

**Campus Health Care Fee Level Recommendation
2024-2025**

Independent Analysis by Health Fee Advisory Board

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A. Executive Summary

The Health Fee Advisory Board (HFAB) recommends increasing the Campus Health Care Fee by 4.6% for the Fall, Spring, and Summer semesters. Currently, the Campus Health Care Fee is \$92.75 and \$61.00 for the Fall/Spring semesters and Summer session, respectively. This additional fee increase will result in a Campus Health Fee for the Fall/Spring semester and Summer session \$97.02 and \$63.81, respectively.

The committee did not take proposals for new projects as per our recommendation to increase the fee 4.6% to maintain current services.

Campus Health Care Fee Level Recommendations for 2024 - 2025	
Health Care Fee Adjustment	Fall and Spring: Increased to \$97.02 or 4.6% increase to the current fee Summer: Increased to \$63.81; 4.6% increase to the current fee
Recommendation	HFAB plans to maintain current service levels and continue funding existing projects.

B. Background

The Campus Health Fee was created as a result of a 2005 referendum designed to restore health services that had recently been cut and to improve student access to services at the Tang Center. The original fee was set at \$43 each for the Fall/Spring semester and \$31 for the Summer sessions. The referendum allowed for the fee to be raised each year based on the recommendation of the Health Fee Advisory Board. The health fee funds medical services, mental health services, preventative services, and ease of use of technology.

C. Methods

The 2024-2025 UC Berkeley Health Fee Advisory Board consists of 4 undergraduates and two graduate students from across academic departments and student interest groups, including the Associated Students of the University of California (ASUC), the Graduate Assembly (GA) Committee on Student Fees (CSF). University Health Services (UHS) Chief Strategy Officer, Bené Gatzert, as well as UHS Interim Associate Vice Chancellor, Craig Mielcarki, facilitated meetings and provided a collection of data that helped us reach our decision.

Some of the methods of data collection include: UHS programs and budget analysis, discussions with UHS directors from CAPS, Social Services, medical services, and Health Promotions, a review of HFAB literature and previous recommendations, and an overview of the current Wellness and CACSSF proposals for the next academic year.

The committee was informed of past increases in the Health Fee and follows how UHS has been using this funding to provide healthcare for a growing student body. During these meetings, we analyzed multiple budget reports and used historical trends to understand the necessities and constraints of the health services. For instance, we received estimated revenues and expenses for UHS based on potential fee increases, an overview of UHS programs and budgets, proposed budget plans, and annual reports. With all things considered, this extensive process and thorough review helped inform our recommendation.

D. Fiscal Burden

In fiscal year 2022-2023, the Campus Health Care Fee reported a \$39,974 surplus, \$338,891 ending balance, and revenue of approximately \$5.88M. The projected values for that year were a \$104,011 deficit, \$194,906 ending balance, and revenue of \$5.83M (Source: [2022-2023 Actuals](#)). Three years ago, HFAB funded a CAPS program with its surplus. Given the economy-wide high inflationary environment and the rising cost of healthcare, the committee this year voted to approve a relatively significant fee increase of 4.6% for both the Fall/Spring semester and Summer fees. Despite this large increase, the Tang Center projects an annual deficit of roughly \$42,000 and as a result, expects a smaller carry forward in the immediate future. Generally, HFAB aims to keep costs low for students and does not recommend such increases unless there is a similar inflationary environment or pressing student needs that would be best addressed with funding from this committee.

E. Recommendation Analysis

The Health Fee Advisory Board (HFAB) recommends increasing the 2024-2025 Campus Health Care Fee by 4.6% percent for the Fall, Spring, and Summer semesters. This additional fee increase will result in a Campus Health Fee for the Fall/Spring semester and Summer session of \$97.02 and \$63.81, respectively.

The following key observations are noted below on how this recommendation reflects the needs of participating student groups represented in HFAB:

Associated Students of the University of California (ASUC)

The Associated Students of the University of California recommends increasing the Campus Health Fee to correspond with the inflation rates affecting staff salaries and benefits. While we appreciate UHS's efforts in serving the student body and recognize that rising costs have increased UHS's operational expenses, we believe it is important to avoid burdening students with additional costs each year. Therefore, we recommend that UHS explore new funding opportunities and improve financial management.

We believe that exploring how to maximize the use of SHIP to alleviate students' financial pressure is a viable alternative measure. Most students pay high insurance fees annually, yet SHIP is not being billed standard amounts for medical services at the Tang Center.

We understand the financial challenges currently faced by UHS and suggest that they consider cost-saving measures or reallocating resources to better meet student needs. We encourage UHS to actively solicit student feedback to achieve this goal. Given the high demand for mental health services, we believe it is crucial for UHS to inform students on how to make the most use of existing resources, especially during peak times when counselors may not be immediately available.

We appreciate UHS's efforts and the time they allocated to attend HFAB meetings and, most importantly, serve the general student body. We are committed to working together with UHS to effectively meet the healthcare needs of students.

Graduate Assembly (GA)

We appreciate the work that UHS does to serve students and the time that representatives took to give thoughtful presentations throughout the year about their work. We understand that inflation has increased the burden on UHS in terms of employee payroll and other service costs. However, we are also mindful of the fact that students are also dealing with financial difficulties related to inflation and raising costs of necessities such as food and housing. We think it is important to not continue to place increasing financial burdens on students through annually rising fees.

As such, the GA would like to encourage efforts by UHS that may result in them identifying alternative funding for needed positions and working towards improved financial management. We were particularly concerned to learn that SHIP is not being billed the standard amounts for the provision of medical services within the Tang Center. The rationale provided for this was that this might lead to increases in student premiums. However, this does not seem to be certain, and we would encourage UHS to more fully explore options for maximizing billing to SHIP to relieve financial pressures on students.

We encourage UHS to think about ways in which costs could be cut, even to small degrees, or ways in which resources could be reallocated to best meet the changing needs of students. In certain cases, it may be acceptable

to support cutting of certain services or FTEs in favor of generating new ones that meet the ever-changing needs of current and incoming students. It seemed that some programs did not conduct very rigorous evaluation of their services, the utilization by students, and their impact. There was mention of some programs that were not very well-utilized by students, and yet there did not seem to be any critical assessment of perhaps moving these resources to other programs which are highly in demand.

We appreciate the challenges of the current financial climate and are committed to working collaboratively with UHS to ensure students' health needs are best served.

Committee on Student Fees (CSF)

CSF recommends that the Campus Health Care Fee be increased only to cover inflationary increases in staff salaries and benefits, such that current services would not suffer long-term. In our meetings with UHS faculty this semester, we did not identify any crucial positions or projects that would require raising the fee beyond the necessary levels. Additionally, HFAB has a surplus in its budget, and according to the [language of campus policy](#), fees are generally expected to keep a low carryforward.

We would also like to express concern about how little Berkeley SHIP is being utilized to cover service costs relative to other funding sources, including student fee funding. For urgent care and primary care visits in particular, we identified that SHIP is far from covering the gap between student copays and the full cost of the visit. In future semesters, HFAB will seek budgetary information from SHIP to ensure a deep understanding of the financial status of Tang and its various revenue sources. For now, we believe that shifting revenue away from student fees and promoting greater overall financial efficiency within UHS is in the best interest of UC Berkeley students.

We appreciate the time and effort that Tang Center faculty put into meeting with HFAB this semester, and we hope our recommendation reflects the needs of the current student community.

F. Additional Considerations

The Health Fee was first established to provide easy access and low-cost mental health resources for students, which at the time was a relatively new idea. This fee has been expanded over time to accommodate a wider variety of problems with an expensive health system. Post-pandemic, we have arguably entered a new era. The Tang Center receives roughly \$14 million from the Student Service Fee to fund various staff salaries and support a low cost of care. UC Berkeley also has a Student Health Insurance Plan (SHIP) exclusive to its campus with a relatively high price tag, around \$2000 per semester for undergraduates and around \$3000 per semester for graduate students. They are also currently building relationships with other third-party insurers to be able to directly bill these groups and expand the population they can serve easily, increasing future revenue streams for the center. As such, they can provide healthcare cheaply and accommodate students from a variety of financial backgrounds. They provide a myriad of services at no cost, albeit under certain circumstances and for specific groups, including therapists, wellness specialists, STI testing, prescriptions, and more. New projects, such as a mental health services navigator, are actively being tested and implemented to continue

increasing the quality of care. While there is always room for improvement, UC Berkeley's Tang Center provides some of the most comprehensive health services at the lowest cost of any UC campus. These are impressive changes and indicate a financially healthy medical center.

However, this also means the role of HFAB is changing. The Tang Center has ample resources to meet its needs, so the committee has turned its attention towards attempting to keep costs low for students. As reflected in the statements by each student organization, we are concerned about exponentially increasing fees and inefficiently utilized revenue sources. These concerns emerged during a meeting with a member of the Tang Center communications team in Fall 2023. This representative expressed that Tang Center was operating at a deficit that would be alleviated by raising the amount charged to SHIP and other insurances for urgent and primary care visits [from \\$35 and \\$15 respectively to around \\$100](#), varying with the nature of the visit. When we posed questions about why the billing amount was so low and how long they had been undercharging SHIP, no one was able to provide a satisfying response. We were not provided additional information about charges for other medical services.

This was an alarming update. Generally, hospitals receive most of their revenue from a combination of out-of-pocket and insurance charges, and SHIP is at best a market-price insurance plan and, at worst, a pretty expensive one. Given that 42.9% of the Tang Center's funding comes from campus student fees, SHIP being an underutilized resource raises the possibility that the Tang Center would need fewer student fee dollars if it adequately charged SHIP for the cost of its services. As in, if it treated the Student Health Insurance Plan like a health insurance plan. Furthermore, the center will increase its revenue through expanded capacity for third-party billing and increased charges to SHIP in the coming years. Due to these developments, this committee is expressing reservations about the continued expansion of this fee, which is raised more frequently and in higher increments than most other student fees on campus. The Health Fee is also developing a significant carry-forward, raising its balance from \$130,289 in 2019 to \$338,891 in 2023, which goes against [standard practice for student fees](#).

Despite this, we as a committee do not feel we have sufficient information to refuse to raise the fee level or decrease it in any way. We respect the long-term need for funding salary increases and the importance of easy access to healthcare, and have no desire to put anyone's job or access to medical services in limbo through pre-emptively decreased funding. We do not have budgetary information relating to the student health insurance and as such can only express serious concern as opposed to proof of its misuse. As such, we settled on a recommendation of 4.6%, slightly lower than the requested 4.9%, but in line with President Drake's recent approved salary increase for all UC employees to which the policy applies. Based on the provided data, we estimate this will create a deficit of roughly \$42,000 that the carryforward can easily cover. However, given the unexpected surpluses created by hiring delays in recent years, no deficit may occur.

In future semesters, the committee will request budgetary information related to SHIP as well as the standard revenue and cost breakdowns provided in previous years. We also request a more thorough explanation of how SHIP is run including major decision makers within and outside the Tang Center. We recommend that future members of HFAB spend down the carryforward and that they consider the expanding revenue sources of the Tang Center when fee increases are requested. We look forward to continuing to work with UHS staff to provide top-tier medical services at a low cost to students.