



Secretariat

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INFORMATION CIRCULAR

To: Members of the staff at designated duty stations away from Headquarters

From: The Controller

Subject: HEALTH INSURANCE COVERAGE FOR LOCALLY-RECRUITED STAFF
AT DESIGNATED DUTY STATIONS AWAY FROM HEADQUARTERS

Introduction

1. The purpose of this information circular is to announce the introduction of a new, contributory health insurance plan for locally-recruited General Service and National Officer staff members and former staff members at designated duty stations away from Headquarters. The new plan, called the Medical Insurance Plan (MIP), will take effect on 1 September 1987. MIP is established, as approved by the General Assembly at its forty-first session, in accordance with staff regulation 6.2. MIP replaces the existing Medical Expense Assistance Plan (MEAP), set out as Appendix E to the Staff Rules, which will be cancelled as of 1 September 1987.
2. MIP will apply to active staff of the United Nations, including the Office of the United Nations High Commissioner for Refugees (UNHCR), and their eligible family members who have heretofore been covered under the MEAP (or the United Nations Geneva Staff Mutual Insurance Society in the case of UNHCR). Former staff members and their eligible family members who heretofore had not been covered under the MEAP scheme may also be eligible for coverage under the MIP (see para. 5 below).
3. Detailed MIP rules, guidelines for Administering Offices and forms will shortly be made available to all participating duty stations.

Eligibility

4. At those duty stations where the Plan is applicable, all locally-recruited General Service and National Officer staff members of the United Nations, including UNHCR, with contracts of three months or more will automatically participate in

MIP. Family coverage will also be available, on an optional basis, for: (a) a spouse, and (b) unmarried dependent children under the age of 25 who are not engaged in full-time employment.

5. After-service coverage is an important new feature of MIP and will be available both to those staff members retiring from service on or after 1 September 1987, and, on a one-time basis, to former staff members. They will be eligible to participate under the conditions specified below:

- (a) For staff members (and their eligible family members) who retire on or after 1 September 1987
 - (i) If they separated from service at age 55 or after, provided that at the time of separation they had at least five years of in-service participation in MIP or its predecessor, MEAP, or another United Nations recognized plan or a combination thereof;
 - (ii) Such former staff members will be entitled to a subsidy from the Organization provided they had at least 10 years of in-service participation in MIP/MEAP, another United Nations recognized plan or a combination thereof; entitlement to a subsidy resulting from less than 10 years of in-service participation will be recognized only if the former staff member pays the entire premium until he or she has fulfilled the 10-year requirement;
- (b) Former staff members (and their eligible family members) who separated on or after 1 January 1984
 - (i) If they separated from service at age 55 or after, provided that at the time of separation they had participated for at least five years in MEAP, or another United Nations recognized plan or a combination thereof;
 - (ii) Such former staff members will be entitled to a subsidy from the Organization provided they had at least 10 years of in-service participation in MEAP, another United Nations recognized plan or a combination thereof; entitlement to a subsidy resulting from less than 10 years of in-service participation will be recognized only if the former staff member pays the entire premium until he or she has fulfilled the 10-year requirement;
- (c) Former staff members (and their eligible family members) who separated prior to 1 January 1984
 - (i) If they separated from service at age 55 or after, provided that at the time of separation they had participated for at least 10 years in MEAP, another United Nations recognized plan or a combination thereof;
 - (ii) Such former staff members will be entitled to a subsidy from the Organization.

6. Coverage will also be available to former General Service and National Officer staff members (and eligible family members) who are in receipt of a periodic disability benefit either from the United Nations Joint Staff Pension Fund (UNJSPF) or under Appendix D to the Staff Rules. Provisions also have been made to allow coverage for surviving spouses and/or children of staff members or former staff members under certain conditions. These conditions are explained in detail in the new MIP Rules.

7. It should be noted that the eligibility criteria for participation in MIP have been made similar to those applicable in other health insurance plans offered by the Organization.

8. At the option of the Organization, locally-recruited General Service and National Officer staff members at certain duty stations away from Headquarters who are currently covered by health insurance plans offered by the Organization other than the MEAP may continue to be covered under those existing arrangements.

Benefits

9. A detailed description of benefits is contained in the new MIP Rules. The main features of the MIP benefits may be summarized as follows:

(a) Hospital expenses reimbursable at 100 per cent, on the basis of semi-private room rate;

(b) Professional medical services, and prescribed medications, reimbursable at 80 per cent;

(c) Mental and nervous care provided on an outpatient basis, reimbursable at 50 per cent, subject to an annual limit per eligible patient;

(d) Dental services reimbursable at 80 per cent, subject to an annual limit per eligible patient;

(e) Optical lenses and hearing aids reimbursable at 80 per cent subject to the following limits: (i) for optical lenses there is a maximum benefit equivalent to \$US 25 per lens and a maximum of two lenses in any period of two years (per eligible patient); (ii) for hearing aids there is a maximum benefit equivalent to \$US 150 per apparatus per ear in any period of three years (per eligible patient);

(f) Maximum reimbursement: For any eligible patient, the allowable limit per calendar year will be equal to three times the monthly net base salary at the top step of the highest regular General Service level of the local salary scale, or the local currency equivalent of \$US 1,000, whichever is greater. This will be applied to the sum total of all reimbursements to each individual participant.

10. As approved by the General Assembly, MIP will be financed through contributions by both the participants and the Organization. A participant's contribution will be based on the category of coverage selected and will be established as a percentage of the applicable net base salary. As of 1 September 1987, contributions will be based on the following table:

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MIP contributions

(Expressed as percentage of applicable net salary)

<u>Category of coverage</u>	<u>Participant's contribution</u>	<u>Organization's contribution</u>
Participant only	1.00	3.00
For two insured persons (participant plus one eligible family member)	1.25	3.75
For three, four or five insured persons (participant plus two, three or four eligible family members)	1.75	7.00
For six or more insured persons (participant plus five or more eligible family members)	2.25	9.00

11. For staff members in service, 100 per cent of the applicable net salary served as a basis for assessment of the contribution. For after-service participants, 50 per cent of the currently applicable net salary corresponding to the former staff member's grade and step at the time of separation serves as a basis for assessment of the contribution. For each former staff member who joins MIP on 1 September 1987, the current salary scale applicable at the duty station concerned, together with his or her grade and step at the time of separation, will be used to determine the contribution. Such contribution will be adjusted in accordance with the movement of the relevant salary scale at the duty station concerned.

12. The contributions of active staff members will be made by way of monthly automatic payroll deductions. All other participants will be required to pay the contribution in advance on a quarterly basis and will be billed accordingly by the local Administering Office. The percentages of net base salary indicated in the table in paragraph 10 above will be reviewed on a yearly basis in light of the financial experience of the Plan.

Steps for the introduction of MIP

13. For all expenses incurred through 31 August 1987, reimbursements are subject to the existing provisions of MEAP. Staff members are requested to submit their claims for such expenses as soon as possible after the expense has been incurred in order to facilitate the closure of MEAP Accounts. All claims for expenses incurred on or after 1 September 1987 will be governed by the provisions of the Medical Insurance Plan (MIP).

14. As of 1 September 1987, active General Service and National Officer staff members will automatically participate in this Plan; participation of their family members and of former staff members and their eligible family members is optional.

As such, the first steps to be undertaken by the Administering Office when the Plan is introduced are to:

- (i) Enable active staff members, if they so elect, to enrol eligible family members;
- (ii) Contact retired staff members and a surviving spouse and/or children who might qualify for after-service coverage to advise them about the possibility of joining the Plan.

15. Detailed materials and forms are currently being completed and will be made available to Administering Offices prior to the effective date of implementation of MIP. These materials will consist of: (a) the MIP Rules, which provide a complete and detailed description of the Medical Insurance Plan; (b) a set of detailed guidelines for Administering Offices; (c) enrolment and claims forms for participants; and (d) administrative forms for the recording and reporting of expenses and reimbursements.

16. It is essential that all participants and Administering Offices comply strictly with the MIP Rules in order for the new Plan to operate effectively. MIP is financed by both the participants and the Organization, and medical claims will be reimbursed from total income collected. It is therefore incumbent upon all concerned, both participants and Administering Officials, to practice cost-conscious behaviour in obtaining medical services and claiming related reimbursement under the Plan. With everyone co-operating, improved medical coverage at a reasonable cost can be assured.

17. The Organization will review and verify all medical claims for payment from MIP. This detailed review and confirmation by authorized officers constitutes a set of routine internal control procedures. It is therefore essential that staff members, when certifying a document, ensure that the information being provided is accurate. Inaccurate or unsubstantiated claims will be rejected and may also result in the staff member's being subjected to disciplinary measures as appropriate and as provided under the Staff Regulations and Staff Rules.

18. The new Plan provides a substantial improvement over the current health care plan and extends these benefits to the after-service community previously not eligible. As such, MIP represents a significant milestone in the development of a social security system for active and former locally-recruited staff and their eligible family members.
