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INFORMATION MEETING ON THE STAFF HEALTH INSURANCE FUND

The Staff Union Committee convened an information meeting on 1 March 2005 on the situation of the Staff Health Insurance Fund (SHIF). The meeting was opened by the Chairperson of the Staff Union Committee, Jean-Victor Gruat, who indicated that there had been close collaboration between the Committee and the Section of Former Officials of the ILO, represented by its Secretary, Mario Tavelli. The Chairperson of the Staff Union Committee welcomed the presence in the room of the Chairperson of the SHIF Management Committee, Jacques Bacaly, of the representatives elected to the Management Committee, Mireille Ecuillon, Ursula Kulke, Jean-François Santarelli and Xenia Scheil-Adlung, and of the new Executive Secretary of the Fund, Clifford Kunstler.

Philippe Egger, the elected representative of the insured persons on the Management Committee, made a brief preliminary intervention concerning the financial situation of the SHIF. In 2004, SHIF had recorded an operating deficit for its third consecutive year, with a loss of 3.7 million dollars in 2003 and 5.8 million dollars in 2004, thereby confirming the acceleration of benefits beyond the level of contributions. This deficit could be explained by rising medical costs, the increase in life expectancy and the multiplication of cases involving long and expensive treatment. The SHIF Guarantee Fund was playing its role perfectly in absorbing these deficits, but the unfavourable trend of the Fund required reforms.

The Management Committee envisaged three types of reforms, namely: an increase in contributions by members and the employer; a review of the qualifying conditions for access to insurance for adults considered to be dependants (particularly spouses); and the more effective containment of costs, particularly through the negotiation of an agreement with hospital establishments.

An actuarial report in September 2004 had proposed an increase in contributions of 54 per cent, with the other conditions unchanged, in order to maintain the financial balance of the Fund. The Management Committee proposed an increase of 25 per cent in contributions (from 2.8 to 3.5 per cent) combined with the two other types of measures indicated above.

In its Programme and Budget Proposals for 2006-07, submitted to the Governing Body in March 2005, the ILO had already requested authority to constitute a provision corresponding to an increase of 25 per cent in the employer's contribution.

A number of questions were raised concerning: the introduction of deductibles; a contribution for the spouses of retirees receiving a pension; the transfer to a private sector insurer; an increase in contributions, but without any decrease in benefits; a separate contribution for spouses; better information for insured persons on the situation of the Fund; severe penalties in cases fraud; the coverage of non-married couples; incentives for the prevention of ill-health; a reminder of the consequences in terms of social protection of the situation of international officials as expatriates; and the fundamental principle of solidarity.

The members of the SHIF Management Committee replied to these various questions and suggestions, noting that several of them were already being examined and/or had been raised in discussions and observations within the Management Committee.

Concluding the meeting, the Chairperson of the Staff Union Committee welcomed the fact that a large number of people had responded to the Union's invitation. He emphasized the quality of the interventions and the constructive nature of the discussions, which bore witness to the concern felt by insured persons in the ILO with regard to the principles upon which their Health Insurance Fund operated and their understanding of the fact that adaptations would be necessary if they were to be maintained. He would report this position in his next intervention in the Programme, Financial and Administrative Committee of the ILO Governing Body.

The Staff Union would maintain its constructive dialogue with the Management Committee, the representatives of insured persons and the ILO Administration so that long-term solutions which were acceptable to everyone could be identified rapidly. The Chairperson of the Staff Union indicated that, in any case, the Union would continue to take action to ensure that the staff were fully informed and consulted at all the signification stages of the reform process.
