

Haverford College
Healthcare Principles and Practices

- 1) **We intend to seek and maintain quality in our medical benefits plan within the financial realities of the College.**

This currently includes a clinical dental program that provides essential medical services without cost to employees.

- 2) **We wish to encourage basic and preventive care, including incentives to foster wellness among all members of the College community.**

We sponsor periodic wellness fairs and health screenings, encourage employees to take a day off with pay in order to get a physical examination and the related tests, and offer a \$100 reimbursement for successful completion of a smoking cessation program that is not otherwise covered by insurance.

- 3) **We wish to provide employees with a substantial degree of freedom in selecting physicians while we link the physician selection decision with appropriate financial responsibility.**

We currently offer multiple managed-care options (a PPO, POS, and HMO), two of which provide for out-of-network coverage at a higher out-of-pocket cost to the subscriber. The High Deductible Healthcare Plan is an alternate PPO insurance model which increases subscriber freedom in selecting providers for reduced premium, in exchange for greater financial responsibility for plan utilization up to the level of the deductible.

- 4) **Fiscal responsibilities of the College may require employees to assume a larger portion of their medical costs. When that time comes, we would propose changes in cost-sharing that will not place an undue burden on lower-paid employees of the College.**

It is likely that at some point employees will have to bear an even larger share of medical costs, either by paying for a greater portion of insurance premiums or by assuming larger co-pays or out-of-network deductibles.

- 5) **We seek to offer subsidies for dependent coverage. When changes must be made in cost-sharing arrangements, we would consider reducing somewhat the substantial subsidy we currently provide to those with dependent coverage and/or initiate cost-sharing for those with single coverage.**

Effective July 1, 2009, each employee will contribute to the individual medical insurance premium. The College will pay between 95% and 85% of the individual premium based on income level, with the employee cost-sharing the balance of 5% to 15% of the individual premium. There is a three-tier structure for the cost-sharing of dependent coverage premiums. The College contribution to dependent coverage will be 85% for the lowest paid tier; 80% for the middle tier; and 70% for the highest-paid tier.

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