

Tenth report

Comprehensive review of the after-service health  
insurance programme

[Original: English]

[5 December 1990]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/45/33) on the comprehensive review of the after-service health insurance programme (ASHI). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General.
2. The Advisory Committee recalls that, in its first report on the proposed programme budget for the biennium 1990-1991, 1/ it had recommended that the Secretary-General should explore means by which extrabudgetary activities could contribute towards the costs of the after-service health insurance programme. The report of the Secretary-General presents the salient issues relating to after-service health insurance, in particular the legislative and financial aspects, and also outlines the steps taken with regard to the recommendation of the Advisory Committee.
3. In paragraphs 2 to 6 of his report, the Secretary-General describes the origin of and developments in the health insurance programme, including after-service health insurance which, following the decision of the General Assembly, on 20 December 1966, has been available to retired staff members since 1967.
4. The Advisory Committee notes from paragraph 7 of the report of the Secretary-General that the average after-service health insurance enrolment rose from 2,672 participants in the 1984-1985 biennium to 3,588 in the 1988-1989 biennium, an increase of 34.3 per cent. Over the same period, the organizational subsidy increased from \$6.9 million to \$12.6 million, an increase of 82.6 per cent. The escalation of medical costs and related insurance premiums also contributed both to the growth and to the increased cost of the programme.
5. For reasons given in paragraphs 8 to 13 of his report, the Secretary-General concludes that the available data do not provide a satisfactory basis upon which to apportion the after-service health insurance subsidy costs between the regular budget and the various extrabudgetary accounts, nor does he believe that the subsidy share can be determined on the basis of the relative proportions of regular budget and extrabudgetary staff costs.
6. In paragraph 14 of his report, the Secretary-General states that for the after-service health insurance subsidy pertaining to each eligible staff member to be correctly apportioned among the sources of funds under which the staff member accrued entitlement to the benefit, the implementation of the integrated management information system must be awaited.

7. While the Advisory Committee welcomes the efforts made by the Secretary-General in this regard, the Committee believes that its concerns on the subject have still not been satisfactorily addressed. The Advisory Committee notes from paragraph 15 of the report that the Secretary-General proposes, as an interim measure, "to take an initial step towards offsetting a portion of the ASHI subsidy against extrabudgetary sources of funds in the context of the proposed programme budget for the biennium 1992-1993". The Secretary-General indicates that he will continue to explore ways and means of further refining the methodology for apportionment of the cost of after-service health insurance. In this connection, the Committee trusts that a simple but effective methodology, which would not necessarily be tailored to specific individuals, will be developed to ensure that extrabudgetary activities contribute a fair proportion of the cost of the after-service health insurance programme. As indicated by the Secretary-General in paragraph 15 of his report, the Committee will be provided with a report on the subject at its spring session, in 1991.

8. The Committee notes from paragraph 11 of the annex to the report of the Secretary-General that, commencing in 1989, a system was introduced, whereby premium contributions could be deducted monthly from the retired staff member's periodic pension benefit and that by the end of the current biennium all such contributions will be administered under the pension deduction system. The Advisory Committee is concerned about the impact of this additional activity on the secretariat of the United Nations Joint Staff Pension Fund and intends to monitor the administrative costs involved.

#### Notes

1/ See Official Records of the General Assembly, Forty-fourth Session, Supplement No. 7 and corrigenda (A/44/7 and Corr.1 and 2), para. 28G.4.