to 5:00 PM Monday Through Wednesday and Friday; 9:00 AM to 5:00 PM on Thursday, by appointment or walk-in	4.50	12.40	15,934	39,849	2.50
Mississippi University for Women	8:00 AM to 5:00 PM	N/A	-	1.80	1,881	1,428	0.76
Mississippi Valley State University	8:00 AM to 5:00 PM Monday through Thursday; 8:00 AM to 4:00 PM Friday	10:00 AM to 12:00 PM M,W,F	0.15	1.95	3,007	1,329	0.44
University of Mississippi	8:00 AM to 5:00 PM	8:00 AM to 5:00 PM	5.65	7.00	13,225	17,206	1.30
University of Mississippi Medical Center	7:30 AM to 4:00 PM	7:30 AM to 4:00 PM	1.26	5.49	2,144	5,147	2.40
University of Southern Mississippi	8:00 AM to 5:00 PM Monday through Wednesday and Friday; 9:00 AM to 5:00 PM Thursday	8:00 AM to 5:00 PM	3.67	7.50	13,294	24,031	1.81
System-wide			16.09	49.07	63,173	104,182	1.65

SOURCE: PEER analysis of university medical clinics' information.

Staffing and Hours of University Medical Clinics

Overall, Mississippi's universities utilize approximately sixteen full-time-equivalent physicians and forty-nine full-time-equivalent nurses.

While each university provides the same basic services to its students, the staffing and hours of operation at each university are different. Exhibit 1, page 7, shows the number of full-time equivalent (FTE) staff of each university clinic's physicians and nurses. (As noted previously, MUW does not provide physician's services to students.) This exhibit also shows, for academic year 2005, the number of students enrolled at each university, the total number of student visits to the clinic, and number of visits per student during the academic year.

Because such a diversity of services is offered, PEER cannot compare directly the effectiveness and efficiency of each university medical clinic's staff. In order to compare directly the clinics' service effectiveness and efficiency, more detailed information about visits for each service offered and dedication of staff time to each function would be necessary. Currently, this information is not available for all universities.

Student Usage of University Medical Clinics

In terms of students' use of the clinics, MSU had the highest usage in academic year 2005, with the average student visiting the clinic 2.5 times that year. MVSU had the lowest average student usage, with fewer than half of the students using the clinic that year.

All of the university medical clinics allow students (both those enrolled at the main campus and those enrolled at satellite campuses) access to the university medical clinic. However, students' use of the clinics varies broadly among the universities.

In academic year 2005, MSU had the highest usage rate, with each student visiting the clinic an average of 2.5 times that year. MVSU had the lowest usage rate with, on average, fewer than half of the students visiting the clinic within the academic year. Exhibit 2, on page 9, shows the usage rate for each university.

Overall, since academic year 2002, student usage of university medical clinics system-wide has decreased by 5%. MSU accounts for much of student usage, and when the system-wide use is considered without MSU, university medical clinics have experienced a 10% system-wide decrease in student usage.

The decline in usage rates is caused in most universities by an increase in enrollment.

From 2002 to 2005, most of the university medical clinics had significant declines in student usage rates. MVSU had the highest increase; however, the clinic had very few visits in 2002 relative to its size. MSU had a 20% increase in usage. System-wide usage calculated without the impact of MSU's increase shows a system-wide decline in the student usage rate of 10%.

While student usage rates have declined, actual student visits have remained stable for each university from 2002 to 2005. The decline in usage rates is caused in most universities by an increase in enrollment. As the number of visits remains approximately the same and enrollment increases, the number of visits per student declines.

Exhibit 2: University Medical Clinics' Student Usage Rates for Academic Years 2002 through 2005

	2002	2003	2004	2005	Increase (Base Year 2002)
Alcorn State University	2.15	1.64	1.68	1.47	-32%
Delta State University	2.31	2.23	1.90	2.09	-10%
Jackson State University	0.59	0.86	0.59	0.48	-19%
Mississippi State University	2.09	2.29	2.35	2.50	20%
Mississippi University for Women	1.00	0.98	0.92	0.76	-24%
Mississippi Valley State University	0.14	0.41	0.47	0.44	225%
University of Mississippi	1.50	1.51	1.40	1.30	-13%
University of Mississippi Medical Center	1.44	1.63	1.45	2.40	67%
University of Southern Mississippi	2.54	1.83	1.90	1.81	-29%
System-wide	1.74	1.70	1.64	1.65	-5%

SOURCE: PEER analysis of university medical clinics' information.

University Subsidies for Faculty and Staff's Use of Medical Clinics

In FY 2005, universities spent \$770,730 to subsidize faculty and staff visits to the medical clinics. This represents money that universities could have spent for additional clinic staff, expanded medical services for students, or for academic purposes.

At some universities, such as ASU and MUW, faculty and staff usage rates for the university medical clinics are higher than student usage rates.

In addition to providing services to students, all Mississippi universities also allow faculty and staff to receive care at the medical clinics. Most of the university medical clinics provide free physician visits for faculty and staff. USM and MSU clinics allow faculty and staff to receive clinic services on a fee-for-service basis. DSU and MUW allow faculty and staff to receive care from a nurse practitioner, rather than a physician. As many as one in four visits to the university medical clinics in FY 2005 were from faculty and staff of the universities. At some universities, such as ASU and MUW, faculty and staff usage rates for the university medical clinics are higher than student usage rates. Exhibit 3, page 11, shows faculty and staff usage rates for each of the medical clinics in FY 2005. Exhibit 3 also shows how much the universities subsidized faculty and staff usage of medical clinics in FY 2005. These subsidies ranged from \$4,945 at USM to \$448,079 at UMMC.

The only university that did not subsidize faculty and staff clinic visits in FY 2005 was MSU.

The only university that did not subsidize faculty and staff clinic visits in FY 2005 was MSU, which charges a \$65 fee for each faculty and staff visit and earned a profit of \$74,532 in FY 2005. USM also charges a fee for faculty and staff visits (\$38 per visit), but this fee does not cover the total cost of each visit. USM has a net subsidy of \$6.84 per visit. The total of university subsidies to medical clinics for faculty and staff visits in FY 2005 was \$770,730.⁶

Faculty and staff at Mississippi universities are already covered by the State and School Employees' Life and Health Insurance Plan, for which the universities paid the premiums in FY 2005.⁷ When faculty and staff receive free or subsidized care at university medical clinics, with first-dollar coverage and no deductible applied, they are

⁶ This is a conservative estimate, with the actual cost probably higher, because as noted on page 12, MVSU, UMMC, and JSU do not allocate facility costs to their clinics.

⁷ As of January 1, 2006, employees covered by the State and School Employees' Life and Health Insurance Plan are classified as either *legacy* employees (hired prior to 1/1/06) or *horizon* employees (hired after that date). The state pays 100% of the health insurance premiums for legacy employees (for base or select coverage) and 100% of the health insurance premiums for horizon employees for base coverage. Horizon employees can opt for adding select coverage by paying an additional monthly premium.

When faculty and staff receive free or subsidized care at university medical clinics, with first-dollar coverage and no deductible applied, they are receiving an additional perquisite not available to other public employees.

receiving an additional perquisite not available to other public employees. Also, the university is expending funds to assist faculty and staff with health care expenses (who are already otherwise covered by health insurance provided by the state) when this money could be used to provide additional clinic staff or services to benefit students or for academic purposes.

Exhibit 3: Faculty and Staff Usage Rates of University Medical Clinics for FY 2005

	Faculty and Staff	Visits by Faculty and Staff	Visits Per Faculty and Staff	Visits Per Student	Cost to University Per Visit ^	Total Subsidy for Faculty and Staff Clinic Visits
Alcorn State University	714	1,553	2.18	1.47	\$ 78.48	\$ 121,878
Delta State University	630	1,045	1.66	2.09	26.76	27,966
Jackson State University *	1,823	678	0.37	0.48	83.76	56,786
Mississippi State University***	4,848	9,163	1.89	2.50	(8.13)	(74,532)
Mississippi University for Women	369	692	1.87	0.76	44.86	31,040
Mississippi Valley State University *	559	212	0.38	0.44	329.82	69,922
University of Mississippi	2,527	1,382	0.55	1.30	61.25	84,646
University of Mississippi Medical Center *	8,604	17,404	2.02	2.40	25.75	448,079
University of Southern Mississippi**	2,284	723	0.32	1.81	6.84	4,945
System-wide	22,358	32,852	1.47	1.65	47.67	\$ 770,730

*Mississippi Valley State University, the University of Mississippi Medical Center, and Jackson State University do not recognize facility costs to the clinic; therefore this figure understates actual costs. Facilities costs include utilities and general maintenance of facilities.

**The University of Southern Mississippi charges \$38 per faculty visit. The net subsidy calculation is adjusted for this fee.

*** Mississippi State University has typical charge of \$65 per faculty visit. This gives the clinic a net gain from faculty visits, here expressed as a negative number.

^ The cost to university per visit is based on an approximation derived from clinics' net university costs (see Exhibit 5) and totals clinics' visits by all users.

SOURCE: PEER analysis of university medical clinics' information.

Cost of Operations and Funding of University Medical Clinics

Cost of Operations of University Medical Clinics

Mississippi's universities spent approximately \$10.1 million on university medical clinics in FY 2005. Of this amount, approximately \$6.6 million was from university funds.

As shown in Exhibit 4, pages 13 and 14, Mississippi's universities spent approximately \$10.1 million on university medical clinics in FY 2005. Total costs for university medical clinics increased 8% from FY 2002 to FY 2005. Seventy-seven percent of the expenditures for university medical clinics were for clinics at USM, MSU, and UM, which represented 67% of the state university system's enrollment for that fiscal year.

Costs are not truly comparable between university medical clinics, because three of the university medical clinics do not account separately for their clinics' facility costs, as required by IHL policy.

Some universities provide to the clinic a predetermined dollar amount per student from tuition collected and other universities have a fixed budget for their clinics that is reviewed annually.

In calculating the total costs at university medical clinics, PEER noted that IHL policy requires that each university establish and charge a rate to the clinic for facility costs (e.g., utilities and maintenance) and that these costs be accounted for separately as an auxiliary of the university (see page 4). Because the purpose of auxiliary accounting is to determine the extent to which user fees cover the cost of expenditures, all expenditures that are reasonably associated with operating the auxiliary (in this case, the clinic) should be allocated to it.

Three university medical clinics do not follow IHL policy in this regard—MVSU, JSU, and UMMC. Thus some costs for the clinics were not included in the universities' total clinic costs that PEER used in its calculations and clinic costs are not truly comparable between universities.

Universities fund their medical clinics from basically two sources:

- *university funds*, or those funds that flow through a university that are used to cover operational costs of that university's medical clinic. These funds, composed mainly of revenue from tuition and general fees, could also possibly include general funds appropriated by the Legislature to the university, foundation funds, and other revenue sources; and,

Exhibit 4: Operational Expenditures of University Medical Clinics, FY 2002 through FY 2005

Alcorn State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 339,923.08	\$ 399,427.86	\$ 413,584.92	\$ 486,100.63	43%
Total Fees**	-	-	-	-	N/A
Net University Subsidy	339,923.08	399,427.86	413,584.92	486,100.63	43%

Delta State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 299,575.00	\$ 297,433.00	\$ 316,334.00	\$ 275,211.00	-8%
Total Fees	2,129.00	3,307.00	3,925.00	1,788.00	-16%
Net University Subsidy	297,446.00	294,126.00	312,409.00	273,423.00	-8%

Jackson State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost*	\$ 360,021.00	\$ 362,525.00	\$ 378,271.00	\$ 378,271.00	5%
Total Fees	13,296.60	13,886.00	24,198.12	33,300.80	150%
Net University Subsidy	346,724.40	348,639.00	354,072.88	344,970.20	-1%

Mississippi State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 3,828,643.06	\$ 3,805,476.82	\$ 3,935,586.12	\$ 4,276,897.97	12%
Total Fees	1,586,384.42	1,548,301.72	1,874,830.93	2,191,198.10	38%
Net University Subsidy	2,242,258.64	2,257,175.10	2,060,755.19	2,085,699.87	-7%

Mississippi University for Women					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 140,504.00	\$ 141,677.00	\$ 145,593.00	\$ 145,324.00	3%
Total Fees	20,406.00	19,867.00	19,805.00	20,941.00	3%
Net University Subsidy	120,098.00	121,810.00	125,788.00	124,383.00	4%

*MVSU, UMMC, and JSU do not recognize facility costs to the clinic; therefore this figure understates actual costs. Facilities costs include utilities and general maintenance of facilities.

** Alcorn State University, Mississippi Valley State University, and the University of Mississippi Medical Center medical clinics do not charge any fees for service

SOURCE: PEER analysis of university medical clinics' information.

Exhibit 4: Operational Expenditures of University Medical Clinics, FY 2002 through FY 2005 (continued)

Mississippi Valley State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost*	\$ 395,984.00	\$ 455,217.00	\$ 506,179.00	\$ 517,157.00	31%
Total Fees**	-	-	-	-	N/A
Net University Subsidy	395,984.00	455,217.00	506,179.00	517,157.00	31%
University of Mississippi					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 1,345,882.00	\$ 1,285,434.00	\$ 1,322,158.00	\$ 1,429,015.00	6%
Total Fees	200,470.00	202,758.00	244,761.00	290,526.00	45%
Net University Subsidy	1,145,412.00	1,082,676.00	1,077,397.00	1,138,489.00	-1%
University of Mississippi Medical Center					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost*	\$ 723,300.00	\$ 640,861.00	\$ 606,238.00	\$ 580,593.00	-20%
Total Fees**	-	-	-	-	N/A
Net University Subsidy	723,300.00	640,861.00	606,238.00	580,593.00	-20%
University of Southern Mississippi					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost	\$ 1,942,716.48	\$ 1,855,456.81	\$ 2,026,779.02	\$ 2,013,511.01	4%
Total Fees	977,646.78	971,581.34	882,423.37	901,142.41	-8%
Net University Subsidy	965,069.70	883,875.47	1,144,355.65	1,112,368.60	15%
System-wide					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost*	\$ 9,376,548.62	\$ 9,243,508.49	\$ 9,650,723.06	\$ 10,102,080.61	8%
Total Fees	2,800,332.80	2,759,701.06	3,049,943.42	3,438,896.31	23%
Net University Subsidy	6,576,215.82	6,483,807.43	6,600,779.64	6,663,184.30	1%

*MVSU, UMMC, and JSU do not recognize facility costs to the clinic; therefore this figure understates actual costs. Facilities costs include utilities and general maintenance of facilities.

** Alcorn State University, Mississippi Valley State University, and the University of Mississippi Medical Center medical clinics do not charge any fees for service

SOURCE: PEER analysis of university medical clinics' information.

- *service fees* charged at the clinics for services to patients. As noted in Exhibit 4, on pages 13 and 14, in FY 2005 fees for service accounted for approximately \$3.4 million in system-wide health clinic revenue.

Each clinic receives a share of tuition and general fees from its university. Some universities provide to the clinic a predetermined dollar amount per student from tuition collected and other universities have a fixed budget for their clinics that is reviewed annually. Also, as noted on page 6, most university clinics charge fees for some of the services provided to patients of the clinics (e.g., laboratory fees).

Funding of University Medical Clinics

From FY 2002 to FY 2005, universities' use of university funds to fund medical clinics decreased by 8% per student and fees for service charged at the clinics increased by 19% per visit.

Until 1998, IHL required that each university itemize fees in its schedule of tuition and costs for services provided. This fee schedule showed a breakdown of fees such as athletic fees and health fees.

Beginning in 1998, IHL discontinued this itemization of fees, showing only a single amount for tuition and general fees. In effect, this decreased the level of accountability of IHL and the universities for the use of student funds.

Beginning in 1998, IHL discontinued the itemization of fees, showing only a single amount for tuition and general fees. In effect, this decreased the level of accountability of IHL and the universities for the use of student funds.

PEER analyzed data on costs at university clinics, usage data, and the amounts collected from the funding sources noted above. Based on this analysis, PEER calculated an average total cost per visit at each university medical clinic and an average fee per visit (i.e., fees paid for services provided by the clinic). PEER then identified the difference in these two amounts as the net university subsidy per visit (i.e., the amount that the university provided from university funds to cover the remainder of the cost.) Exhibit 5, pages 16 and 17, shows these amounts calculated per visit for each university medical clinic.

For the university system as a whole, PEER found that reliance on universities' use of university funds (i.e., revenue from sources other than user fees) to operate university medical clinics decreased by 8% per student from FY 2002 to FY 2005. (See Appendix, page 29.) As reliance on university funds has decreased, reliance on fees charged to users of the clinics has increased. From FY

Exhibit 5: Net University Subsidy Per Visit to University Medical Clinics, FY 2002 through FY 2005

Alcorn State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 49.59	\$ 70.48	\$ 65.43	\$ 78.48	58%
Average Fee Per Visit**	-	-	-	-	N/A
Net University Subsidy Per Visit	49.59	70.48	65.43	78.48	58%
Delta State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 31.11	\$ 26.94	\$ 34.55	\$ 26.94	-13%
Average Fee Per Visit	0.22	0.30	0.43	0.18	-21%
Net University Subsidy Per Visit	30.89	26.64	34.12	26.76	-13%
Jackson State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit*	\$ 71.95	\$ 53.11	\$ 76.60	\$ 91.84	28%
Average Fee Per Visit	2.66	2.03	4.90	8.08	204%
Net University Subsidy Per Visit	69.29	51.08	71.70	83.76	21%
Mississippi State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 89.26	\$ 81.75	\$ 84.29	\$ 87.26	-2%
Average Fee Per Visit	36.98	33.26	40.15	44.71	21%
Net University Subsidy Per Visit	52.28	48.49	44.14	42.55	-19%
Mississippi University for Women					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 43.05	\$ 43.33	\$ 45.23	\$ 52.41	22%
Average Fee Per Visit	6.25	6.08	6.15	7.55	21%
Net University Subsidy Per Visit	36.79	37.25	39.08	44.86	22%

*MVSU, UMMC, and JSU do not recognize facility costs to the clinic; therefore this figure understates actual costs. Facilities costs include utilities and general maintenance of facilities.

** Alcorn State University, Mississippi Valley State University, and the University of Mississippi Medical Center medical clinics do not charge any fees for service

SOURCE: PEER analysis of university medical clinics' information.

Exhibit 5: Net University Subsidy Per Visit to University Medical Clinics, FY 2002 through FY 2005 (continued)

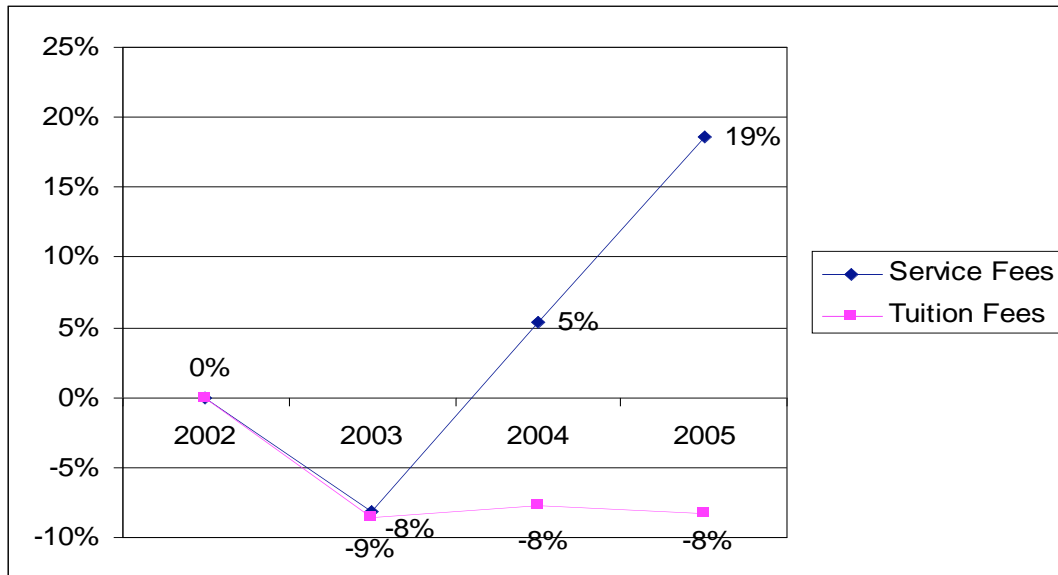
Mississippi Valley State University					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit*	\$ 1,078.98	\$ 376.21	\$ 303.83	\$ 329.82	-69%
Average Fee Per Visit**	-	-	-	-	N/A
Net University Subsidy Per Visit	1,078.98	376.21	303.83	329.82	-69%
University of Mississippi					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 70.48	\$ 65.36	\$ 66.44	\$ 76.88	9%
Average Fee Per Visit	10.50	10.31	12.30	15.63	49%
Net University Subsidy Per Visit	59.98	55.05	54.14	61.25	2%
University of Mississippi Medical Center					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit*	\$ 31.15	\$ 24.86	\$ 26.31	\$ 25.75	-17%
Average Fee Per Visit**	-	-	-	-	N/A
Net University Subsidy Per Visit	31.15	24.86	26.31	25.75	-17%
University of Southern Mississippi					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit	\$ 78.62	\$ 74.59	\$ 82.49	\$ 81.34	3%
Average Fee Per Visit	39.56	39.06	35.92	36.40	-8%
Net University Subsidy Per Visit	39.06	35.53	46.58	44.94	15%
System-wide					
	2002	2003	2004	2005	Increase (Base Year 2002)
Total Cost Per Visit*	\$ 69.44	\$ 63.80	\$ 69.18	\$ 72.27	4%
Average Fee Per Visit	20.74	19.05	21.86	24.60	19%
Net University Subsidy Per Visit	48.70	44.75	47.32	47.67	-2%

*MVSU, UMMC, and JSU do not recognize facility costs to the clinic; therefore this figure understates actual costs. Facilities costs include utilities and general maintenance of facilities.

** Alcorn State University, Mississippi Valley State University, and the University of Mississippi Medical Center medical clinics do not charge any fees for service

SOURCE: PEER analysis of university medical clinics' information.

Exhibit 6: Increase in Service Fees Per Visit and Decrease in Tuition Fees Per Student at University Medical Clinics from FY 2002 to FY 2005



SOURCE: PEER analysis of university medical clinics' information.

2002 to FY 2005, fees for service increased 19% per visit.
(See Exhibit 6, above.)

Effect of University Medical Clinic Costs on Satellite Campus Students

Although students at satellite campuses pay the same tuition and general fees as students on main campuses, these students do not have the same ready access to the university medical clinics.

Most of the state's universities operate satellite campuses. USM, MSU, DSU, ASU, JSU, and UM each operate satellite campuses and MUW offers classes at the Higher Education Center at Tupelo, but none of these have medical clinics. The exception is MSU, which contracts with Rush Medical Center in Meridian to provide medical services to students at its Meridian campus and contracts with Baptist Health Systems to provide medical services to students at its School of Architecture campus in Jackson.

The students at satellite campuses pay the same tuition and general fees as do the students on the main campuses,

a portion of which goes to fund operations of university medical clinics (see page 3). Exhibit 7, below, shows the amount and percentage of FY 2005 tuition that was used to fund university medical clinics. The percentage of tuition and general fees paid by students at these universities that was used to fund clinic operations ranged from 1% to 4%.

Students at satellite campuses are paying for a service that they cannot readily use and are in effect subsidizing the clinic for students at the main campus.

Although a percentage of the tuition and general fees that they pay is used to help fund the university medical clinics, none of the students who attend satellite campuses have reasonable access to use of the medical facilities as do students on the main campuses. Some of these satellite campuses are as far as 120 miles away from the main campus (which is the purpose for the satellite campus). Therefore, these students at satellite campuses are paying for a service that they cannot readily use and are in effect subsidizing the clinic for students at the main campus.

Exhibit 7: Cost to Satellite Campus Students for University Medical Clinics in FY 2005

	Economic Cost Per Satellite Student for Clinic	Undergraduate In-State Full-Time Tuition	Percent of Tuition
Alcorn State University	\$ 154	\$ 3,919	4%
Delta State University	80	3,761	2%
Jackson State University	49	3,964	1%
Mississippi State University	131	4,312	3%
Mississippi University for Women	66	3,691	2%
University of Mississippi	86	4,320	2%
University of Southern Mississippi	84	4,310	2%

SOURCE: PEER analysis of university medical clinics' information.

Operational Philosophy and Effects on Clinic Operation

Operational philosophies for university medical clinics range from heavy subsidizing by the university to entrepreneurial operations that rely extensively on fees for services. Because student usage of medical clinics has declined at campuses other than MSU, universities may need to re-evaluate their operational philosophies and entertain questions about the clinics' role in accomplishing the universities' mission in view of societal changes.

PEER determined that operations of Mississippi's university medical clinics can be characterized at some point on a continuum between two business philosophies:

- the *university subsidy* philosophy--funding operations of the university medical clinic with

funds provided by the university, chiefly from tuition and general fees; or,

- the *enterprise* philosophy--funding operations of the university medical clinic on a fee-for-service basis.

University Subsidy Philosophy

DSU's clinic operates on a university subsidy philosophy.

For the purposes of this report, PEER defines the *university subsidy philosophy* as a university medical clinic's heavy reliance on that university's administration for its operating funds. If the clinic wishes to expand existing services or offer new services, the clinic would most likely rely on the financial support of the administration to do so.

DSU is an example of a clinic that operates functionally as a clinic based on a university subsidy philosophy. This clinic is successful in that it has a relatively low cost to the university.

Enterprise Philosophy

None of the university medical clinics is purely an enterprise operation, as all of the clinics rely to some extent on university funds.

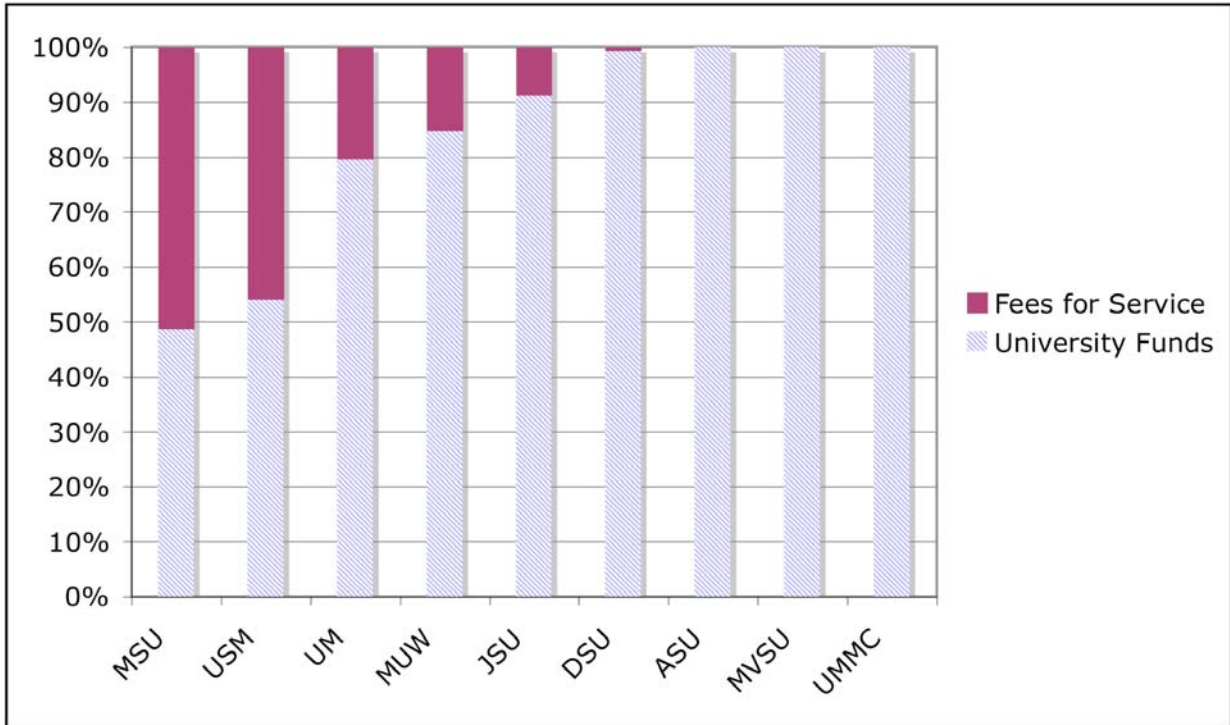
For the purposes of this report, the *enterprise philosophy* is characterized by a clinic that, while still under the authority of the university administration, relies more on fees for service to fund its operations. If the clinic wishes to expand existing services or offer new services, the clinic would consider whether the new or expanded service could be paid for by fees for service.

None of the university medical clinics is purely an enterprise operation, as all of the clinics rely to some extent on university funds; however, those that rely more heavily on fees for service approach an enterprise-type operation. Exhibit 8, on page 21, shows the percentage of university funds and fees for service utilized by each university medical clinic in FY 2005.

MSU's clinic operates on an enterprise philosophy.

MSU is an example of clinic that is close to the enterprise philosophy. It has the highest percent of its revenue derived from fees for service of any of the university medical clinics. The MSU clinic has a relatively high number of staff available at a relatively low cost to the university. This clinic has the second lowest cost to the university per visit, excluding MUW, which does not offer a doctor at its clinic nor include facility costs in its budget, and UMMC, which does not include facility costs in its

Exhibit 8: Percent of University Funds and Fees For Service for Visits to University Medical Clinics in FY 2005



SOURCE: PEER analysis of medical clinics' information.

budget. Also, MSU has the highest student usage rate, the third highest number of physician hours per student, and offers more services than any other clinic.

As noted previously, while overall student usage of medical clinics decreased by 5% from FY 2002 to FY 2005, the MSU clinic increased its student usage rate over that period by 20%. This compares to a 13% decline at UM, a 32% decline at ASU, and a 19% decline at JSU in student usage over the same period.

Issues to Consider in Making Choices Regarding Future Operations of University Medical Clinics

Given that student enrollment increased faster than student usage from FY 2002 through FY 2005, universities should determine whether they might need to alter the operational philosophies of their medical clinics. Also, universities should consider the clinics' role in accomplishing the universities' mission in view of demographic and societal changes.

Student enrollment has increased faster than student usage of university clinics. Since FY 2002, student enrollment has increased by 11%, while the student usage rate (student enrollment divided by the number of clinic visits) of university medical clinics has decreased by 5%. During this time, usage by faculty and staff has remained flat at 32,852 visits. In view of this fact, universities may wish to re-evaluate their clinics and determine whether to continue their current operational philosophies or whether to move more toward one end of the continuum or the other (i.e., university subsidized versus enterprise).

In determining the operational philosophy of their clinics, universities should consider the availability of medical services in the area around the university, the ability to scale operations, and cost effectiveness and capacity of existing clinic operations.

According to IHL policies on medical clinic operations, the clinics are the responsibility of the individual universities' administrations. University administrations should take several factors into account in determining the operational philosophy of their clinics, such as the availability of medical services in the area around the university, the ability to scale operations, and cost effectiveness and capacity of existing clinic operations.

Also, although currently no university contracts with a private provider to operate its medical clinics, some universities might benefit from contracting with private medical providers to operate their medical clinics. They should consider contracting if a provider could contract at a cost lower than what is currently paid by the university. The cost to each university per visit from FY 2002 through FY 2005 is shown in Exhibit 5, on page 16. Additionally, the university should consider whether the private provider would increase or maintain its student usage rates and increase or maintain its physician capacity per student.

Ultimately, the university administrations should consider the demographics of their student populations, societal changes, and how the clinics help to accomplish the mission of the universities in making decisions about their medical clinics. In the past, a university often served as a surrogate parent and provided necessary medical care. However, a dramatic shift in the delivery of medical services has occurred and raises the question of whether

the need for university-sponsored medical care will continue to be necessary.

A dramatic shift in the delivery of medical services has occurred and raises the question of whether the need for university-sponsored medical care will continue to be necessary.

At one time, medical services were primarily provided by doctors functioning independently or by hospitals. Therefore, seeking medical services for non-emergency medical needs presented a challenge because of the lack of knowledge about local doctors, their locations, and the need for appointments. Also, college students frequently did not have personal transportation, which made seeking medical services off-campus more difficult. Therefore, university-sponsored medical services located on the campus were a reasonable and necessary service.

In today's market, medical services are often readily available through private medical clinics, which cater to non-emergency walk-in patients. Appointments are usually not necessary and access to such clinics is available through multiple locations. Further, current college students are much more likely to have access to personal transportation and seeking medical services off-campus is not as burdensome as in the past.

Conclusions Regarding Medical Clinics at Community and Junior Colleges

The State Board for Community and Junior Colleges does not have policies requiring or regulating medical clinics.

Mississippi's public community and junior college system has fifteen colleges. Five of these operate medical clinics:

- Pearl River Community College;
- Jones County Junior College;
- East Central Community College;
- Coahoma Community College; and,
- Copiah-Lincoln Community College.

East Mississippi Community College does not operate a clinic, but has an agreement with a local health clinic for student medical care.

The State Board for Community and Junior Colleges does not have any policies requiring or regulating these clinics.

Services, Capacity, and Usage of Medical Clinics at Community and Junior Colleges

None of the community and junior college clinics provides a physician for students at the campus medical clinic. All health care at these clinics is provided by nursing staff.

Unlike the universities, none of the community and junior college clinics provides a physician for students on campus. Copiah-Lincoln Community College and Coahoma Community College have contractual agreements with local physicians to provide students with physician consultation.

As noted above, East Mississippi Community College does not operate a clinic, but rather has an agreement with a local health clinic. Under this agreement, residential students must pay a \$25 fee at enrollment and then they

have access to a physician at the Scooba Primary Health Clinic.

Registered nurses and licensed practical nurses carry out the majority of health care in these community and junior college clinics.

Although nurse practitioners can provide much of the same care that would otherwise be provided by physicians (including writing prescriptions) and usually maintain close working relationships with physicians, only Jones County Junior College's clinic has a nurse practitioner. Registered nurses and licensed practical nurses, who cannot prescribe pharmaceuticals, carry out the majority of health care in these community and junior college clinics. (See Exhibit 9, below, for information on the nursing staff capacity at each community and junior college clinic.) If a student at a campus other than Jones County Junior College needs a physician's or nurse practitioner's medical opinion or prescription, the student must use another medical provider rather than the campus medical clinic.

Exhibit 9: Nurse Capacity at Community and Junior Colleges' Medical Clinics for FY 2005

School	Staff	Hours per Fall and Spring Semester	Enrollment	Nurse Hours to Enrollment
Pearl River Community College	1 RN	1,440	5,158	3.58
Jones County Junior College	1 Nurse Practitioner; 1 EMT	1,134	6,393	5.64
East Central Community College	1 RN	1,400	3,362	2.40
Coahoma Community College	1 LPN	1,440	2,415	1.68
Copiah-Lincoln Community College	1 RN	828	3,963	4.79
East Mississippi Community College*	N/A	N/A	6,322	N/A
System-wide	1 NP, 3 RN, 1 LPN, 1 EMT	6,242	27,613	3.41

*East Mississippi does not operate a health clinic. The college has an agreement with Scooba Primary Health Clinic.

SOURCE: PEER analysis of community and junior college medical clinics' information.

To measure capacity (i.e., the capability of the clinic to have physicians see students in a timely manner), PEER compared the number of nurse hours in the thirty-six weeks of the spring and fall semesters to the total enrollment of each college for academic year 2005. This calculation shows how many students a nurse would see per hour to see every student enrolled during the thirty-six

week period. As shown in Exhibit 9, the system-wide capacity is 3.41 students per hour. A lower number indicates that the clinic has a higher capacity, as the nurse would have to see fewer students per hour to see all of the students within the academic year. The highest capacity is at Coahoma Community College, which would need to see 1.68 students per hour to see all students within the academic year.

The usage rates for community and junior colleges' clinics are lower than at many of the university clinics.

In the community and junior colleges that have medical clinics, any student, faculty or staff has access to nursing staff of the clinic. Copeiah-Lincoln Community College does not allow the nurse to refer faculty or staff members to physicians contracted with the college. None of the colleges collect information to distinguish between student visits and faculty visits.

For FY 2005, on average, 37% of students visited the medical clinic at each college. Exhibit 10, below, shows the usage rates in FY 2005 of each community and junior college that had a medical clinic. The usage rates for community and junior colleges' clinics are lower than at many of the university clinics.

Exhibit 10: Usage Rates for Community and Junior Colleges' Medical Clinics in FY 2005

School	Visits	Total Students	Visits per Students
Pearl River Community College	1,924	5,158	0.37
Jones County Junior College	6,300	6,393	0.99
East Central Community College	916	3,362	0.27
Coahoma Community College	255	2,415	0.11
Copeiah-Lincoln Community College	173	3,963	0.04
East Mississippi Community College*	751	6,322	0.12
System-wide	10,319	27,613	0.37

*East Mississippi does not operate a health clinic. The college has an agreement with Scooba Primary Health Clinic.

SOURCE: PEER analysis of community and junior college medical clinics' information.

Cost of Medical Clinics at Community and Junior Colleges

Mississippi's community and junior colleges spent \$252,294 on their medical clinics in FY 2005.

As shown in Exhibit 11, below, in FY 2005, the community and junior college medical clinics spent \$252,294 and had 10,319 total visits. The system-wide cost to operate these clinics was \$22.63 per visit. The highest cost was at Coahoma Community College at \$180.88, where the high cost per visit was due to a low usage. (See Exhibit 11, below, for cost per visit for community and junior college clinics.) Taking into account the usage rate and thirty-six weeks total for fall and spring semesters, the nurse at this clinic averages providing care to 1.5 students per day.

Exhibit 11: Cost Per Visit for Community and Junior Colleges' Medical Clinics for FY 2005

School	Total Budget	Total Visits	Total Cost per Visit
Pearl River Community College	\$ 42,245	1,924	\$ 21.96
Jones County Junior College	97,199	6,300	15.43
East Central Community College	37,746	916	41.21
Coahoma Community College	46,124	255	180.88
Copiah-Lincoln Community College	10,204	173	58.98
East Mississippi Community College*	18,775	751	25.00
System-wide	\$ 252,294	10,319	\$ 22.63

*East Mississippi does not operate a health clinic. The college has an agreement with Scooba Primary Health Clinic.

SOURCE: PEER analysis of community and junior college medical clinics' information.

Recommendations

1. The Board of Trustees of Institutions of Higher Learning should create a policy to require all faculty and staff at public universities to pay a market rate to receive services at university medical clinics unless a visit is required as a condition of employment.
2. Each community and junior college should create a policy to require all faculty and staff to pay a market rate for services received at a community or junior college medical clinic unless a visit is required as a condition of employment.
3. The Board of Trustees of Institutions of Higher Learning should amend its policy to show the costs of fees, such as health care fees, charged to students. Students at satellite campuses who do not have reasonable access to student health services should not be required to pay the effective fee to operate a university medical clinic.
4. IHL should alter its policy and bylaws 901.04 to require clinics to capture information relevant to managerial analysis of the medical clinics. This should include records of visits by type of service provided and to determine the reasonable allocation of costs and revenue associated with each activity operated by the clinic.

Appendix: Average Fees for Service and Net University Fees from Tuition to Operate Medical Clinics

Average Fee for Services Per Visit at University Medical Clinics *

	2002	2003	2004	2005
Alcorn State University	\$ -	\$ -	\$ -	\$ -
Delta State University	0.22	0.30	0.43	0.18
Jackson State University	2.66	2.03	4.90	8.08
Mississippi State University	36.98	33.26	40.15	44.71
Mississippi University for Women	6.25	6.08	6.15	7.55
Mississippi Valley State University	-	-	-	-
University of Mississippi	10.50	10.31	12.30	15.63
University of Mississippi Medical Center	-	-	-	-
University of Southern Mississippi	39.56	39.06	35.92	36.40
System-wide	20.74	19.05	21.86	24.60
Increase (Base Year 2002)	0%	-8%	5%	19%

*Average fees for services are calculated by dividing the total fee revenue collected by each clinic by the total number of visits.

Non-User Fee Revenue Per Student for Clinic Operations *

	2002	2003	2004	2005
Alcorn State University	\$ 123	\$ 141	\$ 137	\$ 154
Delta State University	95	92	94	80
Jackson State University	51	52	53	49
Mississippi State University	133	136	127	131
Mississippi University for Women	67	69	71	66
Mississippi Valley State University	160	165	160	172
University of Mississippi	100	90	85	86
University of Mississippi Medical Center	321	272	232	271
University of Southern Mississippi	101	66	90	84
System-wide	115	105	106	105
Increase (Base Year 2002)	0%	-9%	-8%	-8%

* Non-user fee revenue per student for clinic operations is calculated by dividing the net university funds for use in operating the medical clinic by total enrollment.

SOURCE: PEER analysis of university medical clinics' information.

MISSISSIPPI



INSTITUTIONS OF HIGHER LEARNING



Office of Commissioner

October 26, 2006

Dr. Max K. Arinder
Director, Performance Evaluation and Expenditure Review
P. O. Box 1204
Jackson, MS 39215-1204

Dear Dr. Arinder:

The Joint Committee on Performance Evaluation and Expenditure Review (PEER) completed a review of health care services on our campuses. The report has been reviewed by my staff and found two recommendations directed to the Institutions of Higher Learning (IHL). The Executive Summary of the PEER report was divided into seven topic areas to which I have responded as well as address the two recommendations resulting from the review. The responses follow beginning with a brief summary of the PEER comments followed by IHL's response:

Services, Capacity, and Usage of University Medical Clinics

PEER Comments (paraphrased):

PEER found that all clinics offered 1) free consultation with physician except for MUW, which provides free consultation with nurse practitioners and USM which charges \$5 per student visit; 2) free visits with a nurse; and 3) access to laboratory services for a fee. Additional services provided by some health clinics offer pharmacy, mental health counseling, infirmary, and physical therapy. Some charge fees and some do not for these services.

PEER indicated effectiveness and efficiency could not be compared due to lack of consistency among the clinics which generated wide ranges of costs. The overall system clinic usage has not changed since FY 2002. However, when PEER eliminated MSU from the system usage calculation, the system had a decrease of 10 percent in clinic use.

IHL Response:

Each institution under the governance of the Board of Trustees of State Institutions of Higher Learning is diverse with varying student, faculty and staff demographics. Health services provided on campuses are sensitive to this uniqueness of the student body and the location of the campuses.

University Subsidies for Faculty and Staff's Use of Medical Clinics

PEER Comments (paraphrased):

PEER found all clinics provide services to faculty and staff. Two clinics charge faculty and staff for using the clinics' services – MSU and USM. Overall, twenty-five percent of the visits to campus clinics are from faculty and staff. Some institutions have a higher usage rate from faculty and staff than students. PEER indicates that \$736,163 subsidized faculty and staff visits. PEER indicates this is a perk received by faculty and staff that is not available to other state (public) employees. “Beginning in 1998, IHL discontinued this itemization of fees, showing only a single amount for tuition and general fees. In effect, this decreased the level of accountability of IHL and the university for the use of the student fees.”

IHL Response:

The primary reason health care services are provided is for the benefit of the students. As a result, cost expended for clinic operations is to serve the students. The \$736,163 subsidized faculty and staff visits appear to be calculated by equating faculty and staff visits with student visits without regard to fixed costs necessary to serve the student. Had this been considered, this would probably decrease the subsidized amount calculated by PEER. We propose faculty and staff visits should be calculated using marginal costs, rather than total costs. Many times, visits by faculty and staff are as simple as blood pressure checks, which do not result in a significant amount of the health provider's time.

Providing services to faculty and staff benefit the institution in several ways. 1. It helps lower workers' compensation costs on a self-funded plan managed by the system. 2. It allows the worker to be away from work for a shorter period of time, which increases productivity of the worker. 3. Convenience of the care means employees will seek care quicker than otherwise, which means illnesses are caught more quickly than might otherwise be the case, resulting in a reduction of state health insurance costs.

Should the \$736,163 quoted by PEER as being subsidized be considered the correct calculation, it is only .06 percent (\$.06 out of every \$100) of the IHL system payroll cost, creating an immaterial benefit to the faculty and staff. Over half of the \$736,163 is for UMMC which has a necessary obligation to ensure faculty and staff do not infect patients. This immaterial amount proves to be a wise expenditure by increasing employee morale and a more efficient, effective, and productive workforce.

An important point to consider is that UMMC is a school of health-related professions encompassing a teaching hospital. While the UMMC Medical Center does offer a few minor health services to students and employees, the majority of health services is to aid UMMC in maintaining a healthy workforce and student body, in order to provide the proper medical training and patient care required under our charge by state law. The clinic is where UMMC employees and health care students, who work directly with patients, go for inoculations against diseases, for required tuberculosis testing and other mandated health care screening and services. In fact, the Mississippi Department of Health recommends that all health care workers be tested for tuberculosis when hired and annually thereafter. UMMC abides by the guidelines of OSHA, which require "fit testing" on each new employee and student to make a mask to fit them. The UMMC medical clinic performs this task. The clinic also performs pre-employment drug screens required by law for new employees. As to the medical services provided to UMMC employees, they are strictly limited to employees who are hurt on the job and for the immunization of employees. Additionally, the clinic provides evaluations of employees for ADA accommodations. These services are of vital benefit to enable the staff and students to fulfill their roles. Another important point is that the Southern Association of Colleges and Schools (SACS) (the accrediting body of our university) requires that health care for students be provided by UMMC, including an immunization program and counseling services. The care must be provided by health care workers who will never be in a supervisory role over the students. Therefore, the faculty of UMMC may not provide these SACS required services to the UMMC students – hence, the necessity for the medical clinic. Finally, such clinics are commonplace within private hospitals for the medical protection of both employees and patients.

As to the comment "Beginning in 1998, IHL discontinued this itemization of fees, showing only a single amount for tuition and general fees. In effect, this decreased the level of accountability of IHL and the university for the use of the student fees," IHL chose in 1998 to have a pricing strategy of "one amount" to advertise as the price of education to our students. This pricing philosophy allows the greatest flexibility for our Board of Trustees, the Commissioner of Higher

Education and the Institutional Executive Officers (IEOs) of the institutions to manage our operations most efficiently. The IEOs have a direction and mission for their campuses. They must be able to evaluate the benefits of specific programs for expansion or reduction, including health services. Without this flexibility and evaluation, each program on campus is considered of equal value limiting the IEO's management ability. Having a designated fee disclosed as part of tuition provides a funding stream that may create a surplus or shortfall for the corresponding student services, and it limits the ability of administration to manage the unit using best business practices. Therefore, we submit that the current process is a better business practice and provides *more* accountability for student services on campus as well as the campus at-large.

Cost of Operations and Funding of University Medical Clinics

PEER Comments (paraphrased):

The medical clinics in FY 2005 had \$10 million in expenditures. \$6.5 million came from general funds of the campuses. The balance was self-generated. Seventy-seven percent of the expenditures were from MSU, UM, and USM. They have 67 percent of the students.

The IHL policy requires each clinic to account for utilities and maintenance as separate costs whether or not the clinic is run as an auxiliary. PEER indicated three did not do this – MVSU, JSU, and UMMC.

IHL Response:

MVSU, JSU, and UMMC operate health clinics as general fund operations, rather than auxiliary operations. Since operations and maintenance is also accounted for in the general fund, these costs have not been allocated to the health service operations.

IHL policy dictates health services are to account for utilities and maintenance whether or not the clinic is operated as an auxiliary. This policy will be reviewed and compliance will be monitored.

Funding of University Medical Clinics

PEER Comments (paraphrased):

PEER noted that reliance on university funds decreased by 10 percent from FY 2002 to FY 2005 and reliance on user fees increased by 19 percent.

IHL Response:

The increase in user fees for health services reflect the overall budget situation of the campuses. Since FY 2000 IHL has experienced appropriation reductions which means the institutions have had to rely more on self-generated revenues, including tuition. By not segregating tuition into pieces, the universities have had more flexibility to maneuver through this difficult time.

Effect of University Medical Clinic Costs on Satellite Campus Students

PEER Comments (paraphrased):

Seven campuses have satellite campuses. None of these campuses have remote clinics. PEER indicated that because tuition is the same for on- or off-campus students, the off-campus students are subsidizing health care for the main campus.

IHL Response:

Satellite campuses are for the convenience of the students in order to educate as many Mississippi students as possible. Any student enrolled at any location of the respective institution may take advantage of student services provided by that university. Any of the conveniences available on main campuses may not be easily assessable to the satellite campuses, not just the health services. Health care is provided on sites where residence halls for students are provided. In order to be good stewards and not duplicate services, student services are located to benefit the largest group of students.

Operational Philosophy and Effects on Clinic Operation

PEER Comments (paraphrased):

Universities may need to re-evaluate their operational philosophies and entertain questions about the clinics' role in accomplishing the universities' mission in view of societal changes. This is based on decline in usage.

IHL Response:

The PEER reports their investigation found a variety of services and costs associated with the clinics located on the main campuses of our university system. This reflects the various missions of the institutions and clinics at each of the eight institutions including the medical center. The missions of the clinics have evolved based on the student demographics and the location of the campuses.

Generally, health services on campuses provide two main functions. The first is individual care to the students. The second is fulfilling a public service function – one of the three main functions of a university. Health services complement the educational programs on campus by promoting and educating students to develop healthy life styles as part of the educational experience so that down the road, health care costs can be reduced for all. Health services also provide social benefits such as suicide prevention and awareness campaigns associated with sexually transmitted diseases and other diseases and illnesses including but not limited to the flu, meningitis outbreaks, etc.

Issues to Consider in Making Choices Regarding Future Operations of University Medical Clinics

PEER Comments (paraphrased):

Enrollment is increasing faster than usage of the clinics. PEER suggests the institutions may want to re-evaluate their clinics and determine whether to continue their current operational philosophies or whether to move more toward one end of the continuum or the other – subsidized or enterprise.

PEER indicated ultimately, the university administration should consider the demographics of their student populations, societal changes, and how the clinics help to accomplish the mission of the universities in making decisions about their medical clinics to determine their necessity at all.

IHL Response:

IHL agrees that units, as we do with personnel, should be evaluated periodically to ensure they fit the overall goal of the organization. Student populations are growing and changing with more non-traditional students and a more diverse population which may actually increase the need for health care on campuses. Many of these students do not have transportation. Providing health services on campus allows the overall cost of education to be lower for these groups of students. Health care is also a national topic of interest and concern. Diseases such as aids, pandemic flu, and recurrences of tuberculosis, all serve to make campuses vulnerable where such a large number of individuals live together on a small land mass. Our campuses are much like cities with equal or larger populations in smaller areas. Should one of our institutions be unfortunate enough to experience such a catastrophic event, the health services would be the first responder. Consequently, societal changes support the need for health services by providers who understand the student population. Health services is a valuable part of the universities' missions by helping lower costs for faculty and staff whether through care for workers' compensation injuries or reducing the

time away from work, as well as making sure our students stay as healthy and health conscious as possible.

Three Recommendations by PEER for the Institutions of Higher Learning:

1. PEER Recommendation:

The Board of Trustees of Institutions of Higher Learning should create a policy to require all faculty and staff at public universities to pay a market rate to receive services at university medical clinics unless a visit is required as a condition of employment.

IHL Response:

IHL staff will review the need for a policy regarding payment for services by faculty and staff and will make a recommendation to the Board of Trustees.

2. PEER Recommendation:

The Board of Trustees of Institutions of Higher Learning should amend its policy to show the costs of fees, such as health care fees, charged to students. Students at satellite campuses who do not have reasonable access to student health services should not be required to pay the effective fee to operate a university medical clinic.

IHL Response:

IHL does not charge students fees for particular operations or services on campus. Mandatory student fees are an easy way to fund things, helps avoid difficult operational decisions, and is inefficient. Therefore, in 1998 IHL chose to eliminate fees and have only an amount for tuition as the price of education to our students. The philosophy allows the greatest flexibility for our Board of Trustees, the Commissioner and the IEOs of the institutions to manage their operations most efficiently. The IEOs have a direction and mission for their campuses. They must be able to evaluate the benefits of specific programs for expansion or reduction. Without this flexibility, each program is considered of equal value and limits the IEOs management ability. Having a mandatory student fee as part of the tuition price provides a funding stream that may generate a surplus or shortfall and limits administration making the best business decisions for the campus. To have a mandatory fee means tuition for the students would be higher to generate the necessary net tuition revenues to operate the remaining budgets of the university. We submit the current process provides more accountability for all services on campus including student services.

3. PEER Recommendation:

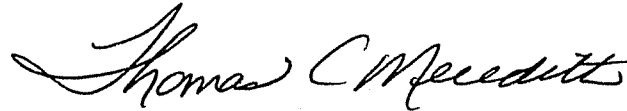
IHL should alter its policy and bylaws 901.04 to require clinics to capture information relevant to managerial analysis of the medical clinics. This should include records of visits by type of service provided and to determine the reasonable allocation of costs and revenues associated with each activity operated by the clinic.

IHL Response:

IHL staff will review the policy 901.04 and will make a recommendation to the Board of Trustees.

Thank you for the opportunity to review and respond to the report.

Sincerely,

A handwritten signature in cursive script that reads "Thomas C. Meredith".

Thomas C. Meredith
Commissioner of Higher Education



STATE BOARD FOR
COMMUNITY AND JUNIOR COLLEGES

October 30, 2006

Dr. Max K. Arinder
Executive Director
Joint Committee on Performance Evaluation and Expenditure Review
Post Office Box 1204
Jackson, Mississippi 39215-1204



Dear Dr. Arinder:

This correspondence is to provide the Mississippi State Board for Community and Junior Colleges' (SBCJC) and the individual colleges' formal response to the PEER Review of Medical Clinics at Mississippi's Universities and Community and Junior Colleges.

We respectfully offer the following responses to the recommendations:

SBCJC

In the full Report under the community and junior colleges section, there was a chart that provided numbers of visits compared to the costs. An average was shown at the bottom of the chart. That average excluded the number of visits for East Mississippi. We feel that this average should be recomputed excluding both the cost and number of visits for East Mississippi. The average is overstated using one number and not the other.

Copiah-Lincoln Community College

Copiah-Lincoln Community responded that the Report looks fine to them.

East Central Community College

ECCC's position is to continue to review the recommendation of the PEER committee and to study further the need to provide health center services to the college community. The level of use and the level of need may not justify the cost to the institution to maintain the service, particularly under the conditions recommended by PEER. Another factor under review is the source of funding for the service, is it student fees, state appropriated funds, or county funds; currently there is no revenue generated by the college's health center.

East Mississippi Community College

Our only response to the draft of the PEER review is to clarify that EMCC doesn't actually operate a medical clinic, which is what I reported to PEER. We have an agreement with the Scooba Health Clinic for our students to be served there. EMCC has no expense or revenue associated with this agreement. We collect a fee from the students/faculty/staff and remit it to the Scooba Health Clinic.

Jones County Junior College

Jones County Junior College offers its employees and students access to a health clinic that is operated by a Nurse Practitioner, Registered Nurse, and a Paramedic. Currently students are charged a semester fee of \$10.00 for access to the clinic. The college is currently reviewing the policy of offering health services to its employees which allows employees to utilize the clinic at no charge. This benefit to employees was made possible by the salary and benefits being paid for the Nurse Practitioner by a local hospital. The college is currently reviewing this policy along with its wellness policies that are currently paid by the college.

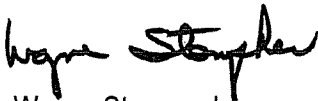
Pearl River Community College

Pearl River will continue to evaluate the recommendations of PEER regarding the operation of the PRCC Health Clinic. We believe that the Clinic provides an invaluable service for our students.

Most of the visits to the Clinic by faculty and staff are for basic services such as blood pressure monitoring. There is no medicine prescribed through the clinic. We will evaluate the recommendation to charge faculty and staff for Clinic visits.

If you have any questions or need further explanation of information we have provided, please do not hesitate to contact our office.

Sincerely,



Wayne Stonecypher
Executive Director

cc: CJC Presidents

PEER Committee Staff

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James Barber, Deputy Director
Ted Booth, General Counsel

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