

European Southern Observatory Long Term Care scheme

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History

- 1996:
 - Long Term Care (*Pflegeversicherung*) implemented in Germany
 - Not implemented by ESO
- 1996-2004: conflict between ESO administration and staff on salaries
- 2003: ESO staff obtains full success on salaries + Long Term Care is accepted
- January 2005: implementation of ESO LTC

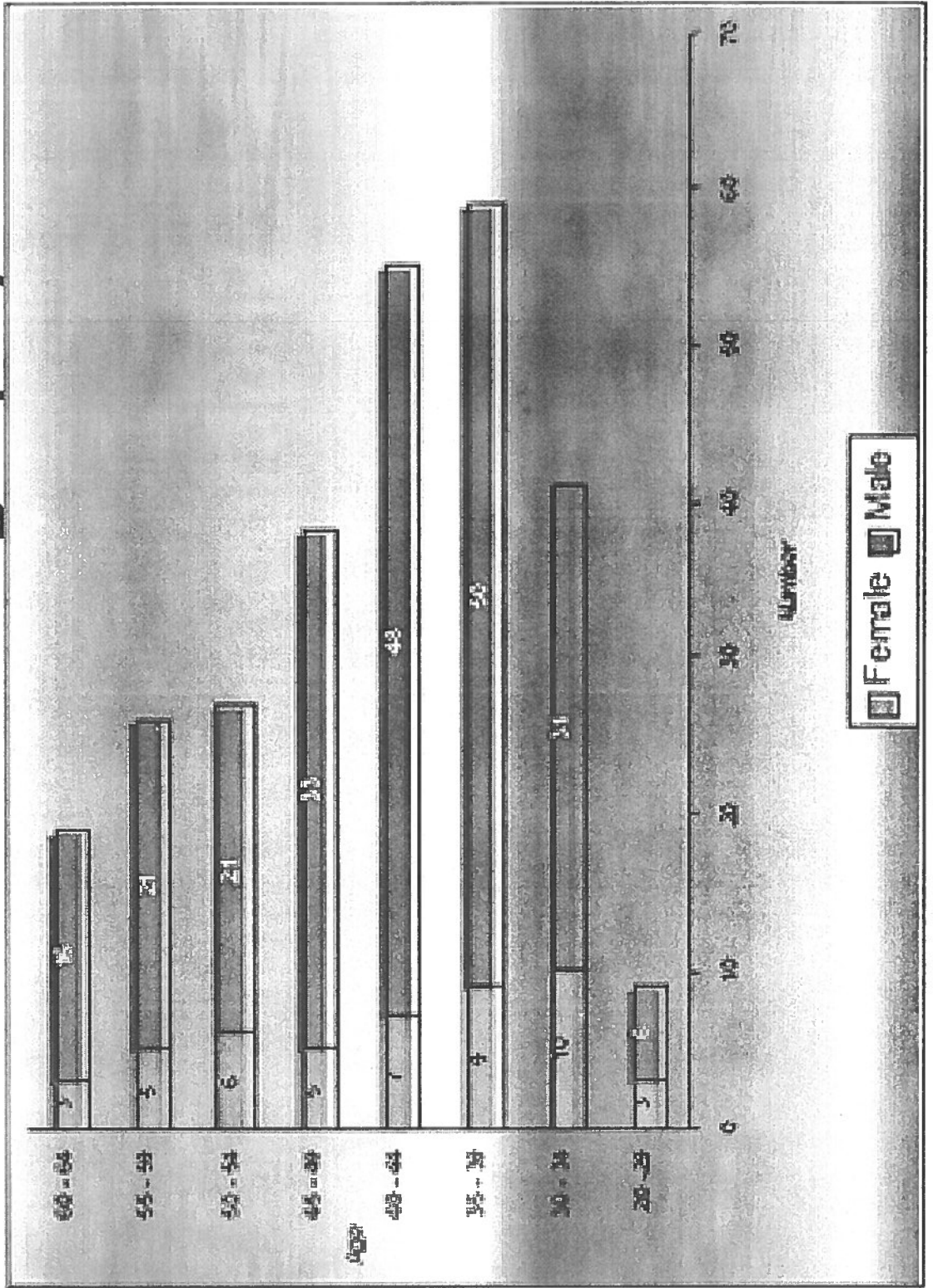


Particularities of ESO

- Private Health Insurance
 - ESO fund administered by Van Breda
 - Was already covering part of the LTC
- Pensioners:
 - CERN Pension Fund
 - Covered by Van Breda as well
- Young pyramid of ages - "few" employees:
 - Very few disabled



ESO demography





ESO LTC scheme

- Several solutions were studied:
 - German private insurance companies => refused to cover ESO staff except HUK
 - ESO capitalized fund => ESO is too small
 - Risk insurance (through Van Breda) =>
 - Intimately linked to health insurance
 - Very large number of insured persons (>100000 international civil servants)
 - Takes ESO demography into account



ESO LTC Conditions (1)

- Similar to the German *Pflegeversicherung*
- Covers international staff + spouse + dependent children
- To enter the scheme:
 - Compulsory for all active and retired staff (under CERN PF or social security) up to age 75
 - Prior medical examination for persons 65+
 - Once entered, no limit
- No waiting / exclusion period



ESO LTC Conditions (2)

- 3 levels of dependence
 - based on mobility, dressing, washing, feeding, and continence abilities and support time needed per day / week
 - Questionnaire to be filled by the patient doctor with associated reports
 - Approved by Van Breda advisory doctor
- Some sicknesses/accidents are excluded: suicide, active participation to terrorism / civil war, transmutation of atomic nucleus, congenital diseases of children



ESO LTC benefits

- Paid as soon as dependency is recognized, no waiting period
- Level 1: 600-EUR / month
- Level 2: 1000-EUR / month
- Level 3: 1500-EUR / month
- Can be revised every 5 years by ESO administration + Van Breda
- Arbitration by an independent doctor or by "Conseil de l'Ordre des Médecins"



ESO LTC Premiums

- Risk insurance => budgeted
- 0.3 % of staff basic salary normally shared 50-50 between staff and ESO
- ESO participation has a ceiling of ~11-EUR to increase the participation of high salary staff (request by French delegate to FC)
- Average staff contribution ~7-8-EUR
- Should be stable at long term (could be revised every 2-3 years)



ESO LTC results

- Implemented since 01 January 2005
- Contributions are OK
- No complaints from staff
- Nobody applied yet for coverage



Conclusion: positive points

- Very cheap premiums (much cheaper than German public system) thanks to ESO young demographic structure
- ESO ceiling is "cosmetic" but not really affecting the staff
- Covers all staff + dependents including retirees
- No waiting / exclusion period
- The premiums should be stable



Conclusion: negative points

- Took a long time
 - To get ESO agreement for a LTC
 - To find a suitable solution and negotiate it
- Some sicknesses are excluded
- Covers only the international staff, not the associates
- Long term evolution of premiums / benefits is unknown. Then ESO ceiling could become a problem.



(Not) to do

- To do:
 - Find a solution as closely linked to the health insurance scheme as possible
 - Take demography and institution size into account
- Not to do:
 - Contact local insurance companies => go directly to the headquarters (diverging opinions, loss of time)

