

# Funding campus health and well-being: A balancing act

## The funding challenge for campus health and well-being

Colleges and universities are increasingly grappling with how to fund campus health and well-being services. Chronic and acute health conditions — especially the exponentially [growing number of mental health concerns](#) — can strain institutions' capacity and resources, create disparities in care and treatment that impede student success, and ultimately limit the institution's ability to meet its mission.

“Campus leaders must understand the four primary funding sources, recognize how they influence the delivery of campus healthcare, and think strategically about the right mix to support a sustainable funding model for their campus.”

### IN BRIEF

- Campus health funding is a critical aspect of the conditions that inform an institution's culture of well-being.
- Most colleges and universities rely on a combination of four primary funding sources for their campus health activities: private and institution-sponsored health insurance plans, campus health fees, general university allocations, and out-of-pocket payments.
- Each funding source influences the delivery of campus healthcare in different ways.

## Campus health fees

Many institutions charge a campus or student health fee. These fees, regardless of a student's insurance plan, are usually mandatory and range from less than \$100 to several hundred dollars per academic year. Student health fees fund campus public health, prevention, and population health services, which cannot be billed to health insurance. Programs as diverse as sexual assault education, infectious disease surveillance, opioid overdose prevention, and suicide prevention may also be funded by health fees.

This fee also funds primary medical and mental health care on some campuses. Indeed, most on-campus short-term and crisis mental health services are funded this way. In many cases, on-campus student health center services may be entirely or partially covered through the health fee, even if they would be covered through health insurance. For example, it is not uncommon for campus health units to provide flu vaccines free of charge even though, as a preventive service, the flu vaccine is typically covered by health insurance.

## General university allocations

A declining revenue source in recent years, general university budget allocations were traditionally used to fund prevention and, in some cases, counseling services. With few exceptions, units that provide campus health services are rarely revenue-generating for the institution. Universities may continue to subsidize these services by offsetting overhead costs, such as facilities for campus health clinics. As general university allocations decline as a reliable funding source, many campus health units must increase their reliance on other sources.

## Private and institution-sponsored health insurance plans

While most students are eligible for individual health insurance, not all are insured. Health insurance coverage reduces the potential for catastrophic medical debt, a leading cause of stopping out of school.

Most students must show proof of relevant coverage to enroll, such as access to care in the local university area, or register for the school-sponsored Student Health Insurance Program (SHIP). Considered a form of individual insurance, today's SHIP plans are often better alternatives for students than private health insurance programs. Their cost is often significantly lower than other forms of individual insurance due to the younger and healthier nature of the insured

student population. Notably, many campuses strive to remove barriers to care by moving their campus health fee to second-payor status with insurance to cover students' out-of-pocket expenses.

SHIPs typically have minimal to no cost sharing, particularly for behavioral health services, to reduce barriers to care. They usually have a national or international network to provide students with care at multiple locations, such as on-campus, at home, while interning, or studying abroad.

In addition, because students are the policyholders for a SHIP program, they are protected by medical privacy rules. This protection is an essential consideration for reproductive and mental health services, as some students may forego needed care rather than risk having their sensitive information shared with their parents, who are often policyholders of the student's private insurance plan.

On-campus healthcare services with billing infrastructure may generate revenue from billing private health insurance carriers.



## Out-of-pocket payments

For many students, out-of-pocket payments are required to receive healthcare services. Regardless of health insurance coverage, these costs can be significant for students and their families. This is especially true if students have a high-deductible health insurance plan or in-network care is unavailable near their institutions.

These realities can cause significant financial barriers to receiving care. Students are uniquely sensitive to these out-of-pocket costs and may delay or avoid healthcare and mental health services when they cannot pay.

Students who hold traditionally marginalized identities are often disproportionately affected by barriers to care, leading to health disparities among the most vulnerable members of the campus community.

The mix of funding sources will be unique to each college and university and depends on its organizational structure, budget model, and campus health philosophy. Institutional leaders must think strategically to balance campus health and well-being costs and attendance costs, staying ever-mindful of the short- and long-term impacts of delayed care on student health and well-being.

To discuss the factors unique to your institution's campus health and well-being strategy and begin creating a path forward, [contact our team](#).



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