JIU/NOTE/77/2

Note on Health Insurance Schemes in the United Nations System

Prepared by
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Joint Inspection Unit

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Geneva
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GE. 77-7165

FOREWORD

The report on health insurance in the United Nations system involved the collection of extensive data from various organizations relating to the terms and conditions of health insurance in its various aspects. This proved a time-consuming exercise, due to the absence of relevant data on several points from some organizations, which increased the difficulties of dealing with the subject. The data reviewed had to be checked by visits to the larger organizations in the course of which opportunity was taken to discuss the issues with the organizations' officials in charge of administering health insurance schemes and with representatives of the staff associations.

In view of the technical nature of the report, it has been decided to issue it as a 'note'. Given the importance of the subject, the Joint Inspection Unit hopes that the note will be considered by the Administrative Committee for Co-ordination and that the results of their examination will be communicated to the International Civil Service Commission and also to the Joint Inspection Unit.

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Annex IV.1 - BENEFITS AND SERVICES UNDER HEALTH INSURANCE SCHEMES OF THE UNITED NATIONS SYSTEM

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Annex IV.3 - BENEFITS AND SERVICES UNDER HEALTH INSURANCE SCHEMES OF THE UNITED NATIONS SYSTEM

GLOSSARY

1. United Nations Headquarters Health Plans

- United Nations Blue Cross/AETNA/Major Medical No. 1.

- United Nations Blue Cross/Health Insurance Plan/Major Medical No. 2

  Blue Cross is the Hospital Component of both plans

  Major medical, common to both plans, is provided by the AETNA Life and Casualty Insurance Company.

  AETNA provides the base coverage in the main plan, and the Health Insurance Plan of Greater New York (HIP) provides it in the smaller plan.

  Dental coverage is provided separately by one plan offered by Group Health Incorporated.

- The third United Nations plan is the United Nations Group Hospital and Dental Insurance Scheme (GMHDIS), provided by Commercial Insurer.

2 United Nations, Geneva

- MISSA - Mutual Insurance Society against Sickness and Accident (self-financed).

3. ILO/ITU

- SHIF - Staff Health Insurance Fund (self-financed).

4 WHO

- SPIP - Staff Health Insurance Plan (self-financed).

5. WIPO

- CMSE - Caisse Maladie Suisse d'Entreprises (commercial group scheme).

6. UPU

- CPI - Caisse Maladie du Personnel de la Confédération et des Entreprises Suisses de Transport (non-profit group scheme).

7 FAO

- BMIP - Basic Medical Insurance Plan (voluntary commercial group scheme).
- MMBP - Major Medical Benefits Plan (voluntary commercial group scheme.
- ENPDEDP - Ente Nazionale de Providenza per Dipendanti da Enti di Diritto Publico (state scheme).

8. UNESCO

- MBF - Medical Benefits Fund (self-financed).

9. IAEA

- FMIP - Full Medical Insurance Plan (group commercial policy).
- AHIS - Austrian Health Insurance Scheme (state scheme).
- SMIP - Supplementary Medical Insurance Plan (commercial group policy for staff covered by AHIS).
- TDIP - Temporary Disability Insurance Plan (commercial group policy).

10. UNIDO

- FMIP - Full Medical Insurance Plan (group commercial policy).
- AHIS - Austrian Health Insurance Scheme (state scheme).
- SMIP - Supplementary Medical Insurance Plan (commercial group policy for staff covered by AHIS).
- TDIP - Temporary Disability Insurance Plan (commercial group policy).

11. IMCO

- BUPA - British United Provident Association (U.K. National Voluntary Commercial Scheme).

12. ICAO

- QHIS - Quebec Hospitalization and Health Insurance Plans (state scheme).
- Great West - Supplementary voluntary scheme underwritten by Great West.

INTRODUCTION

1. All organizations and agencies in the United Nations system by their Staff Rules and Regulations have an obligation to provide social security protection for its staff.

2. Health insurance should be seen as one part of the total social security arrangements for international civil servants; the other parts comprise pension, survivors' benefits and compensation plans for service-incurred death, injury and illness.

3. According to the information received by the Inspectors, there have been to date only two system-wide studies of the United Nations Health Insurance Schemes; one submitted in May 1972 to the Special Committee for the Review of the United Nations Salary System (A/AC.150/CRP.78) and the other undertaken by the FICSA Standing Sub-Committee on Health Insurance and submitted to its member bodies in April 1974. Both went into the issues involved and made a number of constructive suggestions including the establishment of a standing inter-organization consultative body whose function would be to exchange information on policies and practices as a first step in developing a common health insurance scheme. As far as the Inspectors know, none of these reports and recommendations have been followed up. In February 1976, a comparative study of the health insurance schemes in operation in the Geneva-based organizations undertaken by a consultant for World Intellectual Property Organization (WIPO) highlighted continuing differences.

4. One of the difficulties in a study of this type is the apparent lack of a coherent and uniform social policy and as a result each organization has acted according to its own constraints, with the result that there are wide differences in the health insurance schemes in each organization. Even in Geneva, there are four separate schemes and these differ substantially.

5 Due to soaring health costs, the financial position of all these individual schemes is becoming increasingly vulnerable which results in a potentially increased burden for all organizations and their staffs.

6 Another difficulty lies in the complexity of the schemes and the labyrinth of complex regulations that form the basis of the schemes. It is not the object of this report to examine the various regulations in detail. This would require as a pre-requisite decisions on many questions of policy and principle, as well as actuarial calculations. Instead, the report outlines the main problems and differences and proposes broad policies and a procedure for their resolution. The study concludes with one major recommendation - the creation of an Inter-Agency Health Insurance Committee to examine the findings outlined in this report and to devise a common system for health insurance which might be introduced first in Geneva, and later extended to other duty stations. A number of specific proposals are made in this report for consideration by the proposed Inter-Agency Committee.

I. KEY ISSUES OF HEALTH INSURANCE PROGRAMMES

7. The provision of means both to obtain and pay for quality health care where and when needed is widely recognized as a community responsibility. In many countries, this responsibility is either assumed by the state, by the employer, or by both. Unless special arrangements are made to the contrary, normally all staff members on becoming United Nations employees, leave the social security schemes of their home countries. One notable exception is the United States of America (USA), where United Nations employees may remain members of their social security schemes. All the organizations in the "common system" have some kind of health insurance arrangements for staff and their dependants, jointly financed by contributions from the organizations and the staff. According to the latest available statistics (1975/1976), the total United Nations health population covered by basic health insurance schemes was 86,300 persons, excluding UN/HQ/GMHDIS (Van Breda) Plan for which no data was available. Of these at least 35,000 were active staff members, 3,000 were pensioners and 47,000 were dependants (i.e., over 50 per cent). At least 61 per cent (53,000) of the population belonged to self-administered schemes, the rest being divided between national, non-profit or commercial schemes. These figures are approximate, due to the inability of some schemes to provide the data.

A. Types of Schemes

8. The health insurance arrangements vary enormously between the organizations. Appendix I provides in synoptic form a description of the schemes offered. There are four types of schemes:

(a) Self-financed and self-managed schemes

The following organizations run such schemes:

- United Nations Office at Geneva (UNOG) covering Economic Commission for Europe (ECE), General Agreement on Tariffs and Trade (GATT) - International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP) (Geneva Office), Office of the Disaster Relief Co-ordinator (UNDRO), United Nations High Commissioner for Refugees (UNHCR) (field staff only), United Nations Relief and Works Agency for Palestine Refugees (UNWRA) (Geneva Office) and World Meteorological Organization (WMO) (headquarters staff only).

- United Nations Educational, Scientific and Cultural Organization (UNESCO), covering the United Nations Information Office in Paris and International Civil Aviation Organization's (ICAO) Paris Office.

- International Labour Office (ILO) - International Telecommunication Union (ITU).

- World Health Organization (WHO).

(b) Schemes underwritten by outside carriers

These are of two types - non-profit-making or profit-making schemes or a mixture of both. The following have schemes organized by outside carriers:

United Nations Headquarters GMHDIS plan which covers:

- all the project personnel of the United Nations, WMO, Inter-Governmental Maritime Consultative Organization (IMCO), ICAO.
- the majority of IMCO headquarter staff (London).
- Food and Agriculture Organization of the United Nations (FAO) General Service Staff and staff of the ILO and International Atomic Energy Agency (IAEA) posted at Washington and New York.
- Internationally recruited staff of UNDP and United Nations Children's Fund (UNICEF).
- United Nations Environment Programme (UNEP), Economic and Social Commission for Asia and the Pacific (ESCAP), and Economic Commission for Western Asia (ECWA).
- United Nations Information Centres world-wide (except Paris).
- United Nations field staff and United Nations staff serving with field political missions.
- field staff of FAO and United Nations Industrial Development Organization (UNIDO).

The ICAO headquarters staff may be members of a scheme supplementary to the state scheme.

(c) National or state schemes

- In Switzerland, the Universal Postal Union (UPU) and WIPO are affiliated to state-subsidized schemes.
- In Italy, the FAO has some categories of staff affiliated to a state scheme (ENPDEDP), but, as the national scheme is being re-organized, it may be that this local staff will have to affiliate with the existing commercial schemes.
- In the United Kingdom, the staff of IMCO being resident are freely covered by the British National Health Service, should they wish to use the facilities.
- In Austria, UNIDO has certain categories of personnel who are affiliated to the state scheme.
- In Canada, all headquarters staff of ICAO are members of QHHIP.

In addition to the state schemes, personal supplementary commercial schemes are available.

(d) Medical assistance plans

In small duty stations where no state health insurance scheme is available for locally-recruited staff, the employer organization normally pays 50 per cent of the costs of health care for the staff member and his dependants, without payment of premium. The United Nations does this through a Medical Expense Assistance Plan which also offers 80 per cent reimbursement for maternity care.

9. Organizations that have adopted commercial schemes and the companies concerned have stated the advantages of such schemes to be as follows:

(a) Smaller organizations, with no contingency reserves and no experience, benefit from the experience of competent insurers;

(b) Professional insurance companies are more efficient and reimburse more quickly than self-managed schemes;

(c) There are no direct management costs as they are included in premiums. Since salaries paid in commercial companies are usually lower than United Nations salaries, and since commercial companies have more experience and larger volume of business than individual United Nations organizations, their management costs may be lower;

(d) There are no "hidden" costs, whereas in self-administered schemes, the administrative costs which are borne by the organization concerned are difficult to identify; (in the UNESCO scheme, part of its deficit is attributable to the administrative costs of the scheme).

(e) The administration of the scheme is independent of both the organization and the staff member and this helps to avoid conflict in "border-line" claims;

(f) In certain regions, the health coverage is so complicated that only professional outside carriers can cope, e.g., in the United States, where the need for deposits before entering a large number of hospitals, subsequent claims, verification procedures, cost control procedures, actuarial studies, etc., demand professional competence.

The disadvantages of commercial schemes may be summarized as follows:

(a) Premiums are higher in commercial schemes;

(b) In the light of the evolution of the philosophy of social security in recent years, particularly in Europe, where most United Nations organizations have their headquarters, there is a reluctance to accept schemes particularly for health insurance, which are profit-making.

(c) Experience in certain organizations has shown that [illegible] year premiums are subsequently raised, sometimes substantially. FAO, United Nations Headquarters New York and the UNESCO supplementary schemes have all experienced this; FAO's premiums were increased in 1975 by 123 per cent and United Nations Headquarters New York by 69 per cent between 1 January 1974 and 1 January 1976. The IAEA and UNIDO contracts with commercial insurers specify that premiums may be revised whenever profits are less than 15 per cent, but increases are limited to 25 per cent in any one year;

(d) In a deficit year, it is extremely difficult to seek better terms elsewhere;

(e) Being governed by a contract, the conditions are usually rigid and cannot take into account personal difficulties;

(f) Organizations still have to provide some costly administrative services (in FAO, a portion of these costs are borne by the commercial insurer).

10. As far as self-administered schemes are concerned, the advantages may be summarized as follows:

(a) Control of the scheme rests in the hands of the organization and staff;

(b) Premiums are lower than for commercial schemes;

(c) Any profits can be used to improve benefits, conditions or reserves, or to lower premiums;

(d) Benefits are in general better than for a commercial scheme;

(e) A more personalized approach can be given to particular cases;

(f) Problems can be sorted out quickly on the spot.

11. The disadvantages of a self-administered scheme are as follows:

(a) Administrative costs may be high, either to an organization which bears the total costs or to the scheme itself (e.g., UNESCO experience);

(b) A self-administered scheme is not practical for small organizations, due to lack of risk spreading;

(c) It is financially precarious unless there are substantial reserves or a re-insurance;

(d) Reimbursement delays may be longer than in a commercial scheme, because of lack of experience, lack of use of computers, etc.;

(e) It is harder to devise and apply world-wide standards than it is for a commercial insurer with operations in many countries.

12. The relative merits and demerits of self-administered schemes compared to commercial schemes are difficult to assess because of the wide differences between schemes. However, if self-administered schemes could be unified in a single scheme, with variations to accommodate local circumstances, their advantages would probably be decisive. In Europe, the ILO/ITU and UNOG self-administered schemes have asked for bids based on the same conditions they now offer and the proposals given were unacceptable, offering fewer benefits or higher premiums, or both. However, the Inspectors cannot ignore either the fact that the good financial health of most self-administered schemes is due to: (i) the field staff claim less than headquarters staff, and therefore subsidize the schemes and; (ii) the organizations bear the total administrative costs and the one scheme that has not done so (UNESCO) is in financial difficulties partly for this reason. At least two self-administered schemes (ILO/ITU and WHO) seem to be able to provide management that is just as sophisticated and expert (in terms of claims, verification, analyses, etc.) as any commercial insurer. Moreover, the fact that relevant data is available on call to the organization, its staff and the management of the scheme, is a distinct advantage. Among the European-based organizations, there seems to be a distinct view that the margin of profit of a commercial scheme or that of its brokers, could be more profitably used by a self-administered scheme to hold premiums and improve benefits and conditions. The situation is the reverse in the United States of America, where the medical cost environment and administrative costs involved would make a change at present from a commercial to a self-administered scheme, if not impossible, extremely difficult. However, the majority of United Nations staff world-wide is covered by self-administered schemes.

13. While the Inspectors would not wish to pronounce themselves categorically in favour of one particular type of scheme at this stage without further and detailed technical examination, they are of the definite view that, for the following reasons, it is desirable for the United Nations system to adopt self-administered health insurance schemss on the widest possible basis:

(a) The United Nations organization constitutes a single family of nations. Staff members serving the various organizations likewise constitute a single entity serving the international community. Recognition has already been given to this principle in the evolution of what is known as "the common system", in which salaries and emoluments, grades and pensionary benefits of international civil servants, irrespective of the organization of the United Nations family which they serve, are governed by the same or identical regulations. Health insurance benefits are a part of the overall social security provided to international civil servants and there is no reason why, as in the case of pensions, these also should not form part of the common system, due regard being paid to the existence of differences in health conditions in the milieus in which they serve. Such uniformity of treatment as regards health insurance can best be assured by having self-insured or self-administered schemes covering many organizations and large numbers of international civil servants;

(b) It is the common practice among governments that being large owners of property, they do not insure government property; and they also undertake other forms of self-insurance, on the principle that governments become their own insurers and instead of paying large premiums to insurance companies they in effect pay these to themselves. Though the analogy is not complete, the application of similar principle in the case of health insurance will not be inappropriate, provided that United Nations organizations get together and membership of the insured is sufficiently large to place the self-administered scheme on par with that administered by a commercial insurance company;

(c) The differences in the specialized internal procedures of organizations of the United Nations system should not be an obstacle to a common approach to health insurance, just as they are no obstacle to a common system. Indeed, the joining together of as many organizations of the United Nations system as possible to establish a health insurance scheme for their personnel would be a desirable and even essential demonstration of the oneness of the United Nations family and a further extension of the common system to which they have already subscribed;

(d) Provided the number of persons covered by a self-administered United Nations health scheme is large and the scheme is administered efficiently with a small but trained staff and with the help of computers, there is no reason why a self-insured scheme should be more expensive or more dilatory in providing the services than a commercial scheme. Indeed, it should be less expensive, since, unlike commercial organizations, it could plough back what would be profits in a commercial scheme, into the self-administered scheme, so as to reduce premiums and/or increase benefits. The experience of the ILO/ITU and WHO schemes shows that self-administered schemes can be administered in an efficient and sophisticated manner;

(e) The Inspectors would regard it as a desirable aim that there should be a single scheme covering all international civil servants belonging to all United Nations organizations (and non-United Nations governmental organizations who may wish to join) whether posted at the headquarters of the organizations or in the field. However, this for some time at any rate can only remain an ideal, as practical problems have to be taken into consideration. For example, the medical and particularly the hospitalization situation in New York is such that United Nations Headquarters and other United Nations bodies located in New York and other places in the United States have to have a separate health insurance scheme for their staff members. Likewise, the smaller organizations, situated in centres where there is not a large conglomeration of international civil servants, may prefer to remain under the national health scheme or a commercial scheme until such time as a single world-wide health insurance scheme becomes a realistic possibility in the United Nations system;

(f) The Inspectors would suggest that as a first step the Geneva-based organizations combine and evolve a single health insurance scheme for all personnel serving these organizations in Geneva and in the field, and the personnel of such non-United Nations organizations in Geneva as may care to join such a scheme. They consider that a self-administered scheme for Geneva-based staff is practicable; it would cover over 40,000 persons, and if Geneva-based non-United Nations organizations join in, then the number would be much larger;

(g) The health scheme for Geneva-based officials in the United Nations system if successful could become the nucleus of a much larger scheme to which later other organizations located elsewhere could subscribe. The success of any such scheme would depend on the willingness of the organizations to join together with others in a common scheme and to give up their particular schemes;

(h) The Inspectors would urge the acceptance in principle of the suggestion for a single health scheme for all personnel of the United Nations system located in Geneva, to be followed by an expert study to work out the details of such a scheme, including the fixation of premiums and benefits on a uniform basis.

B. Basic and Supplementary Schemes

14. All the health schemes of the United Nations system provide for both basic and supplementary benefits. The latter are designed to cover major medical expenditures, whether for chronic illness or emergency care, or to provide or improve upon benefits not covered by basic schemes.

15. Five supplementary commercial schemes - FAO, IAEA, UNIDO, UPU and WIPO require additional premiums. UNESCO had, until October 1976, a commercial supplementary policy which may be re-negotiated and feels strongly that the word "supplementary" should apply only to an additional, separate, usually commercial scheme. With the exception of the five organizations mentioned above, in all other schemes, the supplementary benefits form an integral part of the major scheme.

16. Only the ILO/ITU scheme applies its supplementary benefits to all categories of care without exception (within individual maxima in certain cases). All other schemes restrict supplementary benefits to a more or less comprehensive list of categories.

17. The cover provided and the application of the benefits vary widely from scheme to scheme:

(a) In the UNOG scheme, once costs exceed SF 2,000 (per category of care/total per annum) 80 per cent of the remainder to an annual maximum of SF 25,000 is reimbursed. This amount is renewable under certain conditions but in fact there has never been a request for such a renewal;

(b) The ILO/ITU and WHO self-administered schemes and the IAEA and UNIDO commercial schemes reimburse 100 per cent of the amount not refunded by the basic scheme whenever this amount exceeds 5 per cent of the net annual salary of the staff member, up to $ 35,000 per family per year, renewable;

(c) The UNESCO scheme reimburses 100 per cent of the amount not refunded under a basic scheme when such expenses exceed a given proportion of such salary, according to a sliding scale, with no upper limits;

(d) The FAO scheme reimburses 80 per cent of extra costs after the basic reimbursement, up to a maximum of $ 15,000 per person in any 12 successive months;

(e) All United Nations Headquarters schemes, after a franchise (deduction) of $ 75 per patient per year reimburse 80 per cent (100 per cent for in-hospital care) of costs up to a life-time maximum of $ 250,000 per patient. In the United Nations GMHDIS plan, the annual maximum is $ 30,000 per patient, renewable.

18. The question of reinsuring or "stop loss" insurance for major medical expenses provided for by supplementary schemes, has been examined by some organizations for claims exceeding a certain annual aggregate (UNOG: SF 60,000; ILO/ITU: $ 40-60,000) but the terms offered by commercial insurers have been prohibitive. In the ILO/ITU scheme, as a percentage of total reimbursements, supplementary benefits amounted to:

1972	-	4.12%
1973	-	3.18%
1974	-	3.31%
1975	-	4.26%

In the WHO scheme the figures were:

1974	-	1.99%
1975	-	1.44%

Those schemes that provide merely for an initial or annual franchise seem to be capable of making payments of supplementary benefits more quickly than those that require an expenditure of 5 per cent or more of annual income before a payment is due, although they may reimburse less generously than the latter schemes.

19. The evidence suggests that supplementary schemes are rarely utilized, but they do provide essential insurance. There would be therefore a case for supplementary benefits forming an integral part of the basic schemes with a total ceiling per person per year or case, without causing an extra financial burden. The question of abuses, franchise, etc., will be dealt with later.

C. Compulsory/Voluntary Participation

20. Participation is compulsory in the following schemes: ILO/ITU, UPU, UNESCO, WHO, FAO (basic plan), IAEA, UNIDO (project personnel) WIPO and ICAO (QHHIP). Most organizations exempt staff members from compulsory insurance in exceptional cases if they have alternative comparable coverage. IAEA and UNIDO exempt those staff who are affiliated to the Austrian national scheme. IAEA, ILO and FAO allow their staff working in New York to join one of the United Nations Headquarters plans whose coverage, especially for hospital care, is superior to their own. WHO allows for no such exemptions from membership, and pays the balance of amounts not otherwise reimbursed.

21. Participation is voluntary in the UNOG self-administered scheme and in the commercial schemes in United Nations Headquarters (GMHDIS), the basic and supplementary constituting for this purpose a single scheme.

22. Participation is voluntary in supplementary schemes, even if compulsory in the basic schemes in the WIPO, UPU, FAO/MMBP, IAEA/SMIP + TDP and UNIDO SMIP + TDP (the IAEA and UNIDO schemes being applied to local staff affiliated with the Austrian national scheme), ICAO/Great West, IMCO/BUPA, IMCO/GMHDIS. In addition, for all schemes, the participation of pensions in both basic and supplementary schemes, is voluntary.

23. Only the United Nations Headquarters and Geneva permits its staff the option of being insured or not. Most of the schemes adopted by the Organizations in Europe reflect the social legislation in the countries in Europe where they have their headquarters and where affiliation with social security and health insurance schemes has been mandatory for many years. The United Nations voluntary scheme has the advantage of avoiding double payment by staff who are insured elsewhere or by spouses who work outside the United Nations and are covered by their spouse's outside employer.

24. Since well over 90 per cent of the United Nations Headquarters staff and 92 per cent of UNOG's staff with contracts of six months or more are affiliated to their respective schemes and compulsory insurance ensures a greater spreading of risks, membership of health insurance schemes of United Nations organizations should be compulsory with the in-built provision of exemption if the staff member can provide proof of adequate cover in another comparable scheme. The fact that membership in United Nations Joint Staff Pension Fund (UNJSPF) is compulsory for all staff members who qualify lends support to compulsory membership of health insurance schemes.

D. Geographical Coverage

25. With two exceptions - UNOG and WIPO - all health insurance schemes of the United Nations system, whether they be self-administered or commercial, have world-wide geographical coverage. In principle, the UNOG scheme is world-wide, but it bases its hospitalization benefits on Geneva rates, using its supplementary benefits scheme for any excess costs. For WIPO, world-wide coverage is possible but necessitates the payment of an extra premium. The Inspectors believe that realistic world-wide coverage is essential for all schemes of the United Nations system.

E. Membership

(a) Active Staff

26. The criteria for participation in health insurance schemes are very disparate both in terms of the minimum period of appointment necessary to qualify for participation and of the categories of staff (regular staff, short-term staff, project personnel, etc.), and in the type of benefit available to them.

27. The shortest qualifying period for membership of a health scheme is three months in WIPO, UNIDO and United Nations Headquarters. In UNOG six months and in ILO/ITU, WHO, FAO, UPU, UNESCO and IAEA it is one year.

28. For short-term staff who do not qualify for participation, WHO, WMO, UNESCO, ILO/ITU, FAO, IAEA and UNIDO use outside commercial schemes. UNOG allows its short-term staff to join its main scheme (MISSA) but excludes them from supplementary benefits and accident cover. IAEA and UNIDO provide a separate Van Breda scheme for non-Austrian short-term staff. The Austrian short-term staff are covered by the national scheme, although they may become members of the supplementary scheme.

29. Project personnel: all organizations provide some scheme for project personnel with contracts of one month or more (United Nations Headquarters and FAO) or up to one year (ILO/ITU). The cost of coverage varies widely and the commercial (Van Breda) schemes of FAO, IMCO and United Nations Headquarters (also covering UNIDO project personnel) which are available also to other categories of personnel in other organizations, are more costly to the expert than some of the schemes of other agencies.

30. There is a similar variety of arrangements for health insurance coverage of staff on leave without pay or transferred to and from other organizations.

31. The above shows that these disparities, even between organizations located in the same city (Geneva, Vienna) and even using the same commercial broker (IAFA and UNIDO), cannot be conducive to harmonious inter-agency staff relations in the field, nor indeed within the same organization, where some categories of staff have more advantageous treatment. The simplest and best solution would be to follow the example of the ILO/ITU scheme and to provide that once a participant has joined the scheme, there be no discrimination in terms of benefits or premiums. The Inspectors consider that staff members should have contracts of at least six months' duration to be eligible to join the Health Insurance Scheme.

F. After-Service Coverage

32. All health insurance schemes of the United Nations system provide for the continuation of subsidized health insurance without reduction of coverage for those who retire (at age 55 or more), for their eligible family members, for the survivors of staff members who die in service or who die as a pensioner, providing such staff members or pensioners were insured for a given period before separation, normally ten years. Under the United Nations Headquarters schemes, however, such after-service coverage for locally-recruited General Service staff, their families or survivors, applies only in Geneva, London, Paris, Rome, New York, Washington, and in Economic Commission for Asia and the Far East (ECAFE) and Economic Commission for Latin America (ECLA). Those working in many United Nations Information Centres, in field duty stations of UNDP and UNICEF and certain other areas, have no such after-service coverage.

33. Where the minimum period of membership is not served, there is usually some provision for continuous, but unsubsidized coverage with either reduced benefits or severely limited in time without reduced benefits, usually between three and six months. The same type of after-service coverage is available for staff members who retire regardless of age with a disability pension from the UNJSPF and/or with a periodic compensation benefit payable as a result of a service-incurred injury, accident or illness. In the ILO/ITU and UNESCO schemes, no qualifying period of membership is required where a disability pension or periodic benefit is payable. In FAO, on the other hand, the qualifying period in these cases is three years and at UNOG and United Nations Headquarters, five years.

34. Any period of in-service insurance with any other organizations of the system prior to employment with UNOG, ILO/ITU, FAO, UNESCO, IAEA, UNIDO and United Nations Headquarters, are automatically recognized as part of the qualifying period for after-service coverage under their own respective schemes. WHO only accepts this provision where there is reciprocity.

35. Given that the UNJSPF provides for the automatic recognition of service in any of the common system organizations, the Inspectors consider that similar arrangements should apply in the field of health insurance.

G. Coverage of Families

36. Providing they receive a family allowance under the organization's staff rules, and that they were already insured at the time of the staff member's separation or death, as the case may be, all family members or survivors of staff members, active or retired, are covered by all schemes. As regards dependent children up to the age of 21 or up to the age of 25 or even 26 as long as they are enrolled full-time in an educational institution, IAEA and UNIDO require that the dependent child reside with the staff member (an adult premium rate in these organizations is charged from the age of 16 and is higher for girls than boys). UNOG, ILO/ITU, FAO, further specify that they must be unmarried. UNOG, WHO, IAEA and UNIDO also accept partially-dependent children, i.e., with part-time earnings. Most schemes cover dependent disabled children, regardless of age, with the exception of IAEA, UNIDO and United Nations Headquarters.

37. UNOG, ILO/ITU, WHO, FAO, UNESCO, IAEA and UNIDO also accept secondary dependants (i.e., mother, father, brother and sister) - in ILO/ITU, only the two former, as long as the staff member has no primary dependants and they therefore receive family allowances under the staff rules or benefit from the UNJSPF or a staff compensation fund. UNOG only allows one secondary dependant at a time.

38. Only IAEA and UNIDO allow household members who are not family members and who cannot join the national scheme to be covered by their scheme, on payment of an additional premium.

39. The Inspectors note that family members in ILO/ITU, WHO, IAEA, UNIDO and WIPO are called "dependants", in UNOG and UNESCO "protected persons" and simply "family members" in the FAO and UPU schemes. UNESCO classifies retired staff members and certain other categories of staff as "associate participants" and UNOG has a special group called "specially protected persons", covering disabled children irrespective of age, and secondary dependants, the latter receiving fewer benefits.
The decisive criteria in most organizations is the receipt of a family allowance under the staff rules and regulations, and the Inspectors endorse this criteria.

40. Since post-secondary full-time education seldom ceases at the age of 21, and costs for this age-group are minimal, the Inspectors feel that, as an exception when no other insurance is available, coverage should be extended to age 25, conditional on full-time education. Concerning the IAEA, UNIDO and United Nations Headquarters schemes, the Inspectors believe that dependent disabled children regardless of age should be included. Furthermore, whilst noting similar provisions in the local Austrian national scheme, the Inspectors see no justification for the IAEA and UNIDO schemes to discriminate between male and female and children above or below 16 years of age.

H. Franchise

41. The use of a franchise, i.e., the non-payment by the insurance scheme of a fixed amount or percentage of each claim or the first claim, is present in a number of schemes and the amounts vary considerably. Some consider franchise as a method of limiting claims and as a means of prevention of abuse. However, a franchise technique could be used both to reduce administrative costs and to place emphasis on major, instead of minor risks. Every claim requires the completion of forms, computer-processing, accounting work and payment, and is costly and the reduction of claims saves money. In Switzerland, certain commercial schemes have now introduced a franchise to limit unnecessary visits to the doctor. Although fixing a suitable amount of franchise and the amounts of benefits payable after the franchise is exceeded is met, would require an actuarial study, the Inspectors would like consideration to be given to such a scheme by the proposed Inter-Agency Committee. Such a scheme could work as follows:

(a) In any calendar year, there would be no reimbursement for the first claim up to an amount which would be a percentage of a member's contribution to the scheme. Thus, the franchise would be higher for better-paid staff and lower for staff paid less;

(b) Members would submit their claims and when the total of their claims exceeds the amount of the franchise, all additional claims would be paid at 90 to 100 per cent, with ceilings for certain types of expenditure, e.g., dental, but no overall maxima for major illnesses.

42. While the franchise or deduction might not be acceptable in a national scheme where a large percentage of the population have incomes close to the minimum level, in the United Nations organizations income for most staff is sufficient to permit the use of a franchise. For the least-paid staff and for pensioners with low pensions, the franchise under this system would be small. Since reimbursements after the franchise would be at 90-100 per cent, all members could know in advance the maximum cost of medical expenses for themselves and their dependants - an exceptionally important social benefit which does not now exist.

43. If for actuarial or any other reasons, such a scheme is not acceptable either to the administration or to the staff associations, then another alternative would be to retain a supplementary benefits scheme, provided:

(a) The scheme is common to all United Nations organizations;

(b) There is a standardized list of non-reimbursable items, common to all United Nations organizations;

(c) The threshold after which supplementary benefits become payable is reasonable, so as not to cause hardship. Depending on this amount, the percentage reimbursement under the supplementary scheme could be fixed between 80-100 per cent, taking into account the necessary actuarial studies.

44. One further alternative, subject to actuarial studies, would be a simplified scheme, offering 90 per cent reimbursement for all claims, without a major franchise or supplementary scheme as in some private commercial schemes. It is evident that maxima would have to be fixed for certain types of care, and there would have to be a comprehensive list of non-reimbursable items.

II. DESCRIPTION OF MAJOR BENEFITS OF EXISTING SCHEMES

45. The full details of the benefits offered by all the health schemes surveyed are to be found in Annex 4. The following is a summary of the major benefits

A. Doctors' Services (general practitioners, physicians, surgeons obstetricians, psychiatrists)

46. Most schemes offer 80 per cent reimbursement, although some offer 70 per cent and others 100 per cent, and in the former two cases, supplementary benefits are applicable. However, UNOG applies maxima for surgeons' fees, but the other organizations in Geneva have no such maxima. The United Nations Headquarters/AETNA "base" and "major" schemes and UNOG, moreover, have maxima for obstetrics which do not exist in any other scheme. Reimbursement for psychiatrist's services shows wide disparity, WIPO, IAEA and UNIDO excluding psychoanalysis completely; UNOG and WHO have a complicated breakdown of types of treatment admitted, as well as limiting treatment financially or in days of treatment, as do ILO/ITU, FAO, United Nations Headquarters/GMHDIS. Only UPU, UNESCO and IMCO (national scheme) provide cover for all types of psychiatric treatment. Psychiatric illness is becoming more prevalent in all societies, and it must be expected that international organizations will also be affected. This is an area which requires further study, including the possibility of a re-insurance arrangement, but there is little justification for completely excluding this type of treatment. The Inspectors do not see the justification for such great diversity of maxima, and would like to see the standardization of reimbursement rate of doctors' fees.

B. Pharmaceuticals

47. Reimbursements are in the 70-100 per cent pattern, with the majority offering 80 per cent reimbursement, but only in the ILO/ITU and UNOG are supplementary benefits available.

48. The excessive consumption or wastage of drugs has been giving concern to many national schemes and a number of organizations have negative lists of non-reimbursable items (e.g., contraceptive pills), including UNOG, ILO/ITU, WHO, UNESCO and WIPO This area again demands co-ordinated action to draw up common standards and lists of non-reimbursable items.

C. Hospital Care

49. This is the most costly type of health care and can have the most serious consequences for the family budget and yet there are wide differences between the various schemes

50. UNOG, WHO, WIPO, UPU, FAO, IMCO and United Nations Headquarters/GMHDIS provide 100 per cent cover for a public ward for all-in hospital costs. At private or semi-private rates, all schemes either reimburse 80 per cent or 85 per cent or up to a mixmum amount, or both (e.g., ILO/ITU reimburses 80 per cent up to $ 60 per person per day, except for staff in the United States of America, Canada and South Korea, where this rate is $ 120 per person per day).

51. Hospitals in many countries demand a deposit on admission and certain organizations make advances to cover this, but the practice is by no means general and the lack of advances can cause hardship, particularly as hospital costs are increasing rapidly everywhere (in the New York area, the cost increased by 17.5 per cent in the first six months of 1975).

52. There is a particular problem for staff on mission to New York whose reimbursement is based on their local rates. This is acute for UNOC and UNESCO staff, whereas ILO, WHO and IAEA staff in New York are covered by local United Nations Headquarters schemes. There is a need to give the former staff similar protection and the Inspectors consider that for staff on mission to New York, notwithstanding their membership of a health scheme other than that in New York, the possibility should exist for them to obtain similar health insurance cover to corresponding staff of the United Nations Secretariat in the North American Continent. It is also clear that staff from European-based organizations on mission or posted to the Americas have often inadequate coverage, even with supplementary benefits, given the high costs in that area. All these matters need inter-organization discussion to help minimize discrepancies, particularly where there is a similar health environment, as in Geneva.

D. Dental Care

53. In all organizations, dental care costs are a major item for reimbursements - about 20 per cent of total reimbursements - and is an item that causes great concern. Reimbursements follow the usual 70-100 per cent pattern, most schemes reimbursing at 80 per cent up to certain limits. In addition, some schemes allow application of the supplementary scheme; others do not. Generally speaking, the limits take the form of annual per person maxima, according to the treatment received. In some organizations, these maxima can be cumulative - usually to a maximum of three years. ILO/ITU have an overall maximum, cumulative indefinitely, plus supplementary benefits, regardless of the treatment given. The details of the types of treatment governed by each scheme will be found in Annex 4.3

54. The disparity between the schemes is epitomized in the Geneva area, where the ILO/ITU scheme does not distinguish between the treatment given and all the other schemes do. Moreover, WIPO which has a commercial scheme governed by Swiss law provides very little because its general dental care is not covered by Swiss Health Insurance schemes except at extra premiums and on a limited basis. UPU has the same problem.

55. WHO provides 100 per cent cover without limits for orthodontal care for children, the only scheme to do so. As a preventive measure it is to be highly recommended.

56. In view of the soaring costs, the Inspectors think that there should be more realistic maxima, and in that case, the consideration of benefits could be limited to a standard number of years, e.g. four/five years for all schemes.

E. Optical and Hearing Aids

57. The details of the cover offered will be found in Annex 4, but there is again very wide discrepancy between the schemes. For optical care, no cover at all is provided by the United Nations Headquarters/GMHDIS scheme. The United Nations Headquarters/Blue Cross/HIP and AETNA M.M. schemes offer 80 per cent of the doctor's fee for an examination for an eye illness or injury (after $ 75 franchise), as does the FAO BMIP/MMBP schemes, but nothing else. All other schemes have fixed maxima and time periods on both lenses and frames, with the exception of UNESCO's scheme, which reimburses 70 per cent of the total costs (examination fee, frames and lenses). A similar situation applies to hearing aids; no cover is available in the three New York schemes, or in the FAO BMIP/MMBP schemes. All other schemes have fixed maxima and time periods with the exception of UNESCO's scheme, which pays 70 per cent of total costs.

58. The Inspectors are of the opinion that in view of their direct and obvious relationship to the effectiveness of a staff member, optical care and hearing aids, subject to strict maxima, should be covered by all schemes, perhaps aligned with the cover offered for dental treatment, and that, since eye and hearing illnesses or defects may require prolonged and costly intervention or treatment, supplementary benefits should apply in all cases.

F. Disability (loss of earnings) Coverage

59. The staff rules of all organizations of the United Nations system provide for sickness benefit, usually nine months on full, and nine months on half pay. However, long-term illness may not necessarily result in eligibility for permanent disability or retirement benefits and, given the more or less generous reimbursement of medical costs under the various schemes, a staff member may have serious financial difficulties after he goes on half-pay. Some organizations have therefore instituted compensatory cover either within or linked with existing health schemes (UNOG, ILO/ITU, UPU and UNESCO), or under separate policies (IAEA, UNIDO and WHO). In Geneva, a private insurance scheme is also available with a Swiss company, via GPAFI. Annex 4 gives the details of these schemes, but the UNOG and UPU schemes are nominal and provide little real compensation for prolonged incapacitation. Actual percentage reimbursements under these schemes represent approximately 1 per cent of the total reimbursements for UNESCO, one of the more generous schemes.

60. The Inspectors consider that such coverage should be introduced in all organizations that do not have it and that the provision should be realistic, ideally making up the actual losses incurred for the full period between the exhaustion of sick-leave and the time the staff member can reasonably be regarded as permanently incapacitated and therefore eligible for permanent disability or retirement benefits.

III. FINANCIAL ASPECTS

A. General Situation

61. All health insurance schemes of the United Nations system are "experience-rated", that is, if contributions and other credits 1/ exceed reimbursements and other debits 2/, the difference is, in the case of self-insured schemes, credited to the scheme; for commercial insurers, it represents the latter's net profits.

62. Reserves accumulated by self-administered schemes should, in principle, be used to stabilize premiums, improve benefits, extend coverage to additional categories of staff, etc. Where reimbursements exceed contributions, either premiums or the basis of their calculation have to be changed or, as in UNESCO, benefits have to be reduced. In IAEA and UNIDO commercial schemes, provision is made for an increase of premium to a maximum of 25 per cent per annum when annual profits drop below 15 per cent.

63. The financial situation of the various health insurance schemes is shown in Annex 3. The Annex shows that the self-administered schemes are in good financial state although it has been difficult to obtain accurate figures concerning the administrative costs of all the self-administered schemes. This has only been possible on an approximate basis for UNOG, FAO and United Nations Headquarters. In all other organizations the administrative costs were not available, either because they are charged to the organization, or becuase the same personnel handle all types of insurance and the part devoted to health insurance cannot be isolated. It may be that, where the financial situation of a self-administered scheme is good, administrative costs would not materially affect the situation. However, where it is bad, they would necessarily aggravate it further. Indeed, in the UNESCO scheme, this is one factor that caused the deficit in 1975. The UNESCO situation was judged so critical in 1976 that the Executive Board was asked to authorize three corrective measures: (i) increase premiums; (ii) reinstatement of after-service contributions and; (iii) transfer of administrative costs back to the administration; but only the first two were approved. All self-administered schemes have reserves which are more or less a percentage of previous years' reimbursements, e.g., UNOG: 25-50 per cent of reimbursements in two proceeding year years; ILO/ITU: 1/9 to 1/3 of reimbursements in three proceeding years; in WHO: 1/3 of the previous year's reimbursements, plus estimated amount of common annual after-service reimbursements; in UNESCO, six months reimbursement margin.

1/ These include reserves, earned interest on investments, miscellaneous income. IAEA and UNIDO salary grades are experience-rated, i.e., each category of staff may see their premiums increased.

2/ These reflect possible losses on sale of investments, subsidies, e.g., for after-service coverage, balance of reserves and in the case of outside insurers, brokers' fees and insurers' profits.

64. As far as outside schemes are concerned, information has been more difficult to obtain. However, FAO ran a major deficit in 1973 and an insignificant one in 1974. UNIDO ran deficits in 1972/1973. The United Nations Headquarters is the only outside scheme that has been in deficit for many years and the deficit has increased sharply during the last two years. These differences were reflected in the premium changes. In the UNOG self-administered scheme premium rates have not changed since 1971, but in 1974, FAO's premiums were increased by 123 per cent, and other increases took place in UNIDO, IMCO and United Nations Headquarters, although to a lesser extent.

Conclusions

65. The Inspectors are not in a position to carry out detailed actuarial studies and cost analyses which would be required to objectively assess the financial situation of each seheme, and the only inter-organizational study existing on the subject dates to 1972. They are of the opinion that an up-dated study is necessary. Nevertheless, the Inspectors note the following features that need investigation:

(a) The wide differences in premium costs. Whilst it is appreciated that there are different medical cost environments (hospital fees in New York are at least three or four times as high as the same fees in Europe), where particularly similar benefits are offered, there should, in principle, be similar premium charges. However, in comparing the United Nations Headquarters and Blue Cross/AETNA/GHDI scheme, the United Nations project personnel scheme and the FAO scheme and all outside schemes offering similar benefits, it was found that the lowest premium is charged by the FAO scheme, a world-wide scheme, and the highest premium is charged by the United Nations Headquarters main scheme, which, although world-wide, is mostly used to cover the cost of medical care in the New York area. The United Nations scheme for project personnel which is a commercial scheme charges an intermediate premium, but the health consumption of this personnel is much less as often medical facilities are few;

(b) Specialized agency staff working in New York, either on a permanent or temporary basis, are often at a disadvantage compared with their colleagues in Headquarters. UNOG and UNESCO's schemes do not allow them to be members of the United Nations Headquarters schemes and their reimbursements are based on Paris or Geneva rates. ILO and IAEA staff in New York are covered by the United Nations Headquarters schemes; WHO's contributions to premiums in the United Nations Headquarters schemes are twice as much as those it pays for its staff in Europe. Organizations should take differences in medical cost environments into account. Tables A and B below for organizations with identical health cost environments, namely Geneva, show considerable differences in premiums, despite the fact that the pattern of benefits is substantially the same. The tables speak for themselves, but, in terms of percentage of earnings, UNOG's are the highest, followed by WHO and then ILO/ITU and the question arises as to how these differences can be justified;

Table A

Percentage of earnings contributions in some health insurance schemes of the United Nations system

No. of Persons Insured Family	Employer Organizations and Percentage of Earnings Contributed by Staff Member and Matched by Employer			
	UNOG %	ILO/ITU %	WHO %	UNESCO %
One	0.98	1.5	0.60	1.30
Two	1.84	1.5	0.95	1.70
Three	2.42	"	1.30	2.10
Four	"	"	"	2.40
More than Four	"	"	"	2.70

1972 figures

Table B

Net monthly cost to participants in some Geneva health-insurance schemes

(in SF)

	UNOG		ILO/ITU		WHO	
	Grade	Amnt.	Grade	Amnt.	Grade	Amnt.
1. Single persons	G.3.6	30.89	G.3.6	44.48	G.3.6.	22.69
	G.7.6	44.77	G.7.6	65.31	G.7.6	39.18
	P.2.6	48.45	P.2.6	72.64	P.2.6	43.60
	P.5.6	81.61	P.5.6	122.41	P.5.6	73.45
2. Married (one dependant)	G.3.6	63.65	Payment as for grades above		G.3.6	45.97
	G.7.6	91.94			G.7.6	65.82
	P.2.6	106.34			P.2.6	76.80
	P.5.6	178.49			P.5.6	128.91
3. Married with 1 child younger than 15 years of age	G.3.6	82.08	Payment as for grades above		G.3.6	64.80
	G.7.6	113.30			G.7.6	89.45
	P.2.6	132.65			P.2.6	104.73
	P.5.6	222.68			P.5.6	175.70

figures as at 1.2.1978

Notes: (1) The employer normally matches the staff members' contribution. The ILO/ITU plan also requires 1.5 per cent of the family allowances paid to be contributed.

(2) Contributions to the UNESCO plan are increased by 0.20 per cent of earnings for each member of an insured family over 60 years of age.

(3) WHO contributes for staff stationed in North America twice the amount it contributes for staff in other duty stations.

(c) The need to calculate administrative costs. The Inspectors were told by outside insurers that dependent on the mode of reimbursement (individual vis-à-vis group handling) the administrative costs could be assessed roughly as 5-7 per cent of all premiums paid. The organizations consulted judged this figure to be excessively high, estimating it closer to 4 per cent. In the four cases for which the Inspectors have figures, the administrative cost varied not only from one organization to another, but within the same organization from one year to the next. In UNOG, whose figures do not seem to give a full picture, the costs in 1973 were said to be 1.06 per cent; in 1974 they were said to be 1.58 per cent; in FAO, they are reported to have varied from 11.2 per cent in 1973 to 5 per cent in 1975. UNESCO, the only organization whose administrative costs were fully charged to the health insurance scheme, informed the Inspectors that the percentage cost of administrative expenses varied from 9.6 per cent in 1965 to 1971, to 11.4 per cent in 1973. In the United Nations Headquarters scheme there was a similar variation from 7.5 per cent in 1972 and 1973, to 10.3 per cent in 1975. From this latter figure are excluded the insurers' service charges, thus it can be seen that even those figures available do not fully reflect the true administrative costs. The Inspectors were also assured by outside insurers that profits were extremely low, i.e., 2-3 per cent, including brokers' fees. It is significant that the number of companies offering health insurance are limited, and are restricted to the more developed countries. The Inspectors think the matter of administrative costs is very important. As an example, the IAEA and UNIDO's contracts with a commercial insurer support a profit of 15 per cent, below which premiums are raised; if administrative costs are as the insurers suggest, namely, 5-7 per cent, profits should be 8-10 per cent. If they are closer to 4 per cent, as some organizations suggest, then profits may be as large as 11 per cent. If they reach UNESCO's figure of 11 per cent, the insurers claim that profits are low is justified.

66. The Inspectors believe that among the causes of the high percentage of cost in some self-administered schemes, is the fact that individual organizations' schemes must necessarily cover a relatively small number of persons. If schemes were consolidated into a single scheme the administrative costs should be less.

B. Premiums - their Structure and Apportionment

67. In self-administered schemes, the premiums represent a percentage of the participant's monthly earnings. This percentage may be fixed or vary according to family structures. In commercial schemes, a fixed rate per person is charged.

68. The term "monthly earnings", whilst varying in terminology between schemes, in general means net salary, plus post-adjustment and all permanent and continuing allowances (i.e., non-resident, family and language allowances). In the WHO scheme, language allowance is excluded. UNESCO bases its premium charge on "pensionable remuneration", i.e., adjusted net salary plus post-adjustment for Professional grades (since 1973) and non-resident's and language allowance for General Service grades. All agencies include family allowances in the monthly earnings.

69. The ILO/ITU scheme is the only scheme that charges a fixed percentage of earnings, irrespective of family structures, although family allowances are included in the salary before application of this percentage.

70. The percentage of salary or the fixed-rate charged for premiums varies in all other schemes according to the number of persons insured. Thus, UNOG and WHO have three rates: for single staff members; staff member plus one dependant; and staff member plus two or more dependants; FAO and UNESCO go up to three and four or more dependants; IAEA and UNIDO, being influenced by national legislation, distinguish between male, female and child, the former two being further sub-divided into six age categories for the base, and three age categories for the supplementary schemes; WIPO and UPU have fixed rates for adults, adolescents (15 to 20 years) and children (up to 15 years), reflecting local practice. Whilst understanding how such diversity has arisen, the Inspectors believe that there is little justification for the wide variety and complexity of premium structures. Furthermore, they understand that actuarial studies made in certain organizations applying different models of family structures (FAO and UNESCO) have arrived at a premium rate which more or less agrees with the percentage figure charged in the ILO/ITU scheme. The ILO/ITU fixed percentage of earnings irrespective of dependants has certain advantages:

- ease of administration;

- families are subsidized;

- those earning more pay for those earning less;

- cost of living changes are accounted for (assuming increases in salaries),

but its main disadvantage is the discrimination against the single person.

71. The Inspectors do not believe that a fixed percentage of salary, irrespective of dependants, provides a sound basis for a unified scheme, particularly in the Geneva agencies. The Inspectors think differential rates between single, married and married with dependants is more equitable, but the number of categories and dependants allowed within these categories should be examined carefully by an Inter-Agency Committee and in full consultation with the staff.

72. In UNOG, ILO/ITU, WHO, FAO, UPU and UNESCO schemes, the premium is split equally between the participant and the agency including the retired personnel (except in FAO) which provides free after-service cover to pensioners. In the IAEA and UNIDO schemes, although in principle the overall ratio is still 50/50, it follows a sliding scale, depending on earnings, the lower income groups being more subsidized than the higher income groups. A similar system appertains in WIPO, but on a simpler basis; General Service grades pay 40 per cent, while Professional grades pay 60 per cent, the organization paying the balance. This accentuates the difference in payments between categories of staff. In FAO and WIPO, staff affiliated with the base plan (with a contribution from the organization) bear the total cost of the supplementary plans. In general, in the American region, where commercial schemes prevail and affiliation is voluntary, there is a strong feeling that the participant's share of premiums should be reduced, whereas in Europe, where self-administered schemes prevail, the 50/50 principle is widely acceptable. Moreover, General Assembly Resolution 1095 (XI) of 1957 calls for a 50/50 sharing of premiums by the United Nations and the staff.

C. Premiums for After-Service Coverage

73. The FAO scheme is the only one to provide free after-service cover to its pensioners, the active staff and the organization sharing the cost of the subsidy. UNESCO provided similar cover from 1971-1976, but has now discontinued the system due to other financial difficulties. Up to recently, the IMCO scheme made the pensioner bear the total cost, but the Inspectors understand this is in the course of being changed.

74. The after-service cover premium is calculated in relation to the reduction in income following the retirement, disability or death of the staff member and are usually based on:

(a) The total of the periodic benefits payable to the member or his survivors by the UNJSPF or Staff Compensation funds, or;

(b) One-third of the annual remuneration of the staff member at the date of retirement, disability, or death. In UNOG and United Nations Headquarters, this amount includes post-adjustment, non-resident's allowance and language allowance. The ILO/ITU scheme reduces the amount from one-third to one-sixth in the case of survivors.

75. The organizations usually pay the same amount as the pensioner (i.e., 50/50 principle). However, in the IAEA and UNIDO schemes, the contribution of the organization varies according to the income of the pensioner, the percentage share varying from a minimum of 40 per cent to a maximum of 85 per cent, leaving the pensioner to pay 60 per cent at the highest income group and 15 per cent at the lowest. In the ILO/ITU scheme, any pensioner with an annual income of less than $ 3,300 is exempt from all premiums.

D. Difficulties of After-Service Coverage

76. (a) The level of after-service premiums varies widely. The 1972 FICSA study showed that they were lower in ILO/ITU than in UNOG, WHO, IAEA, UNIDO and United Nations Headquarters, even though the benefits were in some cases superior;

(b) Qualifying conditions for after-service coverage also vary widely. The in-service period of insurance in some organizations is ten years. In the IAEA, UNIDO and United Nations Headquarters schemes, it can be only three years;

(c) The contribution of survivors varies and in different organizations the Inspectors would recommend the ILO/ITU scheme where the contribution is calculated on the basis of 1/6 of the last remuneration of the staff member concerned;

(d) An anomaly exists in all present arrangements as pensioners who retire with a lump sum are charged on the basis of their reduced pension, whilst those who do not retire with a lump sum are charged on the basis of a higher pension. The Inspectors consider that in either case the charge should be based on the full pension.

77. The question of premium contributions for after-service coverage raises very strong feelings. However, these are often based on personal judgement, rather than objective facts. The only study of after-service contributions known to the Inspectors is one undertaken by the ILO/ITU scheme in 1974. This study showed that, for the ILO pensioners at that time, only 32 per cent of those that replied depended entirely on their pension income and the rest could therefore probably afford a larger contribution. The arguments in favour of charging a premium are as follows:

(a) Age structures in all organizations are changing with a steady increase in the proportion of active to non-active staff, e.g., ILO study, the ratio increased from 0.8 per cent in 1951 to 9 per cent in 1974. This trend will no doubt increase further unless pensioners pay their fair share; the burden on active personnel and the organizations will increase greatly;

(b) The statistical data currently available shows that medical costs for retired staff are out of proportion to their contributions (in the ILO study, the costs were 1/3 to 1/4 above the total average 1970/1974);

(c) There should be equal treatment for all staff, whether active or retired, headquarters or field.

78. The arguments against charging a contribution are as follows:

(a) Many different national social security systems, e.g., France, Italy, United Kingdom, provide free after-service health coverage. But the cost is built into the scheme actuarially, if only in theory, any deficit caused by this provision being met out of national budgets - an option not available to United Nations organizations;

(b) Organizations have a social responsibility towards retired colleagues and their dependants or their survivors;

(c) Cost of the erosion in purchasing power of pensions the world over results in any contribution becoming a financial burden on their budgets;

(d) Pensioners make up no more than 9 per cent of the total United Nations health population, but they contribute little more than 1 per cent of total contributions and the administrative difficulties, tax deduction and currency exchange problems involved in calculating and re-calculating contributions from the world over more than outweigh the income they provide. It is argued by some that 1 per cent extra could easily be borne by the active staff members.

79. The Inspectors appreciate the social principles that are advanced in favour of waiving pensioners' contributions. But, considering the budgetary framework of the United Nations organizations and the likelihood that pensioners and their families will claim an ever-increasing proportion of payments well above the average paid to serving staff, the Inspectors see no alternative to having pensioners pay their fair share of the cost. This fair share is considered to be the same percentage that active staff members pay, but applied to pensions actually received,

before any lump sum commutation. The administrative arrangements could easily be arranged. For example, pensioners could be asked to pay once a year, say, by 30 June. Any claims received after that date would be refused if payment had not been made. Currency problems can also be solved. Pensioners could ask UNJSPF to make the payment for them by deducting the amount from their pension once a year, thereby also simplifying the administration.

80. It is also proposed that any hardship cases be taken care of by imposing a minimum income level as is done in ILO by virtue of which a pensioner or survivor with an annual pension below $ 2,000-3,000 would make no payment; $ 3,000-5,000 to make half-payment and over $ 5,000 to make the full percentage payment.

IV. MANAGEMENT AND POLICY MATTERS

A. Administration of Schemes

81. The administrative arrangements made by the various organizations for the management of health insurance schemes differ almost as widely as the contents of these schemes. In some organizations, as in most national social security systems, health insurance arrangements and those for retirement, disability and compensation benefits are closely linked administratively, being merely different facets of a coherent social security system. This is not the practice in the "common system" and, as a result, there is duplication of work and additional cost which may be reflected in premiums.

82. In principle, the administrative arrangements made by outside carriers are of no interest to the organizations concerned, provided that reimbursements are made in the period stipulated in the contract. It is therefore surprising to discover that in the FAO, some preliminary screening of claims are made, for which the outside carrier credits "servicing charges" to FAO. The Inspectors question why such servicing is necessary, as one of the advantages of an outside contract is lost, namely little or no administrative costs.

83. In the case of self-administered schemes, all administrative costs are charged wholly or partially to the organization or, as in the case of UNESCO, wholly to the scheme.

84. Most schemes, self-administered or not, operate under the supervision of an executive board (UNOG), a management committee or board (ILO/ITU, UNESCO), a surveillance committee (WHO) or joint advisory boards (IAEA and UNIDO), all of which, with different ratios, represent the administrations and the staffs concerned. Only in FAO's present schemes do the staff have little or no say, the responsibility resting with the personnel division. The details of the management for each organization will be found in Annex 4.

B. Representation of Users

85. Since the users pay approximately 50 per cent of the cost of running self-administered schemes, their representation and active participation in the management of the scheme are essential but this is not always the case. In most supervisory bodies, the staff is represented but not in any clearly defined way. The ILO/ITU scheme is the only scheme where representatives are elected by universal suffrage and by secret ballot, as are those to the Staff Pension Fund. In all other schemes, the representatives are designated by the respective staff committees or councils. Moreover, the UNOG scheme covers a number of other secretariats, but many of these are not represented on its Executive Committee. The Inspectors believe that it is in the general interest of Geneva-based staff to have due and statutory representation in the management of the UNOG scheme. A similar argument can be advanced for retired staff who remain paying members of the scheme.

C. Statistical Data

86. During the course of their investigation, the Inspectors wished to analyze statistical data on membership consumption patterns, but such analysis proved impossible due to the complete absence or unavailability of data from some organizations and due to differences in computer outputs which made comparisons impossible. Each organization collects its own data according to its individual management requirements or philosophy, traditions or even its computer programmes. The lack of systematic comparable data irrespective of the schemes management has hampered the study. This in turn prevents an accurate determination of the relative merits of the various schemes and is thus an obstacle to improvement. It was surprising for the Inspectors to discover that some organizations administer their schemes without using computers, notably UNOG, where the processing of claims is done manually, and for this reason often results in considerable delays in reimbursement. This needs to be remedied as soon as possible.

87. The available internal actuarial studies reveal the following:

(a) Regional or field project staff consume on average less than staff at headquarters;

(b) Professional staff consume less than General Service staff, but about the same as field project personnel;

(c) Female staff (or female dependants/survivors) consume more than male staff (or children);

(d) Pensioners consume more than active staff.

D. Consumption Restraints

88. All schemes in one way or another recognize the need to control or limit abuses and restrain costs. The major methods used are as follows:

(a) Screening of claims: In theory, this is done everywhere but in practice, because of the volume of work, it is done on a sample basis. But here again, it is uneven in quality. In UNESCO, it is done by the Medical Service as in FAO (newly-appointed medical officer), but in UNOG, it is done by non-medical administrative personnel, only suspect claims being submitted to the Medical Service;

(b) Franchise: All commercial basic schemes have an in-built franchise from 10-30 per cent, depending on the organization and type of care. However, when supplementary schemes are applied, the reimbursement rate can rise to near 100 per cent (UNOG's, 96 per cent). In addition, certain schemes have a cash franchise. In WIPO, it is 50 SwFrs. per 90 days, or 200 SwFrs. per annum for all over 20 years of age. IMCO's GMHDIS and United Nations Headquarters GMHDIS (both Van Breda) have a straight franchise of $ 75 per patient, up to $ 225 per family in any 12 consecutive months. The whole subject of franchises was discussed earlier and needs further investigation by the Inter-Agency Committee;

(c) One of the difficulties of all schemes is how to make beneficiaries cost-conscious at a time when medical insurance costs are increasing rapidly. One possibility in a unified scheme would be to put 25 per cent of the total premium in a general account, the 75 per cent being credited in the name of the individual to another account which could accrue interest. Reimbursements would be made out of each individual's 75 per cent account. Should the reimbursements be greater than the individual's credit, recourse would be made to the general account. Given the current reserves and this new system, those who are good health risks could be allowed to pay up to 50 per cent less than the total premium, depending on their record. One should not penalize staff just because they are ill, but some system such as the one outlined above could help to give an incentive to reduce demand;

(d) Overall maxima: Few schemes have overall maxima; they prefer individual maxima for certain types of care described earlier or a combination of both. UNOG has an overall maximum reimbursement of $ 25,000 for the supplementary scheme which is renewable only if the person is in good health (which seems to negate the purpose of the supplementary scheme). ILO/ITU basic scheme has a maxima of $ 2,000 per family/per year with a total maximum of $ 35,000 per family per year for combined basic and supplementary benefits, renewable indefinitely. WIPO and UPU are governed by Swiss legislation. WIPO has a maximum of SwFrs. 20,000 per calendar year. If this is exceeded in any one period of twelve months or three consecutive periods of twelve months, it is reduced to SwFrs. 20,000 in five future years, with benefits downgraded to Class II benefits of the official cantonal rates. FAO has $ 15,000 per person in twelve consecutive months for each case. The GMHDIS schemes of IMCO and United Nations Headquarters have an annual maximum of $ 35,000 per staff member (not family), renewable. The purpose of maxima is to prevent abuse, whilst at the same time covering major medical costs, and should be periodically reviewed, particularly in times of rapid cost inflation. UNESCO recently has introduced another system of maximum reimbursement based on local standard medical reimbursement rates (French National Health Insurance Scheme), but is only applied to the Paris area. This pre-supposes the existence of such tariffs and the willingness of the local medical profession to apply them, which is not the case in other European cities. Indeed, sometimes, the evidence suggests that doctors adjust the bills according to the patient's reimbursement possibilities. The Inspectors would commend the UNESCO practice to other organizations wherever the possibility exists;

(e) Exclusion: Many schemes have a non-reimbursable list of pharmaceuticals which effectively curb abuse, but there is a need to standardize these lists;

(f) Miscellaneous: Some schemes have other methods to encourage restraint, such as ILO/ITU's differed benefits for some types of health care, and UNOG's refusal to credit annual maxima in advance, but the Inspectors believe more could be done by way of health education by the organization's medical services (as is already practised by IAEA).

E. Field and Project Personnel

89. Such personnel cost less in reimbursements and yet often find their claims take longer to process than those claims for headquarters' staff. This may be inevitable, due to distance, but a special effort should be made.

F. Major Medical Expenses

90. Prolonged illness, whether sudden or chronic, can cause major financial problems and most schemes have provision through supplementary schemes to cover such expenses beyond the maxima discussed under 2 (c) above and as detailed in Annex 4. Whilst such cases are rare, they do nevertheless occur and the Inspectors consider such coverage is an essential feature of a health scheme and should be seen in relation to the maxima offered above. Hospitalization costs are increasing as is the cost of psychiatric care (which is becoming frequent in all organizations), and a realistic scheme should be available. The Inspectors believe that priority in the use of the schemes' resources should go to covering major costs fully.

G. Service-incurred Illness

91. The attention of the Inspectors has been drawn to the practice of some administrations to charge the costs of service-incurred illness to health schemes, rather than to their staff compensation plans. The staff member is thereby financially penalised (no 100 per cent reimbursement) and this could increase premiums by increasing the total number of claims. A recent internal survey in FAO showed that 61.8 per cent of service-incurred illness claims were processed in this manner, and that of these, only 6 per cent were subsequently paid by the organization concerned. Surprisingly, in 22 per cent of all the cases, no insurance claims were made. The Inspectors believe this practice should be discouraged and the appropriate procedures be drawn to the attention of the staff members concerned by adequate information.

V. SUMMARY OF CONCLUSIONS

92. It is clear from this study that common standards of health insurance schemes in the United Nations do not exist. Differences between the schemes of the various organizations are extreme and run counter to the accepted principle of a common system for personnel questions. It is desirable from the point of view of mutual and harmonious inter-agency staff relations that the situation should be rectified in a way that makes for uniform treatment of the staff in the United Nations system in the matter of health insurance as part of the common system.

A. Type of scheme

93. While the Inspectors would not wish to pronounce themselves finally in favour of one particular type of scheme at this stage without further and detailed technical examination, it is desirable for the United Nations system to adopt self-administered health insurance schemes on the widest possible basis. It is recognized that in the American situation, this may not be possible, but in Europe this would be realistic provided modern management methods are used.

94. The situation is particularly anomalous in Geneva where four different health schemes exist. Whilst appreciating the differences of history, philosophy, principles and practice operating in each organization, all these organizations adhere to the common system and have the same health environment. The case for the creation of one scheme is, to the Inspectors, overwhelming. With a total health population of over 40,000 in Geneva, there would be greater risk-spreading, cheaper per capita administrative costs and economies of standardization of claims procedures, including computer programmes. Furthermore, such a scheme should be able to obtain better terms from the Genevese hospital and medical authorities. (Paragraph 13).

B. Basic and supplementary schemes

95. The evidence suggests that supplementary schemes do not represent a major part of health insurance schemes but they do provide essential insurance. Supplementary benefits could therefore form an integral part of the basic schemes with a total ceiling per person per year or per case. (Paragraph 19).

C. Compulsory/voluntary participation

96. As health insurance is but one part of social security provisions, the rest of which is compulsory, and since well over 90 per cent of the UN/HQ staff and 92 per cent of UNOG's staff with contracts of six months or more are affiliated with their respective schemes, and since compulsory insurance ensures a greater spreading of risks, membership of health insurance schemes of United Nations organizations should be compulsory with the in-built provision of exemption if the staff member can provide proof of adequate cover in another comparable scheme. (Paragraph 24).

D. Active staff

97. Evidence shows that the disparities, even between organizations located in the same city (Geneva, Vienna) and even using the same commercial broker (IAEA, UNIDO), cannot be conducive to harmonious inter-agency staff relations in the field. Differences in treatment of staff in the same organization where some categories of staff have more advantageous treatment, is not justifiable. The simplest and best solution would be to follow the example of the ILO/ITU scheme and to provide that once a participant has joined the scheme, there be no discrimination in terms of benefits or premiums. Furthermore, staff members should have contracts of at least six months' duration to be eligible to join the Health Insurance Scheme. (Paragraph 31).

E. Coverage of families

98. Since post-secondary full-time education seldom ceases at the age of 21, and costs for this age group are minimal, the Inspectors believe that, when no other insurance is available, coverage should be extended to age 25, conditional on full-time education. Concerning the IAEA, UNIDO and UN/HQ schemes, dependent disabled children regardless of age should be included. Furthermore, whilst noting similar provisions in the local Austrian national scheme, the Inspectors see no justification in the IAEA and UNIDO schemes for discrimination between male and female and children above or below 16 years of age. (Paragraph 40).

F. Franchise

99. The use of a franchise, i.e. the non-payment by the insurance scheme of a fixed amount or percentage of each claim or the first claim, is present in a number of schemes and the amounts vary considerably. Although the precise amounts of the franchise and the amounts of benefits payable after the franchise amount is met would require an actuarial study, the Inspectors would like to see consideration given to such a scheme by the Inter-Agency Committee. (Paragraph 41).

100. While the franchise or deduction might not be acceptable in a national scheme where a large percentage of the population has an income close to the minimum level in the United Nations organizations, income for most staff is sufficient to permit the use of a franchise with reimbursement thereafter. The reimbursements after the franchise could be at 90-100 per cent. This would be an exceptionally advantageous social benefit which does not exist now. (Paragraph 42).

101. If for actuarial or any other reasons, such a scheme is not acceptable either to the administration or to the staff associations, then another alternative would be to retain a supplementary benefits scheme, provided:

(a) the scheme is common to all United Nations organizations;

(b) there is a standardised list of non-reimbursable items, common to all United Nations organizations;

(c) the threshold after which supplementary benefits become payable is reasonable so as not to cause hardship. (Paragraph 43).

102. One further alternative, subject to actuarial studies, would be a simplified scheme, offering 90 per cent reimbursement for all claims without major franchise or supplementary scheme but with suitable maxima for certain categories of medical care. (Paragraph 44).

G. Hospital care

103. Hospitals in many countries demand a deposit on admission and certain organizations make advances to cover this, but the practice is by no means general and the lack of advances can cause hardship, particularly as hospital costs are increasing rapidly everywhere. Staff members from European-based organizations on missions or posted to the Americas often have inadequate coverage, even with supplementary benefits, given the high costs in that area. The Inspectors think that in order to protect staff members on mission to stations in countries where hospital care is expensive and/or deposits are necessary before admittance to hospital, as in New York and other places in north America, there should be a provision that, notwithstanding their membership of the organizations concerned, they should get a similar cover to corresponding staff of the United Nations secretariat in the North American continent. (Paragraphs 51-52).

H. Dental care

104. In view of the soaring costs of dental treatment and also due to the fact that dental costs are a major item for reimbursements in all organizations, there should be more realistic maxima on the limits, and in that case, the accumulation of benefits could be limited to a standard number of years, e.g. four/five years for all schemes. (Paragraph 56).

I. Optical and hearing aids

105. Optical care and hearing aids, subject to strict maxima, should be covered by all schemes, perhaps aligned with the cover offered for dental treatment and that, since eye and hearing illnesses or defects may require prolonged and costly intervention or treatment, supplementary benefits should apply in all cases. (Paragraph 58).

J. Disability (loss of earnings) coverage

106. Generous compensatory coverage should be introduced by all organizations that do not have it and the provision should be realistic and aimed at making up the actual losses incurred for the full period between the exhaustion of sick leave and the time the staff member can reasonably be regarded as permanently incapacitated and therefore eligible for permanent disability or retirement benefits. (Paragraph 60).

K. Financial aspects of health insurance

107. It has been difficult to obtain precise estimates of the administrative costs of the various schemes, but the Inspectors feel that the administrative costs involved in a self-administered scheme should not be borne by the organizations, but by the schemes themselves as is usually the case at present with such schemes. (Paragraphs 63-64).

108. An up-dated study on the financial aspects of health insurance schemes is necessary as the only inter-organizational study existing on the subject dates from 1972. It should be noted that the following features of the subject need investigation:

(a) the wide differences in premium costs;

(b) differential reimbursements arising out of differences in medical cost environments and;

(c) the administrative costs of health insurance schemes. (Paragraph 65).

L. Premiums, their structure and apportionment

109. A fixed percentage of salary, irrespective of dependants, does not provide a sound basis for a unified scheme, particularly in the Geneva agencies. Differential rates between single, married and married with dependants are more equitable, but the number of categories and dependants allowed within these categories should be examined carefully by the Inter-Agency Committee and in full consultation with the staff. (Paragraph 71).

M. Difficulties of after-service coverage

110. The social principles that are advanced in favour of waiving pensioners' contributions are appreciated but, considering the budgetary framework of the United Nations organizations and the likelihood that pensioners and their families will claim an ever-increasing proportion of payments and on a per capita basis well above the average paid to serving staff, there is no alternative to having pensioners pay their fair share of the cost. (Paragraph 79).

N. Representation of users

111. The Geneva-based secretariats and their staff should have due representation in the management of the UNOG scheme. A similar argument can be advanced for retired staff who remain paying members of the scheme. (Paragraph 85).

O. Major medical expenses

112. Coverage against prolonged illness, whether sudden or chronic, is an essential feature of a health scheme and should be seen in relation to the maxima offered by the scheme. Priority in the use of the schemes' resources should go to covering major costs fully. (Paragraph 90).

113. Some of the conclusions listed above may involve an additional burden to the Health Insurance scheme. The proposed Inter-Agency Committee will no doubt consider this aspect in relation to the possibility of economy arising from the institution of a self-administered scheme on a much wider basis, as suggested in this report.

RECOMMENDATIONS

1. In this report, the Inspectors have expressed certain views and preferences and have also drawn some conclusions on the various issues highlighted therein. Having regard to the nature of the subject, the Inspectors recognize, however, that pending further examination from the technical and other points of view these should be regarded as tentative. Such further examination should be made on a system-wide basis. The Inspectors, therefore, recommend that the Administrative Committee for Co-ordination create an ad hoc inter-organization working group with the following mandate:

(a) To establish a plan for the creation of a Joint Health Insurance Self-Administered Scheme for all Geneva organizations and their field staff which should be the basis for an eventual European or regional scheme to include all United Nations organizations based in Europe;

(b) To establish a common benefits scheme with sufficient flexibility to take account of local health care patterns but with a view to establishing two schemes, one for North America and the other for the rest of the world (based on Geneva), the differences being the maxima offered. The Inspectors accept that this would necessarily be a long-term objective;

(c) To draw up an administrative framework for the operation of such a scheme;

(d) For the purposes described above, to take into consideration inter alia the views expressed in this report, the comments of the executive heads of the organizations and the views of the staff associations;

(e) To report to the Administrative Committee for Co-ordination by 1 February 1979

2. The views of the International Civil Service Commission may be sought at an appropriate stage in the consideration of this report.

ANNEX 1

	UN/HQ/New York No. 1	UN	IMCO London	ICAO Montreal
1. Type of scheme	←Voluntary comm		Free state scheme + Vol. commercial grp. schemes	Compulsory state scheme + Vol. commercial scheme
2. Names of schemes (For full names, see Glossary)	HIP/Blue Cross + AETNA Major Medical + GMH	BUPA +	NHS + BUPA + GMHDIS (New York No. 3)	QHIP + Great West
3. Geographical cover	←		NHS - UK only. BUPA + GMHDIS World-wide	World-wide 11/
4. Membership	←Voluntarily staff		BUPA + GMHDIS vol. st. membs. with contracts 1 mth. or more + dependants	Compulsory all regular staff + dependants
(a) Active staff				
(b) Pensioners	←			→
5. Participation	31.12.75		1.11.76	30.11.76
			BUPA / GMHDIS	QHIP / Gt. West
(a) Active	5,046		13 / ?	591 / 437
(b) Dependants or survivors	N/av.		1 / ?	? / ?
(c) Non-active	580		n.a. / ?	- / 92
Total	5,626		14 / 106	591 / 529
6. Total Premiums (monthly)	3/			
(a) Active staff				
SM only	$ 33.99 1/		BUPA depends on level of cover taken	QHIP 1.5% of sal. to max. of Can.$235 p.a., Org.1.5% no upper limit
SM 1 dep.	$ 77.49 2/		GMHDIS (see UN/NY No. 3)	G.W.: single $302 dep.cov.$865
SM 2 dep.	$ 87.45 2/			
SM 3 dep.	$105.68			
SM 4 dep.	$105.68			
(b) Retired staff	Premiums paid 6 months in advance		?	QHIP 3% of total income Gt. West Same as for active staff. Highest outside
7. Apportionment	Sliding scale acc. to inc. + family size	S a f	BUPA + UN (3)	QHIP / Gt. West G. S.
(a) Active SM	$ 9 - 78	$	50%	50% / 50% 65%
Org.	$ 7 - 86	$	50%	50% 9/ / 50% 35%
(b) Non-A. SM				50% / 50% 10/
Org.				50% / 50%

1/ S.M. + 1 child. 2/ S.M. + allow. ie. incl. fam. allowances.
3/ 1 - adj. basic net sal. C HIP schedules.

ies under Some Health

ew York (3)	ICAO
X	X
-	-
X	X
-	-
X (if dependent	X (if dependent
X 1/ 2/	X 1/ 2/
-	X

nfully employed; und

f Rules. Flat premi

allowances; for G-st

ed in good health.

Insurance Schemes of the United Nations System

ANNEX 2

UNOG	ILO/ITU	WHO	FAO	IAEA	IMCO	UNESCO	UNIDO	UPU	WIPO
X	X	X	X	X	X	X	X	X[12]	X
X	-	X[6]	X[7]	X	-	X	X	X[13]	-
X	X	X	X	X	X	X	X	X[12]	X[14]
X	-	X	-	X	-	-	X	-	Not available
X	X[1][5]	X	X	X[1][9]	X	X[1][9]	X[1][9]	X[5][12]	
X[1][2]	X[1][2][5]	X[1][5]	X[1][2]	X[9]	X	X[1]	X[1][9]	X[13]	
X	X	X	X	-	Not available	X	-	-	
X[3]	X[5]	X[4][5]	X[8]	X[10]		X[11]	X[10]	-	
X[3]	X[5]	X[4][5]	X[8]	X[10]		X[11]	X[10]	-	
X[3]	-	X[4][5]	X[8]	X[10]		X[11]	X[10]	-	
X[3]	-	X[4][5]	X[8]	X[10]		X[11]	X[10]	-	
-	-	-	-	X[10]		X[11]	X[10]	-	X

· 26 (25 in New York and ICAO).

ı rate.

'f in Rome, as many as exist.

Organisations	Type of scheme administrative costs	Reserve Funds
UN/NY	Health Dental Sub-total Administrative costs (% of contributions) Balance (net)	$ a. $
UNOG	MISSA Administrative costs (% of contributions) Balance (net)	$ t less than 25% or not more than 50% of total nefits paid in two preceding years. ptember 1976 status: US $ 1.1 million (approx.)
ILO/ITU	SHIF Administrative costs (% of contributions) Balance (net)	$ t less than 1/9 or not more than 1/3 of total nefits paid in three preceding financial years. 76 status: US $ 1.5 million
WHO	SHIP Administrative costs (% of contributions) Balance (net)	$) amount corresponding to 1/3 of previous year's benefits) amount corresponding to estimated future benefits of retired s.m./dependants/survivors. te 1975 status: (i) US $ 738,380 (ii) US $ 2.9 million
FAO	BMIB/MMBP Administrative costs (% of contributions) Balance (net)	$ a.
UNESCO	BMHS Administrative costs (% of contributions) Balance (net)	$ rmally six months' reimbursement margin. atus 1976: Over nine months working deficit: 318.240).
IAEA	FMIP SMIP TDIP Administrative costs (% of contributions) Balance (net)	AS a. AS 1 $
UNIDO	FMIP OMIP TDIP Administrative costs (% of contributions) Balance (net)	AS a. AS AS

1/ Borne by organisation
2/ Borne by organisation; s.m. concerned (als
3/ Years 1968-1971.

			Additional schemes (see "limit of coverage")	None
		SF20,000 per cal.yr.; if exhausted in any one yr. or if exhstd. 3 times, SF20000 in 5 yrs. and benefits down graded to Class II (offic. cantonal rates).		
	WIPO Caisse Maladie Suisse d'Entreprise (CMSE)	SF 50 per 90 days or SF200 per yr. for all over age 20.		

100% of daily salary for 12 months follg. 1st mth. after exhaustion of sick leave or varyg. %s (from 10% to 100% acc. to age) of remuneration for 120 mths. but not beyond 60th birthday.

dental care.

CPT Caisse de Maladie du Personnel de la Confédération et des Entreprises Suisses de Transport (CPT)	None	None	Supp. policies for: in-hospital care, in-hosp. treatment costs, and tuberculosis.	Sep. policy: deferred daily allowance of SF30 after 27lst day of illness and if accum. 720 days in any 900.
FAO Basic Medical Insurance Plan (BMIP) Ente Nazionale di Providenza per i Dipendenti da Enti di Diritto Publico (ENPDEDP) Major Medical Benefits Plan (MMBP)	BMIP: None ENPDEDP: None MMBP: None	BMIP: $15,000 pp/case in 12 consec. mths. ENPDEDP: No limits if panel physicians/facilities used. Fixed rate if not.	BMIP: See MMBP below. ENPDEDP: See MMBP below MMBP: 80% of amts. not reimbsd. under BMIP or ENPDEDP.	BMIP: None. ENPDEDP: None. MMBP: None.
IMCO British United Provident Association (BUPA) United Nations Group Medical Hospital Dental Insurance Scheme (UN/GMHDIS)(Van Breda)	BUPA: Not appl. UN/GMHDIS: $75 pp (up to $225 per fam.) in any 12 consec. mths.	BUPA: Not appl. UN/GMHDIS: None.	BUPA: Not appl. UN/GMHDIS: See "frarchise".	BUPA: Not appl. UN/GMHDIS: None.
UNESCO Medical Benefits Fund	None	None (except indiv. "security clause")	When s.m./fam. (exc. secondary depts.)' share of cost exceeds given percent.of ann. salary as per figs. below, UNESCO pays 100% of such accident: $45,000 : 35% $30,to 45,000: 30% $25,to 30,000: 27.5% $15,to 25,000: 25% $10,to 15,000:22.5% $10,000: 20% Totally excluded are: psychotherapy;massages, obstetrical, dental and optical care, hearing aids.	Upon exhaustion of sick leave, 50% of earnings for up to 3 yrs.
IAEA/UNIDO Full Medical Insurance Plan (FMIP) Austrian Health Insurance Scheme (AHIS)-Gebiets-krankenkasse (GKK) Supplementary Medical Insurance Plan SMIP)	FMIP: None AHIS-GKK: None, if scheme phys/facs. used SMIP: None.	FMIP: None AHIS-GKK: None, if sch. phys/facs. used. SMIP: None.	FMIP: See SMIP below. AHIS-GKK: Not appl. SMIP: If unreimbsd. part of costs for s.m./fam. exceds. 5% of net ann. emolument, 100% of that amt. is reimbsd.	FMIP: None. AHIS-GKK: Yes, for a max. pd. of 7/8 weeks as from 1st day of sickness. Nothing if s.m. on full pay from employer. SMIP: None. Separate "Temp. Disab. Insurance Policy" (TDIP) Once sick lve. exhstd. and if s.m. not entit. to disab. pension, 25% of net emols. while on half pay, folld. by 50% for up to 12 mths. while no pay.

ANNEX 4.1

Benefits and Services of Health Insurance Schemes of the United Nations System (Contd.)

Organization	Physicians (doctors, surgeons etc.)	Special care (psychiatrists etc.)	Obstetrical care
UN/HQ	AETNA base: fixed sums. AETNA Major Medical: 80% of remainder after appl.of $75 franchise per patient. Blue Cross/HIP/AETNA M.M./GHI If HIP dr. used: 100%; otherwise AETNA M.M. as above. $2 franchise for home visits by dr. Check-ups: 100%. used, up to standard rates if not. SMIP: 80% of amounts not paid by AHIS-GKK.	Blue Cross/AETNA base/AETNA M.M./GHI In-patient care: As for phys. Out-patient care: 80% up to $30 per visit; up to 50 visits in 6 months; up to $2000 pp per yr. Blue Cross/HIP/AETNA M.M./GHI As above under AETNA M.M. but (psychiatric ttmt. excluded). AHIS-GKK: 100% if scheme phys./facilities used. Up to standard rates if not. SMIP: S.m.: 80% of amounts not paid by AHIS-GKK. Dept.: 50% (psych.ttmt. excl.)	Blue Cross/AETNA base/AETNA M.M./GHDI Normal confinement: $400 Caesarian: $500 Miscarriage: $120-$200 Hospitalization: 100% Major Medical: not app. Blue Cross/HIP/AETNA M.M./GHDI 100% if HIP phys. facs. used. facs. used. Up to standard rates if not. SMIP: 80% of amounts not paid by AHIS-GKK.
UNIDO	FMIP: 80% AHIS-GKK: 100% if scheme phys. used. Up to stand. rate if not. SMIP: 80% of amounts not paid by AHIS-GKK.	FMIP: 80%; up to AS 30,000/person in 2 yrs. Depts: 50% up to AS 30,000 pp in 2 yrs. AHIS-GKK; 100% if scheme phys./facs. used. Up to st. rates. if not. SMIP: S.m.: 80% of amounts not paid by AHIS-GKK. Depts. not covered.	FMIP: 80% AHIS-GKK: 100% if scheme phys./facs. used. Up to st. rates. if not. SMIP: 80% of amounts not paid by AHIS-GKK.
		[illegible] of above: 100% up to 730 days per case. Supp. bens. appl.	
WIPO	90% to 100% up to SF 20,000 person/yr. Supp. policy available	Semi-priv. accom. 100% up to SF 135 per day; up to SF 720 in any 900 consec. days. Priv. accom. 100% up to SF75 p.d. Med. costs: up to overall ann.max. Franchise not appl.	100% up to overall ann. max.
		[illegible]	

	acc. to cant./conv. stands.	In some cases + SF p.d. Med. pharm. treatments: up to 720 in 900 consec. days. Supp. hospitaliz. insurance (SHI) Adults: SF 100 person/day Children: SF 60 person/day Up to 720 in 900 consec. days. Supp. insurance for hosp. ttmt. Adults: up to SF3000 in 1 yr. Children: Up to SF1000 in 1 yr. Tuberculosis: unlimited.	90%
FAO	BMIP/MMBP: 80% ENPDEDP: 100% if pan. facs. used. Fixed rates (approx.10%) if not.	BMIP/MMBP: Semi-priv. accom. 100% ENPDEDP: 100% if pan. facs. used. Up to Lit 4000 daily if not.	BMIP/MMBP: 80% ENPDEDP: 100% at pan. pharmacy (with exceps.)
IMCO	BUPA: 100%. Fixed rates for specialists. UN/GMHDIS (Van Breda): 100%	BUPA: 100% UN/GMHDIS (Van Breda): 100%	BUPA: Flat amounts. UN/GMHDIS: (Van Breda) 80% to 100%
UNESCO	70% (except Paris) In Paris only: security clause. Physioth. FF 70 per act Injects. FF 20 per act Massages FF 50 per act	85%	70%
IAEA/UNIDO	FMIP: 80% AHIS-GKK: 100% if scheme phys. used. Up to AHIS-GKK rates if not. SMIP: 80% of amounts not paid by AHIS-GKK.	FMIP: 80% AHIS-GKK: Class II accom.: 100% Up to Class II rate otherwise. SMIP: 90% of amount not paid by AHIS-GKK.	FMIP: 80% AHIS-GKK: AS 6 per item. SMIP: 80% of amounts not paid by AHIS-GKK.

ANNEX 4.3

Benefits and Services under Health Insurance Schemes of the United Nations System

Organization	Dental care	Optical care	Hearing Aids	Appliances (artifical limbs and eyes, etc.)
UN/HQ	Blue Cross/HIP: Fixed rates if participating dent. used (100% for certain services). No max. Orthodontics: $745 person/yr. AETNA M.M.: Not appl. New York area only. UN/GMHDIS: 80% up to age 12, up to 4 yrs. AHIS-GKK: 100% Prosthetics: 50%. SMIP: 80% of amts. not otherwise reimbsd. Prosthetics: Up to AS 3000 pp/yr.	Blue Cross/HIP: Eye illness or injury as for phys. None otherwise. AETNA M.M.: As above. UN/GMHDIS: None. SMIP: 80% of amts. not otherwise reimbsd. up to AS 300 per lens.	Blue Cross/HIP: Not appl. AETNA/M.M.: Not appl. UN/GMHDIS: Not appl. SMIP: up to AS 1,500, once per person.	Blue Cross/HIP: Not appl. AETNA M.M.: Not appl. UN/GMHDIS: Not appl. Otherwise reimbsd.