

ILO/ITU STAFF HEALTH INSURANCE FUND

Record of Decisions
of the 211th Meeting of the Management Committee

Tuesday, 30 October 2012

2.00 p.m., ILO, Room XII – E. Kane (M3 South)

Present:

Representing the insured persons:

ILO

Ms. Chantal Amine *as of 4.10 p.m.*
Mr. Sylvain Delaprison
Ms. Mireille Ecuillon
Ms. Marie Kathleen Maguire
Ms. Cherry Thompson-Senior

ITU

Mr. David Broadhurst
Mr. Michel Rolland

Representing the Organizations:

Mr. Charles Agbavwe
Mr. Juan Llobera

Mr. Thierry Perewostchikow
Ms. Marianne Wilson

Other attendees:

Mr. Clifford Kunstler, SHIF Executive Secretary
Ms. Heather Harris, SHIF Claims Supervisor
Ms. Corinne Michoud, SHIF Secretary

Apologies for absence were received from:

Representing the insured persons (ILO): Mr. Gérald Weder
Representing the Executive Head (ILO): Ms. Anne Drouin - Mr. Tilmann Geckeler
Mr. Fikri Gurzumar - Mr. Giuseppe Zefola

The meeting opens at 2.10 p.m.

Item 1: Approval of meeting agenda
(SHIF/MC/12/211/AG)

Management Committee (MC) decides to approve meeting agenda (document ref. SHIF/MC/12/211/AG).

**Item 2: Approval of the Record of Decisions of the 210th meeting
of the Management Committee**
(SHIF/MC/12/RD.210)

MC decides to approve Record of Decisions of its 210th meeting (document ref. SHIF/MC/12/RD.210) with following adjustments:

Text in respect of agenda Item 3 (“Increase in contribution base rate for the 2014-2017 period”) is replaced in its entirety as follows:

“Executive Secretary (ES) explains expenditure projection over the 2014-17 period as reflected in document ref. SHIF/MC/2012/210/3. In view of progression in expenditure, ES recommends an increase in base rate of contribution that will result in a Guarantee Fund balance at midpoint in 2017. Specifies that projections are neutralized in respect of exchange rate and organic growth. Also specifies that projections do not take into account income associated with investment transactions, in view of continued risk of economic turbulence.”

Bullet points in agenda Item 7 (“Update from its Chair on the progress of the Working Group charged with exploring options for maintaining the Fund’s service level”):

- **1st bullet:** “Deployment of NHIIS 2nd Quarter ~~2012~~ 2013”
- **Last bullet:** “SHIF Secretariat considering *piloting* out-posting to ILO/Lima of claim settlement ~~for Latin America~~ to a regional office (2014). [...]”.

**Item 3: Continued discussion surrounding the contribution base rate adjustment
for the 2014-2017 period**

MC members examined and Executive Secretary (ES) explains following projections relative to the 2014-17 insurance period, with in mind the objective of a Guarantee Fund (GF) balance at midpoint at year-end 2017:

- B/R increased to 3.55 per cent: ILO only, ITU only, whole Fund;
- B/R increased to 3.91 per cent: whole Fund; and
- B/R increased to 5.16 per cent: ITU only.

MC noted that:

- required B/R increase for ILO risk group is 7.52 per cent (3.30 to 3.55 per cent);
- required B/R increase for ITU risk group is 56.46 per cent (3.30 to 5.16 per cent); and
- required B/R increase for whole Fund risk group is 18.38 per cent (3.30 to 3.91 per cent).

MC informed by members representing ILO DG that ILO P&B will include a provision based on a 3.55 per cent B/R. The ILO GB will be informed about on-going discussions with ITU regarding gap between the technical results associated with the ITU risk group and those associated with the ILO risk group. Without an equalization agreement, a 3.91 B/R would be required for the whole Fund to meet the midpoint goal.

MC members representing ILO DG emphasize that neither ITU nor the MC should assume what the ILO GB's position will be with regard to a 7.52 per cent or an 18.38 per cent B/R increase. ILO GB could make acceptance of the 18.38 per cent increase contingent upon an equalization agreement with ITU. MC notes that no progress toward agreement made to date.

MC members representing ILO insured persons asked for their position in relation to the increase. While requesting that an actuarial study be carried out to support any final proposal in respect of a B/R adjustment, they state their support for a B/R increase up to 3.91 per cent provided ILO P&B staffing levels not affected: consider this a matter of solidarity with the ITU insured persons. Do not consider conditionality a determining element in view of the mutual nature of the Fund (this should continue to be addressed by the two administrations without MC’s involvement).

MC members representing the insured persons of the ILO reminded that any position taken can only translate into an actual amendment following a full consultation process involving the executive heads of the ILO and ITU, the governing bodies and the insured persons.

MC decides to recommend to the ILO and ITU administrations a common B/R of 3.91 per cent for budgeting purposes only.

MC further decides on following structure for the actuarial study:

- **Projection year-end 2017, then end-of-biennium until year-end 2023 (i.e. projections covering 10 years);**
- **For ILO only, ITU only, whole Fund (ILO+ITU); and**
- **Base rates required to be at Guarantee Fund midpoint at the end of each period considered.**

Item 4: Arbitration board panel as per Art. 4.18, paragraph 2, of the Fund's Regulations

a) *List of persons nominated by the titular and substitute members of the Management Committee representing the insured persons*

MC members representing executive heads note persons nominated by members representing insured persons, as shown in document ref. SHIF/MC/2012/211/4a.

b) *List of persons nominated by the titular and substitute members of the Management Committee representing the executive heads*

MC members representing insured persons note persons nominated by members representing executive heads: Ms. S. Benitez, Mr. L. Bormioli, Mr. M. Buchholtz, Mr. E. Dahlen, Mr. D. Petrovic.

Item 5: Report by the Chairperson of the Management Committee on outcomes of the last SSC meeting

Chairperson provides report on outcomes of the last SSC meeting (8 cases).

Item 6: Special case 29/2012 – Request for payment of benefits under Code 1.7 of the SHIF Schedule of Benefits of psychotherapy sessions beyond the authorized thresholds (SC 29/2012)

MC refers to document ref. SC 29/2012 and decides:

- **In respect of 2012: to follow Medical Adviser's recommendation to reimburse stated number of sessions at US\$ 70.00 per session; and**
- **In respect of the 2013-15 period to follow Medical Adviser's recommendation regarding the reduction in frequency of sessions.**

Item 7: External Auditors' Report on the SHIF accounts for the 2011 period (SHIF/MC/2012/210/10.2)

ES introduces document ref. SHIF/MC/2012/210/10.2.

Item 8: Other Business

1. Financial situation at 31.08.2012

Document ref. SHIF/MC/2012/211/8.1 distributed for information.

The meeting ends at 5.30 p.m.
