

ACHA Guidelines

Outsourcing of College Health Programs: Discussion Points

Outsourcing, or contracting for components of a college health program with an outside organization or individuals, has occurred at varying levels in the college health field, and there are as many broad permutations of outsourcing models as there are variety of models to provide college health. Outsourcing has proven to be a very controversial topic, yet as colleges and universities face increasing regulatory, programmatic, and financial pressures, a growing number of institutions are looking at alternative approaches to providing a comprehensive college health program.

The purpose of this document is not to encourage or discourage colleges and universities to outsource some or all aspects of their health services. Rather, it is designed to delineate critical factors that must be addressed by both the college/university and the outside contractor when considering full or partial outsourcing of a college health program. This document can also provide guidance to institutions who are considering resuming management of an outsourced college health program.

A college health program is an integral part of the campus community it serves and fully supports the academic mission, regardless of the organizational and financial structure under which it operates. ACHA's Framework for a Comprehensive College Health Program states that

college health programs play a critical role in the retention, progression, and graduation of students by providing access to and/or coordination of quality, affordable, convenient health and wellness services and programs delivered by professionals who are attuned to the unique stressors and needs of college students... These professionals blend an understanding of the needs of the individual student with the needs, objectives, and challenges of a specific campus community in a way that other providers cannot replicate.¹

ACHA's Framework defines a college health program as follows:

- Provides or facilitates access to a wide spectrum of services, which support the health of the individual

student and the campus community in its broadest sense.

- Is the principle advocate for a healthy campus community.
- Provides high quality services and participates in assessment and quality improvement.
- Educates students on navigating the health care system and aids with the transition from parent-guided care to self-care.
- Demonstrates that its services are delivered efficiently and effectively.
- Requires that all staff maintain professional competencies, work within their scope of practice, and adhere to codes of professional practice.
- Collaborates with community and campus partners to create a network of care and to leverage resources.
- Provides expertise on health matters to the campus.

These pillars discussed in the ACHA Framework should not be compromised by either party if they choose to enter into an agreement.

Definitions

In this document, the following operational definitions are used:

Contracting: A college or university creates an agreement with an outside entity (either an organization or individual) in which that entity provides a specific service. The college or university does not cede substantive control for the mission, scope of work, hours of operation, and other key factors for service.

Outsourcing: When one or more of the of the following is a component of the college health program, the program is considered to be outsourced:

- While mission, eligibility, and major organizational objectives are determined by the college or university, the day-to-day functions are the responsibility of an external organization.
- Most of the staff providing the services are not employees of the college or university.

- Medical records are owned by an external organization.
- The facility, website, and other program communications are co-branded with an external organization.

The contracting organization may receive a prepaid health fee or other funding allocation to provide services throughout a fixed period of time (e.g., semester, quarter, academic or fiscal year). An example of a common outsourcing arrangement is one in which student health services are outsourced to the university's medical school or health system.

Co-Sourcing: According to the website Service Futures,

Co-sourcing is such an approach through which organizations seek to mitigate risks and generate new value that can be converted to sustainable competitive advantages. It can best be characterized as a long-term, one-to-one business collaboration where business functions are maintained through the combined efforts of internal and external partners where both have a mutually vested interest in the outcome of the collaboration.²

An example of co-sourcing in the college health setting is a scenario in which the clinical providers at the health or counseling service are employed by an outside partner, while many of the administrative and support staff remain employees of the college or university.

Management Services Only (MSO): In a Management Services Only (MSO) setting, a contracting organization assumes responsibility for specific, non-clinical administrative support services. A health or counseling service that contracts with a local hospital or independent provider association to manage an electronic health record and/or practice management system is an example of the MSO application. Contracting with an insurance company for participating provider status, training for coding and billing auditing, submission of billing, and third-party payor revenue accounting is another example.

Transparency: Determining the Reason for the Discussion

ACHA strongly recommends that stakeholders have a transparent and open discussion on what effects outsourcing may have on the college/university and its students. The following important questions must be asked:

- Why is the institution considering outsourcing the college health program?

- What part or parts of the program are under consideration for outsourcing?

Additional questions may provide further clarification and make stakeholders aware of any potential issues or concerns:

- Is the current college health program/service losing money?
- Is the current program unable to provide adequate services?
- Are the students (and, if applicable, faculty and staff) unhappy with the current service?
- What options exist or do not exist in the community for a certain service or services?
- Is the university considering billing insurance? If so, to what degree and toward what end?
- Are other new services being added or considered?

When discussing the possibility of outsourcing, it is important that none of the stakeholders involved be surprised by or unaware of decisions being made. Crucial decisions should be carefully thought out, and stakeholders should have the opportunity to provide input. Stakeholders may include representatives from many parties, including but not limited to:

- Current college or university health center/counseling/health promotion staff, such as business manager or directors.
- Student affairs staff or the university department under which the college health program currently resides.
- College or university administration and/or leadership.
- Potential outsourcing partner, i.e., hospital or health care organization.
- Student government, student health advisory committee, and/or other relevant student groups.
- Faculty and staff (if changes involve their ability to use the service).

These meetings should express a genuine concern for both the best interests of the students and important programmatic and financial issues.

Regulatory Environment for Outsourcing

An important component for considering outsourcing and/or partnering with community health care providers is to evaluate the state jurisdiction regulatory environment. This is germane to both the operation of services and funding models, including insurance billing. Because each state has its own requirements, ACHA strongly recommends a review of current state legislation prior to entering an agreement.

Additionally, there may be aspects of insurance billing or other funding arrangements that require careful attention to federal and state statutes and regulations. Such concerns are beyond the scope of this document but should be carefully evaluated if the funding system for a contractor providing services for a college health program involves billing fee-for-service charges and/or billing students' health insurance plans.

Common Concerns for the Institution Considering Outsourcing Health Services

Confidentiality

A common concern raised by universities is patient confidentiality. Students are much less likely to seek care for sensitive issues at a health center if they are not certain that their information will not be shared with either their parents/guardians or the university. Therefore, it is vital to protect student confidentiality and that students are aware of these protections.

Variables surrounding confidentiality include electronic health records, billing insurance for services, and non-university employees caring for students. These issues need to be addressed in the early stages of outsourcing discussions:

- If the university health center is going to be converted to an electronic health record (EHR), who will have access to that information? Is the EHR part of a shared network?
- What safety features are in place to prevent unauthorized access to a student's health record?
- How is confidential information shared among treating providers?
- Are mental health records included in the general health record? If so, to what degree?
- How are communications between mental health and medical providers protected?
- Who owns the health records should the contract be terminated?
- How does ownership of health records affect the intersection between HIPAA/FERPA?

If the contracted service is going to bill insurance, there are other confidentiality issues to consider, such as:

- To whom will the bill for services be sent?
- Will there be balance billing for fees not covered by insurance?
- Will students without insurance coverage be able to access services equally at the health center?

- If applicable, who will cover the costs of the uninsured?
- What options are available for sensitive visits? Will tests done during sensitive visits be billed directly to the patient, paid by the patient by cash only at the time of the visit, or charged as a lump sum fee from the university to the health center vendor?

Integration into the Campus Community

It is important that the health program mission remain student-centered. For an outsourced or contracted service to accomplish this, they must become an integral part of the campus community.

Effective communication between mental health and medical providers must exist, whether or not either or both are outsourced. The health center must function as an active part of the division to which they report in the university. When discussing ways for this to happen, the college/university should consider the following:

- How will the college health program collaborate with other departments on campus? If separate, will counseling services be able to communicate with health services?
- Will contracted health center staff be considered university "staff"?
- How will the rest of the university view the health center or other parts of the college health program if they are outsourced? How will the university combat resistance to the contracted services, if such resistance exists?
- Will the health center staff be permitted or required to serve on campus committees? If so, on which committees will it be most useful for the college/university to include health center staff?
- To what extent will the medical director, director of counseling, or nurse supervisor be an active member on the college/university's students of concern committee?
- Will illness prevention and health promotion/wellness programs continue on campus and who will be responsible for these duties?

Student Recruitment and Retention

A college health program's impact on the college or university's student recruitment, retention, and academic success affects not only institutional and student learning outcomes, but the financial bottom line. Accordingly, this impact should be demonstrated through hard data, qualitative findings, and anecdotal examples. Questions to consider include:

- Could student admissions be impacted by outsourcing?
- Could student retention be affected for all students and/or subgroups?
- What impact does the college health program have on student academic success?
- Are there collaborative processes/programs in place with academic or other college/university student support departments (e.g., Residential Life, Office of Accommodations, Academic Advising, Internships and Practicums, etc.) that could be impacted?

Financial

Cost is a concern for all colleges and universities, whether they are considering outsourcing their college health program or not. The price of health care is increasing, and it has become more and more challenging to fund services on campuses. Many schools are forced to significantly increase their health fee and/or start billing insurance. The future of the Affordable Care Act is unknown at this time, and lack of insurance coverage for students may once again become a barrier to services. These factors must be considered when determining the cost of outsourcing:

- How will the contractor be funded? What business model will be used?
- Will the university charge a health fee, bill only at the time of service, bill only insurance, or use a combination of any or all of the above?
- What happens to students with large deductibles if insurance is billed primarily?
- As regulated by the state, what is the health service's ability to assist in payment of these services?
- How does the fee structure account for prevention and health promotion services that often occurs outside of clinic walls?

Management of Public Health Issues

College health is unique from other outpatient clinics in that it falls into the domain of both public health and acute care medicine. The openness of campuses, ease of international travel, the number of international students, resurgence of vaccine-preventable disease, increase in gun violence, and the rise of students coming to college with pre-existing mental health issues have shaped the public health and safety infrastructure and response on campuses today.¹ It is important when entering discussions with a contracted health organization that issues involving the health and safety of the entire campus community be discussed. Examples of those issues are:

- Who determines the immunization requirements for the university? Who will manage those requirements?
- Who oversees the planning and implementation of preventive campaigns for both physical and mental illness?
- Who develops campus health and safety policy?
- Who oversees management of health crises on campus?
- Will there be additional staff provided by the contractor in the case of a communicable disease outbreak or epidemic? Will this incur an additional expense and how with the college/university budget for this expense?
- Will the clinic work with other institutions, local health departments, or health agencies in times of emergency? Does the contractor have an affiliation with specialists in key clinical areas (e.g., infectious disease)?

Locus of Control

When using contracted services, college health program employees may be hired through a different human resources department. When developing a contract for services, it is important that the college/university maintains the right to be included in the interview, credentialing, and privileging processes, as well as a right to refuse hire if there is a significant concern. In addition, the college/university should outline in advance all non-negotiable expectations (e.g., hours, services, staffing, etc.)

Changes in Services

A common argument against outsourcing health services on college campuses is the threat of a decrease in services provided. As mentioned earlier, college health is unique. It functions as its own specialty with nuances that are best understood by those who have experience in the field. For example, prevention, public health, and health promotion constitute parts of a more holistic, wellness-centered philosophy that is highly prevalent in college health. The matter of scope of services should be discussed with potential vendors/contractors to determine how they plan to adapt their current services to align with college health:

- Will the contractor provide education to staff to ensure they are culturally competent in college student health concerns?
- Will contracted staff be able or required to attend local or national college health conferences?
- Will the contractor provide age-appropriate clinics for STI screenings or immunizations as needed in the population?

- How will the contractor measure that they are meeting the needs of the college population? Will they assess performance and satisfaction, and if so, how often and will the results be shared with the college or university?

Services Outside of Clinical Time

It is important for the institution to articulate other duties that may be required of employees of a college health program. These services could include, but are not be limited to:

- Admissions events/functions
- Parent interactions
- Engagement in study abroad programs and services
- Presentations to international students
- Residential living presentations
- New student orientations
- New faculty orientations
- Faculty/staff development session
- Flu clinics
- Health education/promotion campaigns and events

If contracted employees participate in these activities, how will the employee be compensated for their time? If the contractor is not willing to provide these services, will the service be assigned to a campus employee? If so, what oversight of the contracted organization and said campus employee is needed?

Expectations of the Contractor

It is critical that the contractor provides a clear understanding of their intent before entering the relationship with the college/university. Questions to be addressed include:

- Is the contract being put in place to foster health and wellness in the community (i.e., from a community benefit perspective)?
- Does the contractor intend to see net income (profit) from the direct relationship? In other words, will the college health operation return a positive contribution margin, and if so, what is the expected increase, and how will it be achieved? (This is different than overall potential increased referrals into the contractor's emergency department, specialists, surgical platform, behavioral health unit, etc.)
- Will the relationship with the college health program lead to other relationships on campus (e.g., faculty and staff health/wellness, athletics, behavioral health)?

Once the contractor has defined their intent in terms of community benefit and net income, the contractor needs to understand the goals of the university/college and how the contractor can help optimize the care and services provided to the students. Questions to be addressed include:

- Is the institution struggling with the rising cost of health care and looking to reduce expenses?
- Has the institution had a consultant recommend outsourcing for a specific reason or a variety of reasons (e.g., standards of care, quality, utilization, expense management, poor management etc.)?

In some cases, the contractor could improve both quality and/or continuity of care when a student becomes ill or injured on campus. The contractor must be prepared to explicitly describe how their services will improve student care and provide examples of how the relationship will be optimal for students.

The contractor should also conduct an analysis of their standard practices to ensure they align with the standard practices of a student health operation:

- Are the contractor's services accredited by an accrediting body (AAAHC or Joint Commission)?
- Is an electronic health record in place?
- How is student billing handled?
- How are sensitive visits for sexual violence, sexual health, or mental health-related diagnoses managed?
- Are medical providers being good antibiotic stewards?
- How is pain managed?

These factors will ultimately impact the relationship; therefore, it is good practice to understand standard practices up front and discuss areas that may be misaligned.

Reporting Structure

It is the view of ACHA that integration in reporting structure is vital to the success of an outsourced health center. An integrated reporting structure allows for continual evaluation of how well the joint venture is working, whether a university employee is placed in the reporting structure of the contracted service or a contracted employee is placed within the university reporting structure.

Continuity of existing reporting structures is also important. For example, if the director of health services has regularly scheduled meetings with the vice president of student affairs, that position (or its equivalent in an outsourced setting) should continue to meet with the vice president.

Factors to Consider with Transition

Change is difficult; if the decision is made to outsource, it is important that all parties be prepared to discuss impacts and nuances that may occur, especially if previous college health program employees are being retained by the outsourcing provider.

There may be positives for the health care providers, such as:

- Better medical malpractice coverage
- Access to the resources of a large health system
- Credentialing assistance
- Access to continuing education

Potential negatives could include:

- Loss of tuition remission/discount
- Change in human resource department policies and procedures
- Some loss of control
- Loss of employer discounts

Considering how each employee is impacted by the decision to outsource is important for the success of the partnership.

In addition, discussion of the calendar year is important:

- Are university holidays different than those of the health care organization, and if yes, how will this be reconciled?
- Will the health center remain open during breaks or will the employee be required to take paid or unpaid time off?
- If semester or summer break hours are reduced, how is this factored into pay structure for employees?

Length of Contract and Termination

In an outsourced health center setting, it is critical to ensure that there is continuity of service delivery, but there must also be the ability to change operations if the partnership fails to be successful.

It is recommended that the initial agreement be a 3–5-year contract with the ability to renew for an additional 3–5 years. This type of arrangement may not be possible if there are other state and local requirements. College health programs and contractors should work closely with their legal counsel and/or contract office.

Additionally, it is critical that there be a termination clause allowing either party to terminate the contract at any time due to non-performance, inappropriate actions, complaints, or other management or patient

care or service issues. The termination clause should typically require a 60–90 day written notice outlining reason for termination. Again, college/university legal counsel should be involved in the process to provide the proper timeframe to ensure compliance with any state or local requirements.

Closing Comments

ACHA recognizes that outsourcing is a very controversial topic in college health. This document should provide a starting point for discussion that is both transparent and collaborative. This document should also help to establish an honest recognition of the goals and expectations of all parties involved, help them to pay careful attention to the regulatory environment, and address staff and institutional concerns.

It is important to remember that regardless of whether a college health program is run by the college/university or is outsourced to a contractor, the staff are part of the college health community that ACHA strives to support with advocacy, education, and research. The staff of a college health program should be expected to provide exceptional health care, counseling, health promotion, and wellness services as outlined in the Framework for a Comprehensive College Health Program.

References

1. American College Health Association. Framework for a Comprehensive Health Program (2016). Hanover, MD: American College Health Association.
2. Service Futures. Co-sourcing: The new model for great business collaborations. Accessed at <https://servicefutures.com/co-sourcing-the-new-model-for-great-business-collaborations>.

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