

Editorial

Delays in reimbursement are a question that is clearly on the minds of many of you. Why do some of you have to wait several weeks before your claim is settled and paid?

As we have explained to those of you who have asked us this question, the delay is mainly due to unforeseen long-term leave and to the fact that we are working without any margin. We have taken measures to address the situation and to re-establish the level of service you deserve and we are confident that the situation will soon improve. As always, we continue to settle claims relating to emergency situations, such as hospitalization, as a matter of priority.

Nevertheless, it is important to come back to the question of why this situation has arisen. Since 2000 the number of members insured by the SHIF (paying members and dependents) has increased from 9,000 to nearly 11,000, which represents an increase of more than 20 per cent. At the same time, the number of claims has increased by almost 30 per cent because on average we submit more claims today than 10 years ago.

In parallel, the number of invoices reimbursed – the indicator that best captures the workload of the SHIF claims unit – has increased by more than 60 per cent, an increase that could not be counterbalanced either by the increased productivity of our staff or by operational gains. The result is that any unforeseen absence slows down the reimbursement process. It is time to be conscious of this situation and to take the necessary decisions for the future. The upgrade of our IT system is a first step towards the modernization of the Fund and the re-establishment of the level of service that we owe to our members.

I would like to take the opportunity presented by this Newsletter to pay tribute to Clifford Kunstler, my predecessor who led the SHIF from February 2005 to August 2014. Cliff successfully brought many of the Fund's projects to fruition, including (but not limited to!) strengthening the Fund's financial situation (even though we must remain very vigilant), negotiating pricing agreements with many health-care providers (an up-to-date list will soon be posted on our website), developing strong relationships with the health insurance schemes of our sister organizations (UNOG, WHO, CERN, etc...) both in and outside Geneva, and implementing measures to modernize our IT system. All this is to his credit.

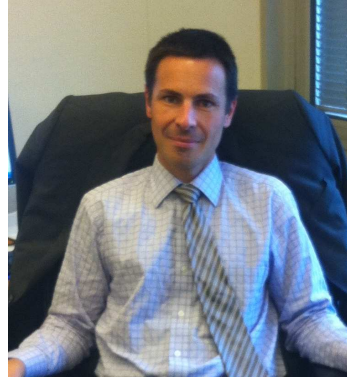
Cliff continues his career at the ILO in an exciting new role. We wish him all the best for the future!

You may have noticed that our website (see next page) has a new look and we are going to use it more and more to communicate with you. I invite you to have a look.

Further in this Newsletter, you will read the latest news from the Management Committee and in particular the latest news concerning capped benefits and contribution rates.

Florian Léger, *Executive Secretary*

A new Executive Secretary for the SHIF



Since 1 September 2014 Florian Léger has been the new Executive Secretary of the SHIF. He defines himself as a pure product of the ILO, where he started as an intern in 1996 towards the end of his studies. He subsequently took up different positions within the ILO, an organization to which he is deeply committed and whose values he shares. He has only left the ILO for one year to go to Paris and work for an insurance company where he priced health insurance policies.

An actuary by training, Florian worked for more than 10 years in the Social Security Department of the ILO where he acquired wide experience of managing social security schemes. In particular, he took part in many actuarial valuations all over the world. In 2009, he moved to the International Social Security Association (ISSA), where he continued to work with member institutions.

At the same time, Florian committed himself to other duties, becoming a participant representative to the United Nations Joint Staff Pension Fund in 2003 as well as a member of that Fund's Board and Audit Committee. Those experiences enabled him to better understand the specifics of social security for UN staff.

As a member of the ILO Staff Union Committee for the last three years, Florian has looked closely at the SHIF and has an accurate grasp of its strengths and challenges.

So it is no coincidence that he now has to address the challenges SHIF faces and to which he is willing to bring efficient, robust and innovative responses.

Last minute: HHS upgrade

As part of the upgrade of our IT system we will soon send reimbursement advice by email to all active staff and retirees who provide us with their email address. So please send us your email address together with your next claim!

The SHIF website updated: Take five minutes to have a look!

An update to our website was long overdue, and this was completed in early 2014 with the aim of better informing you. You can access it by clicking on the following link: http://www.ilo.org/dyn/shif/website.home?p_lang=en

Not only will you find the latest news (such as the results of the recent election of members' representatives to the Management Committee) and information about the benefits offered by the SHIF, but you will also find minutes of Management Committee meetings, annual reports, previous Newsletters, some forms such as the form to indicate a change in your bank details or the form to request voluntary coverage, and our new SHIF Reimbursement Form.

This is only a first step. As we have mentioned before, we hope that we will very soon move towards the modernization of the SHIF and improved services for our members.

Survey on global medical trends

Our Fund is unique and it is very difficult to compare it with any other fund, even within the UN system. However, it is still worthwhile following health insurance issues and seeing what others are doing.

The consulting firm Towers Watson surveyed a panel of about 200 insurers in 58 countries for its annual survey report on global medical trends. Despite relative stability in some regions, we should not be surprised that the major worry remains rising health care costs, and that the top conditions that cause the highest prevalence of claims are well known (cardiovascular diseases, cancer in some regions, respiratory conditions in others).

Many methods are used to contain costs, such as limits on certain services, pre-approvals for certain treatments, use of a network of providers, and use of preventive care. The SHIF will continue to explore such measures!

You can find the report at: <http://www.towerswatson.com/en/Insights/IC-Types/Survey-Research-Results/2014/05/2014-global-medical-trends-survey-report>

In memoriam

Following a battle with a long illness, our colleague Martine Mouton passed away on Saturday 8 November 2014.

Martine had worked in the SHIF reimbursement unit since joining the ILO in January 2000. She always approached her work and her colleagues with a smile. Although she was very discrete, many of you will have met her in the SHIF offices or the ILO corridors, and not only those of you whose claims she was settling.

The SHIF misses her enormously.

Latest news from the Management Committee

The Management Committee is currently reviewing some changes to benefits. At the same time, contributions may be raised by 7.5 per cent.

What is it about?

There is a need to maintain sound financial management of the Fund. According to the latest actuarial valuation, the contribution base rate necessary to achieve this for the next 10 years is 3.55%, compared with 3.3% today. The principle of this increase has been presented to the Governing Body (it must be kept in mind that the ILO pays the same contribution for active staff and double this amount for retired officials).

In addition, members representing the insured persons on the Management Committee have been seeking a revaluation of certain ceilings because their real value has diminished over the years, while at the same time advocating a rationalisation of some benefits. Following long discussions and the creation of a working group, the Management Committee should soon take decisions on these questions. You will of course be informed.

What does the increase represent?

For local staff in the regions, as well as for most retirees, the increase will be a few dollars per month.

For active staff in Geneva, depending on their grade and family situation, the increase will be between CHF 30 and CHF 50 per month.

Which benefits will change?

In-depth analysis has been conducted to better understand the real needs of our members. We have also undertaken a comparative analysis with the benefits provided by other international organizations.

While it would probably have been simpler to raise all ceilings, the Management Committee decided to adopt a rational approach targeting real needs and as such has determined that the following provisions should change:

For optical appliances (code 5.1), the maximum carry over balance from one year to the next should increase from USD 512 to USD 768.

For hearing aids (code 5.2), the ceiling of approved expenses should be expressed per ear, instead of as a global ceiling.

For long-term nursing services in an institution (code 2.5), the maximum ordinary benefit per day should increase from USD 110.40 to USD 120.

For cures (codes 2.4), accommodation should no longer be reimbursed.