



United Nations

Note to the International Telecommunication Union from the review of the quality, effectiveness, efficiency and sustainability of health insurance schemes in the United Nations system organizations

Note of the Joint Inspection Unit

Prepared by Jesús S. Miranda-Hita

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I. Introduction

1. The review of the quality, effectiveness, efficiency and sustainability of health insurance schemes in the United Nations system organizations was included in the programme of work of the Joint Inspection Unit (JIU) for 2022 to address long-standing requests from the Independent Audit Advisory Committee of the United Nations Secretariat, the United Nations Educational, Scientific and Cultural Organization, the Office of the United Nations High Commissioner for Refugees, the International Maritime Organization and the World Meteorological Organization. The overarching objective of the review was to identify areas for improvement and good practices with regard to the transparency, quality of service, coordination, harmonization, effectiveness, efficiency and long-term financial sustainability of the health insurance schemes of JIU participating organizations for their active and retired staff. Specifically, in the review, health insurance policies and management, including cost-containment policies and practices, were assessed, financial and budgetary perspectives were explored, and the potential for strengthening coordination and cooperation among organizations, including staff mobility, was examined.
2. JIU issued its report on the review in 2023;¹ it was shared with all JIU participating organizations, including the International Telecommunication Union (ITU).
3. Pursuant to the JIU statute and internal working procedures, the present note is issued to the executive head of ITU on the basis of a finding from the review that is unique to ITU. Specifically, the note concerns the access of spouses from legally recognized same-sex marriages or unions to health insurance coverage under the ITU-sponsored scheme.²

II. Main findings and recommendations from the review

4. The review found that the governing bodies and legislative organs of JIU participating organizations remained largely inactive in health insurance policymaking, despite health insurance being an essential part of the compensation package for staff. The organizations in the United Nations system have an obligation to establish a social security scheme for their staff, but in all cases except one, regulations are limited to recognition of the right to social security and the delegation to the executive heads of the organizations of full authority to establish relevant health insurance policies. This has resulted in the existence of 26 different health insurance schemes in the participating organizations (one of which is specific to dental insurance).
5. Health insurance packages often depend on the contract and duty station of staff. Most participating organizations offer a specific health insurance package to their active staff based on their contractual status, whether they are internationally or locally recruited and whether they are located at a headquarters location (such as New York, Geneva and Vienna). The 26 health insurance schemes apply varying eligibility criteria for staff, retirees and their family members and associated protected persons. The unharmonized eligibility criteria, especially for those who receive subsidized premium rates from their organizations, create unequal access to health insurance coverage for active and retired staff and their family members, and demonstrate an inequitable use of public funding.
6. In terms of health insurance premiums and the share contributed by organizations and plan members, under most schemes, the ability to pay and the intergenerational solidarity principle inherent in the notion of social security are the basis for allocating premiums among beneficiaries. For its part, the principle of equivalence or cost causation, which usually characterizes private commercial insurance premiums, is also built into some schemes through the use of flat-rate premiums in absolute amounts. The health insurance scheme of only one United Nations system organization collects flat-rate contributions based exclusively on the age of plan members.

¹ JIU/REP/2023/9.

² During the period provided for comments on the draft version of the present note (2 September to 30 October 2024), no comments, updates or requests for revision were received from ITU regarding its content.

7. The review found the coverage and benefits to be considerably different among the 26 health insurance schemes. Even within the same duty station, for example, annual reimbursement limits vary significantly between plans and even within the same organization for different beneficiaries. The large-scale global staff survey administered for the review revealed that, from the perspectives of the plan members, health insurance coverage for hospitalization, outpatient care and preventive care was rated the highest as most often “fully” or “mostly” meeting the needs of the respondents. On the other hand, long-term care, mental healthcare and optical care received the lowest number of positive responses, coupled with other areas deserving of particular attention, such as outpatient care for locally recruited staff, conditions related to physical disabilities and medications for chronic illnesses, physical therapy, routine health check-ups, dental care and reproductive healthcare.

8. The review found that most plan administrators did not have a clear plan for cost containment. There is also limited inter-agency collaboration on joint procurement, exchanges of good practices and lessons on procurement in health insurance and administration.

9. The review assessed the disclosure, funding and budgetary implications of after-service health insurance liabilities. It found that funding for after-service health insurance liabilities remained an unachieved goal, with only 31 per cent already funded and 13 participating organizations not yet setting aside any significant funding to that end.

10. JIU issued seven formal recommendations, of which two were addressed to the legislative or governing bodies and five to the executive heads of JIU participating organizations. The Unit also issued 33 informal recommendations covering areas such as transparency, coordination of policy changes, coverage, contributions and premiums, administrative matters, including contractual arrangements, and cost containment and oversight.

III. Finding specific to the International Telecommunication Union

11. In examining the eligibility criteria for family members and associated persons of active staff of JIU participating organizations, the review found that staff members could enrol their family members in all 26 health insurance schemes and, in some cases, other persons associated with them under the same scheme, mostly on an optional basis. The eligibility criteria vary considerably, especially regarding whether these spouses and associated members would also be entitled to a subsidy for the premiums from the staff member’s organization.

12. For the enrolment of spouses of active and retired staff, all but six health insurance schemes subsidize the health insurance premium of one recognized spouse of the staff member in the same scheme, regardless of any personal characteristic or even their dependency status. For those that do not subsidize the premium for non-dependent spouses, five offer an option to enrol without organizational subsidies.

13. The review found that ITU, whose staff are insured under the United Nations Staff Mutual Insurance Society against Sickness and Accident, was the only organization that did not recognize dependent spouses of staff members from same-sex marriages or unions, even if the marriages were legally recognized, as eligible to enrol in the health insurance scheme on a subsidized basis. This is despite the fact that, on 26 June 2014, the Secretary-General of the United Nations issued a bulletin³ stating that the personal status of staff members, for the purpose of entitlements under the Staff Regulations and Rules, was to be determined by reference to the law of the competent authority under which the personal status had been established. That meant that a same-sex spouse of a staff member was to be recognized if the marriage (or union) was legally recognized by the staff member’s country of nationality or in the country where the marriage or union had been concluded. However, this is not the case for ITU. This situation makes ITU an outlier not only among participants in the United Nations Staff Mutual Insurance Society but also within the broader framework of the United Nations system organizations.

³ ST/SGB/2004/13/Rev.1.

14. The review noted that, in 2022, the ITU Secretary-General had proposed to the ITU Council that the Staff Regulations be amended⁴ to allow the recognition of domestic partnerships in line with the 2014 bulletin of the Secretary-General of the United Nations. Although not explicitly mentioned in the proposal, that implied the recognition of all legally recognized marriages of ITU staff.⁵ It had also been noted in that proposal that the financial impact derived from the proposed amendments would be accommodated within existing ITU resources. However, the Council did not reach a consensus and the ITU secretariat was requested to further consult with Member States and report back at a future session of the Council.⁶

15. Following the finding of the review, the recommendation set out below is made to the Secretary-General of ITU. It is expected to enhance system-wide policy coherence and harmonization.

Recommendation

The Secretary-General of ITU should take the appropriate action to promote the revision of the ITU Staff Regulations and Rules to enable staff members' dependent spouses from all legally recognized marriages or unions to enrol in the health insurance scheme with a subsidy from ITU, in alignment with the eligibility rules applicable to the insurance schemes or plans of all other United Nations system organizations.

⁴ “Report by the Secretary-General: personal status for the purpose of ITU entitlements”, document C22/47-E, available at <https://www.itu.int/md/S22-CL-C-0047/en>.

⁵ See International Labour Organization (ILO) Administrative Tribunal Judgment judgment No. 2643, in which the Tribunal recalled that “The [ITU] Appeal Board ... raised ‘the preliminary issue of recognition by the ITU of domestic partnership in the Staff Rules’ and ... asserted that ‘changes in societal attitudes, the development of a culture of tolerance in general and that of domestic partnership in particular should be reflected in a prior amendment of the Rules by the legislative body itself, in this case the ITU Council.’ ... Furthermore, after recalling that the question of domestic partnership had been under discussion since 1991 in the United Nations Consultative Committee on Administrative Questions and that answers had finally been worked out within the UN and in many international organisations, the Committee pointed out that, although the ITU was looking into the matter, ‘[f]ifteen years of discussion and the acknowledged developments to date might have warranted a more assiduous approach to the [said] question.’” (ILO Administrative Tribunal, *A.J.H. v. International Telecommunication Union*, Judgment No. 2643, 27 April 2007, para. 2).

⁶ Although ITU is not subject to the jurisdiction of the United Nations Dispute Tribunal, it is not inappropriate to take into consideration United Nations Dispute Tribunal judgment No. 2018/105, in which the right to health insurance is analysed in the framework of the Charter of the United Nations (Article 55), the Universal Declaration of Human Rights and other international conventions and legal instruments, from which the Tribunal drew the conclusion that “universal legal conventions/treaties establishing the fundamental principles of international human rights law ... constitute the legal foundation of and are directly applicable to and by all organizations and entities founded/created after their adoption by the General Assembly, at the international, regional and national level, in order for them to promote, protect and monitor the implementation of fundamental human rights, including the United Nations — the leading promoter of human rights around the world”. The Tribunal concludes that “the right to medical/health care, which includes the right to medical insurance during and after service, is a fundamental human right which cannot be denied and/or limited” (United Nations Dispute Tribunal, *Kortes v. Secretary-General of the United Nations*, Case No. UNDT/NY/2017-014, Judgment, 19 October 2018, paras. 50 and 57).