

STAFF HEALTH INSURANCE FUND
Record of Decisions
of the 271st meeting of the Management Committee

Tuesday, 27th September 2022

at 3 p.m., Room VI

Present:

Representing the insured persons of the ILO:

Ms. Catherine Comte-Tiberghien (Titular member)
Ms. Mireille Ecuivillon (Titular member)
Mr. Pierre Sayour (Titular member)
Ms. Elisabeth Fombuena (Substitute member)
Ms. Azza Taalab (Substitute member)
Ms. Lisa Morgan (Substitute member) (from 3:30 p.m. to 5:30 p.m.)

Representing the Director-General:

Mr. Tilmann Geckeler (Titular member)
Mr. Fikri Gurzumar (Titular member)
Mr. Sietse Buijze (Substitute member)
Mr. Giuseppe Zefola (Substitute member)

Other attendees:

Mr. Florian Léger, SHIF Executive Secretary
Ms. Heather Harris, SHIF Claims Supervisor
Ms. Corinne Michoud, SHIF Secretary
Maxime Renaudin, EY (from 4 p.m. to 5 p.m.)
Christine Fargier, EY (from 4 p.m. to 5 p.m.)
Marie Ait-Mokhtar, EY (from 4 p.m. to 5 p.m.)

Apologies for absence were received from:
Representing the Director-General of the ILO:
Mr. Luca Bormioli

The meeting opens at 3.08 p.m.

Item 1: Approval of meeting agenda
SHIF/MC/22/271/AG

MC refers to document ref. SHIF/MC/22/271/AG and approves the agenda with the addition of 2 items under Any other business.

Item 2: Approval of the Record of Decisions of the 270th meeting of the Management Committee
(SHIF/MC/22/RD.270)

MC refers to document ref. SHIF/MC/22/RD.270 and approves the Record of Decisions.

Item 3: Update on the SHIF WorkPlan for 2022
(SHIF/MC/22/268/4)

ES updates the MC on the SHIF WorkPlan for 2022.

Following the amendments to the SHIF Regulations and Administrative Rules that came into force on 1 May 2022, the updated SHIF Regulations and Administrative Rules have not yet been printed but it is expected that they will be printed for the centenary event.

The SHIF Secretariat continues to work very hard and has succeeded to reduce the backlog but the situation remains precarious.

The new SHIF satisfaction Survey is ready and should be distributed to SHIF insured members in the coming days. New SHIF insurance cards are being printed and should be received in the coming days. The SHIF Call Centre has been launched about ten days ago.

Item 4: Centenary of the SHIF

The preparation of the publication progresses as expected. The SHIF General Meeting celebrating the Centenary of the SHIF will be held on Thursday 8 December 2022.

Item 5: 2021 Actuarial analysis of the SHIF
(SHIF/MC/22/270/5)

The actuarial firm mandated to undertake the actuarial analysis of the SHIF, EY (formerly Ernst & Young), presents the draft results of the analysis. As per the central scenario, contributions would exceed the claims reimbursements from 2022 until 2024. As the current participant population ages and medical costs rise at a pace outstripping the rise in contributions, this trend would reverse in 2025. Net assets are expected to continue to grow until 2026 due to investment income and would then decrease and would reach a level close to the minimum statutory reserve in 2032.

EY also presents the results of the projection under some sensitivity scenarios on return on investment, claims reimbursements level, medical inflation and exchange rate. Most of the scenarios present more negative outcomes than the central scenario (except the one on return on investments).

The recommendation of EY is that the ILO should consider a change in the contribution rates after 2023, to ensure future plan solvency. This increase could impact either all participants or only a specific population (dependents only, retirees only, etc.). The magnitude of the increase depends on the scenario that is expected to be the most probable one.

MC asks some questions about the impact of COVID-19, the assumption on the development of the number of insured to the SHIF, the medical inflation (in particular in Switzerland) and the claim cost of the central scenario.

MC requests that a draft report be prepared within 2 to 3 weeks and that further comments and questions be sent to the actuary once the draft report is received.

Item 6: Issue with SHIF batch dated 3 August 2022

ES explains the problem that occurred to the SHIF payment batch dated 3 August 2022. An exceptional retroactive update of the July exchange rates and some weaknesses in the IRIS to HIIS interface impacted SHIF payments. Out of the 819 payments in the batch, 116 were correct because either there was only the USD currency involved or because there was no update in the concerned exchange rates, 122 were underpaid for a total amount of USD 343 and 581 were overpaid for a total amount of USD 18'203.

All impacted insured have immediately been informed about the issue. All underpayments are in the process of being repaid but this may take some time as most underpayments are very small and need to be added to another claim to avoid bank rejection (due to the amount being too small to be paid).

As recovery of overpayments can only be done manually and will be very time-consuming, ES proposes to the MC to agree on a compromise on time and effort of the administration.

MC decides to set the limit of recovery only to overpayments greater than US\$50. This represents 84 individuals and a total amount of USD 12'748, meaning that 70 percent of the total overpayments will be recovered.

Item 7: SHIF Financial situation

Item 7: SHIF Financial situation as of 31.08.2022 and technical results for the period 01.01.2022-31.08.2022

A representative of the administration presents the SHIF financial situation as of 31.08.2022 and the technical results for the period 01.01.2022-31.08.2022.

The deficit for the period is 7.1 million USD, mainly due to unrealized losses on investments and losses on currency exposure due to the weakening of the CHF against the USD. The technical result remains positive and amounts to USD 720'000.

Item 8: Any other business

8.1 Follow-up of the 2022 SHIF Amendments

SHIF amendments came into force on 1st May 2022. As foreseen by the new article 5.5 on "Disputes other than of a medical nature", the Management Committee needs to appoint the members of the Appeals Board and approve Administrative Rules on the procedure for the Appeals Board. Corresponding proposals will be submitted to the next meeting of the MC.

8.2 JIU study

A representative of the insured persons informs the MC that the JIU is preparing a "Review of Quality, effectiveness, efficiency, and sustainability of health insurance schemes in the United Nations system organizations". ES answers that the JIU has just started the review and that the JIU plans that the final report will be issued and disseminated in February 2024. ES will inform the MC of the developments of the review. Current phase is about data collection and analysis and will last until June 2023. This phase includes the development and conduction of a global staff survey as well as some interviews. It is expected that the JIU will interview key stakeholders so it may be that the JIU wants to interact with the SHIF MC.

The meeting ends at 5:45 p.m.
