CERN's Health Insurance Scheme and its Board

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EBRD, London
27 September 2002

CHIS: Main Features

- Legal Framework
- Nature of the CHIS and Basic Principles
- Benefits, Health costs and Contributions
- The CHIS Board
- Long-term care

Legal Framework

Host State agreement with Switzerland:

"The Organization is exempt from all compulsory contributions to general
social insurance funds [···] *it being understood that the Organization* will
[···] insure with Swiss social insurance funds *those of its agents who are*
not insured of equivalent social protection by the Organization itself."

- CERN has no obligations vis-·-vis the French Social Security
- CHIS framework is part of Staff Rules
- Explicit pensioners' rights were introduced in 1971 (FC resolution)

Nature of the CHIS

CERN has to protect its staff against the financial consequences of illness, accident and maternity

Use a National Scheme or Set-up its own Scheme

Private Insurer or Specific CERN Fund

External Administrator (UNIQA) or In-house accounting

Basic Principles

<u>It is obligatory</u> · All Staff must participate

<u>It is a mutual scheme</u> · Contributions are based on Salaries only

Independant of Age of beneficiaries, and of Number of beneficiaries in the household

⇒ High Salaries subsidize for Lower Salaries
⇒ Singles subsidize for large Families
⇒ Younger subsidize for the Elder

$\neq$ Insurance

<u>Pensioners can remain affiliated</u> · 99% stay in the Scheme

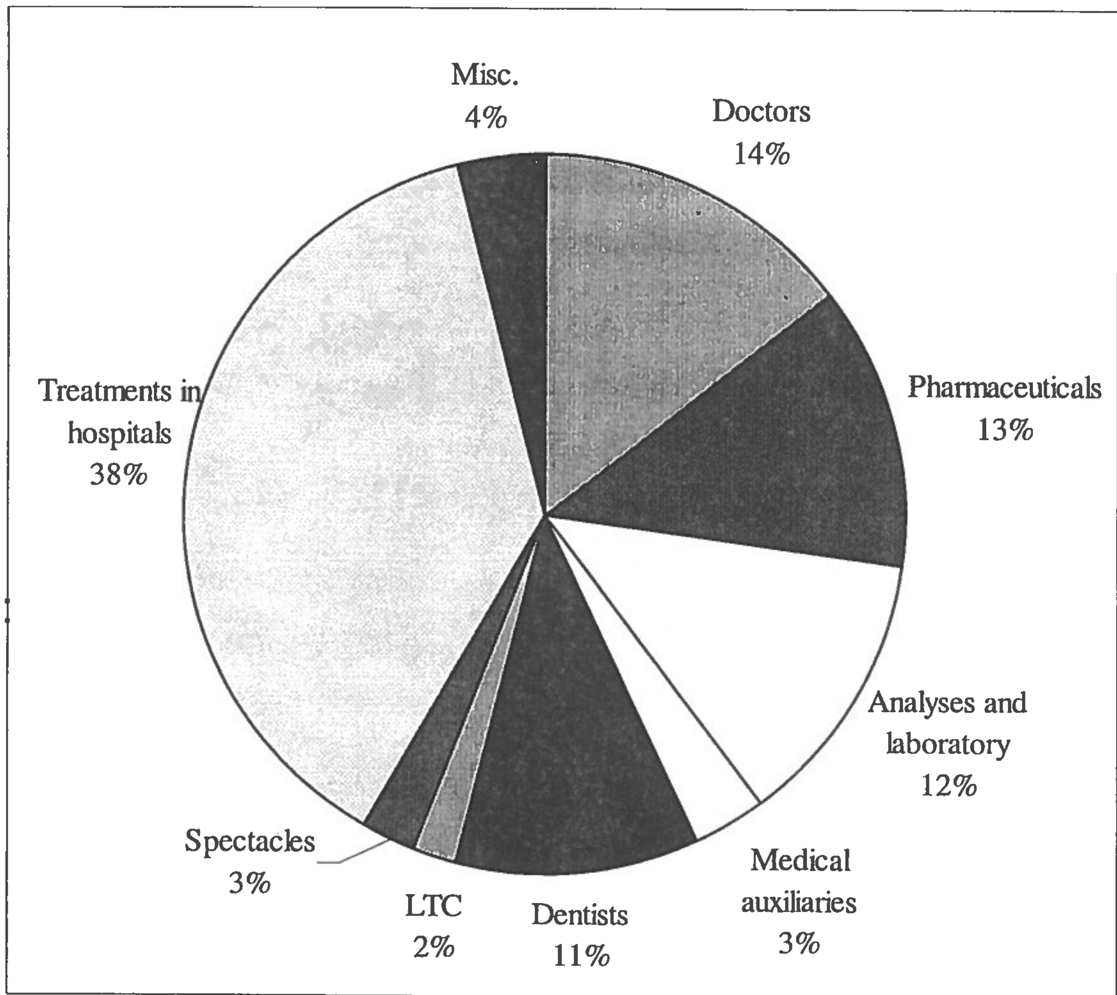
Main Benefits

Most benefits are based on the Swiss LAMal Scheme:

- Doctor fees, Pharmaceuticals, Analysis and laboratory work:
  - 90% reimbursement with a yearly deductible of 100 CHF
- Treatments in hospitals (in-patients):
  - 100% in a public ward (4-beds or more)
  - 90% in a 3-beds, 2-beds or private room
- Dental treatments:
  - 90% up to 2’736 CHF/year, need for prior price estimate checked by UNIQA if treatment > 800 CHF.
- Medical auxiliaries:
  - 90% up to 2’796 CHF/year, extended for Long Term Dependency
- Spectacles:
  - 90% for lenses subject to a modification of the dioptre
  - 90% for frame up to 216 CHF per period of 3 years

Distribution of health costs

Statistics in 2001:
11’ 299 members
42.8 MCHF reimbursed
➔ 3’ 866 CHF/member



Average health cost:
in Geneva = 4’ 270 CHF
(Helsana · Basic LAMal
benefits) in France = 2’ 157

· about 3’ 235 CHF
(DRESS- “·tudes et
r·sultats” # 187 · Sep 2002)

The contributions

Contributions are paid by the Staff or the Pensioners:

→ 4.02% of (last) basic salaries

and by the Organisation:

→ 6.35% of (last) basic salaries

40/60 sharing of contributions

+ Direct participations (10% and deductibles)

→ 50/50 sharing of health care costs

The CHIS Board

The Board is a joint body with representatives from the Managemen
and from the insured persons (active staff and retirees).

- Responsible for proposals for the adaptation of the policy of the Sc
- Keep up-to-date with rules and practices of health insurance in othe
  International Organisations and Member States;
- Review the services expected from the Administrator of the Scheme;
- Inform members of the Scheme about its work and all aspects of viabil
  of the Scheme (➔ CHIS Bulletin).

Control of cost increase:

Year	1996	1997	1998	1999	2000	2001	96-2001
CHIS	2.2%	3.9%	1.9%	8.5%	1.3%	1.3%	20.4%
Swiss Ins.	11.7%	4.7%	2.8%	3.8%	5.5%	9.7%	44.4%

Long-Term Care

Definition

Long-term care benefits provide a financial support to persons in need of assistance over an extended period of time resulting from chronic illnesses or disabilities, entailing impairment of their ability to function independently in their daily lives.

Based on FAFICS (*Federation of Association of Former International Civil Servants*) classification for activities of daily life (ADL):

- to move around inside the house;
- to get dressed or undressed;
- to wash, to do one's hair;
- to eat and drink;
- to go to the toilet;
- coherence and ability to communicate;
- time and space orientation.

Long-Term Care

Population

- Any member of the CHIS Normal Health Insurance Cover may claim long-term care benefits subject to the certification of dependency by a medico-social board.

- People of all ages may need long-term care, however, it is expected that older people will be the primary beneficiaries of long-term care.

Preparation of proposal

- Problem was realized early (1991 study)
- The Staff Association has been the driving force since the very beginning in looking for an optimal solution
- Proposal CHISB end 1997
- Informal discussions in 1998
- Presentation to Delegations in TREF in 1999
- Different modes of financing studied
- Included in CHIS in 5 Yearly Review (special funding provisions)

Long-Term Care / Benefits

Services arising from the need for long-term care may be divided into three areas:

- *medical services* by existing provisions;
- *paramedical services* (physiotherapist, ergonomist, etc.) by increasing the ceiling of reimbursement;
- *home care* (includes non-medical services provided at home, accommodation costs in a residential or nursing home) by specific allowance (independent of where care is given)

Long-term care benefits

Level of dependency	weak dependency (40%)	medium dependency (60%)	full dependency (100%)
Medical	No change	No change	No change
Paramedical	1000 CHF/month	1500 CHF/month	2500 CHF/month
Home care	34 CHF/day	51 CHF/day	85 CHF/day

Subject to the certification of dependency by a medico-social board

Long-Term Care financing

The Long-term care is based on capitalisation inside the framework of CHIS.

Two additional measures for contributions:

- Rate for all members increased from 3.42% to 4.02% of basic salary;
- Level pensioners based on last basic salary instead of pension (17% increase);

Thus total rate for all members of CHIS is 10.37% of basic salary (instead of 9.77% previously).

Conclusion

- CHIS is a *fully mutual* scheme:

  Pay according to means, use according to needs.
- "Users" and Organization pay 50%:

  cost-awareness and responsible behaviour.
- Scheme managed by CHISB and administered (only) by UNIQA.
- Improvements are introduced gradually.
- Agreements negotiated with health providers.

History

- 1954-1970: 1st health insurance contract (caisse-maladie suisse)
- WG of FC studied question of health and accident insurance and decided to set up call for tender
- 1971-1995: Agreement with Austria (J. Van Breda)

  Agreement amended 12 times

  Service contract (not risk insurer, guarantees cash flow)
- 1996-2002: Austria/Uniqa only scheme manager

History (important dates)

- 1954: First health and accident insurance scheme introduced for active staff
- 1971: FC decides that pensioners can remain in CHIS
- 1986: CC confirms this in resolution
- 1993: CERN pays directly for pensioners (at same rate as for active personnel)
- 1996: Gainfully employed spouse pays contribution
- 2001: Introduction of long-term care

Projections for 2003

- Contributions:
  - Staff = 31.9 MCHF - 1.8 MCHF for LTC
  - Pensioner = 24.5 MCHF - 4.3 MCHF for LTC
  - Other = 0.3 MCHF

→ + 50.6 MCHF

- Reimbursements:
  - Total 2001 = 42.8 MCHF
  - +3.5% per year (average over 5 years) → - 46.0 ± 1 MCHF
- Cost of the administrator (UNIQA) → - 2.1 MCHF

+ 2.5 ± 1 MCHF