FB NETWORK WORKING GROUP ON ASHI

FAFICS ASHI DATA BASE: EXPLANATORY NOTES BY FAFICS

Review of the data base

The diversity of plan arrangements across Organizations and their many duty stations illustrates that "one size fits all" does not apply well to Health Care Insurance plans. Available health care services and medical needs differ significantly from place to place. Any attempt to consolidate and standardize would need to take this into account.

The available offerings under health care insurance plans have been progressively tailored over the years to evolving needs so it is important that any future changes respect that the current situation results from this past learning process.

The data base has been constructed as a matrix with Organizations and their schemes on the vertical axis and plan provisions on the horizontal axis. The plan provisions are presented by components so the data base has been reviewed COMPONENT by COMPONENT. These are Finance, Eligibility, Medical/Hospital/Catastrophy/Exclusions, Long term care and After Service. The most significant of these is Finance so it is treated at length below.

By component we learn that:

A FINANCE COMPONENT

i) The cost sharing of health insurance premiums between the Insured and the Organizations varies greatly across Organizations with the following percentages being observed as carried by the two parties: 0/100%; 50/50%; 55/45%; 60/40%; 65/35%; 67/33%; 73/27%; 75/25%; and 80/20%.

ii) In nearly all Organizations the sharing of premia between the insured and the Organizations is more beneficial for retirees than for staff either because of the administration of a social cap on contributions to be levied on retiree participants, or because of adjusted sharing ratios, or because of flat rate nominal caps in money terms or because of a combination of these. The degree of relief for retirees vis-à-vis staff premia varies considerably across the schemes and Organizations. A single Organization operating in a range of headquarters and field duty stations will manage several plans, each of which can have different sharing formulae.
iii) Examples of premium costs range from as little as CHF 1,656 (WIPO-Van Breda) to as much as $22,643 (UN-Aetna). Even within single duty stations there is a wide range. New York shows a range of $7,665 (Blue Cross) to $22,643 (Aetna), while Vienna is in a range of €3,468 to €6,936, Rome €2,748 to €3358, London £1,920 to £4,044. Geneva data is limited, but appears to be either very modest or unreported. In any event the range is tremendously wider.

iv) Average cost per participant (cost, not contributions) range between CHF 3,300 (UPU-Van Breda) and US $20,215 (UN-Blue Cross). Most variance seems to occur across duty stations, but firm conclusions cannot be drawn as most Organizations did not provide average cost data.

v) Total cost by Organization showed $34.2 m for ITU, $23.5 m for UNESCO, and $83.6 m for WHO. The UN figure aggregated across all plans shows $424.1 m. Other Organizations provided figures that appear doubtful, or did not report at all.

B. ELIGIBILITY COMPONENT

Virtually all Organizations follow a vesting requirement of age 55 and 10 years insured service. The UN administers an age of entitlement of 55 or 57 and 60 according to the date of recruitment.

C. MEDICAL, HOSPITAL, CATASTROPHE AND EXCLUSIONS COMPONENTS

These show a myriad of provisions reflecting entitlement limits and restrictions which differ significantly across Organizations and hence locations. Some plans are more generous or liberal than others. This reminds us that comparisons of plans and their related costs need to be conducted tentatively as there is always an apples to apples issue unresolved as often we are comparing apples to oranges.

D. LONG-TERM CARE COMPONENT

These data as received are difficult to interpret. However, while the majority of schemes provide for this entitlement, it is limited by days and for New York-based schemes, to hospice care.

E. AFTER CARE COMPONENT

This component reflects a mixed picture of estimates for total plan liabilities by Organization and schemes. These totals of unfunded liabilities amount to several billion US$s. In some cases they are yet to be reflected.

FAFICS/23 March 2015/Notes on FAFICS ASHI data base for the FB Network WG on ASHI