

STAFF HEALTH INSURANCE FUND

Record of Decisions
of the 279th meeting of the Management Committee

Tuesday, 14th November 2023

at 10:00 a.m., Jura Room (Library)

Present:

Representing the insured persons of the ILO:

Ms. Mireille Ecuillon (Titular member)
Mr. Pierre Sayour (Titular member)
Ms. Catherine Comte-Tiberghien (Titular member)
Ms. Azza Taalab (Substitute member)
Ms. Lisa Morgan (Substitute member)

Representing the Director-General:

Mr. Fikri Gurzumar (Titular member)
Mr. Tilmann Geckeler (Titular member)
Mr. Luca Bormioli (Titular member)
Mr. Sietse Buijze (Substitute member)
Mr. Giuseppe Zefola (Substitute member)

Other attendees:

Mr. Adnan Chugtai, Treasurer and Financial Comptroller
Mr. Florian Léger, SHIF Executive Secretary
Ms. Heather Harris, SHIF Claims Supervisor
Ms. Corinne Michoud, SHIF Secretary

Apologies for absence were received from:

Representing the insured persons of the ILO:
Ms. Elisabeth Fombuena

The meeting opens at 10.05 a.m and is chaired by Mr. Fikri Gurzumar, Vice-Chairperson of the Management Committee, as Mr. Pierre Sayour, Chairperson, is attending the meeting virtually.

Item 1: Approval of meeting agenda
(SHIF/MC/23/279/AG)

MC refers to document ref. SHIF/MC/22/279/AG and approves the agenda.

Item 2: Approval of the Record of Decisions of the 278th meeting of the Management Committee
(SHIF/MC/23/RD.278)

MC refers to document ref. SHIF/MC/23/RD.278 and approves the Record of Decisions.

Item 3: Update on the SHIF WorkPlan for 2023

ES makes a short update on the SHIF Workplan, regarding the ongoing election of representatives of the insured persons to the SHIF Management Committee, the SHIF Annual Report and the SHIF General Meeting of insured persons.

ES informs MC that the backlog of unsettled claims has reduced considerably since the last MC meeting, inter alia because of the success of the pilot implemented in Dakar.

**Item 4: Request for approval of payment of benefits beyond USD 600'000.00
of approved expenses**
(SHIF/MC/23/279/4)

This special case concerns a request for approval of payment of benefits beyond the maximum liability set at US\$ 150,000.00 of approved expenses per calendar year (Article 2.6 of the SHIF Regulations) for a SHIF insured person whose medical expenses in 2023 have exceeded the annual maximum liability due to a serious illness.

MC authorizes payment of benefits for up to a maximum of US\$ 750'000.00 of approved expenses for the insured member's medical treatment in 2023.

ES takes the opportunity to inform MC that one canton of Switzerland has recently refused to exempt a SHIF insured person from the Swiss LAMal on the grounds that the maximum liability referred to in article 2.6 of the SHIF Regulations (as well as the exclusion as foreseen in article 2.4 1. (a) of the Regulations) do not meet the requirements of the Swiss LAMal.

ES informs MC that those 2 limitations are very specific to the SHIF and that similar health insurance Funds do not have such limitations. A representative of the administration confirms that the MC should probably consider amending the articles soon. A stop-loss coverage is also considered for further discussion amongst the Committee.

**Item 5: Article 2.11 bis "Fraud against the Fund" and 2.11 ter
"Expulsion from the Fund or termination of coverage in case of fraud or arrears"**

Adnan Chugtai, Treasurer and Financial Comptroller, updates the SHIF on the ILO zero tolerance policy on fraud. He explains in detail the process of reported fraud cases, from the investigation conducted by the Investigation Unit of the Office of the Internal Audit to the final decision of the DG, based on the recommendations of the accountability Committee and the Treasurer and Financial Comptroller.

He shares his view on the new SHIF articles 2.11 bis and 2.11 ter and their implications, whereby, during the investigation, the SHIF Management Committee "may decide to maintain or to end the suspension of the benefits concerned" and "may expel from the Fund a person voluntarily insured in accordance with article 1.3 or terminate the coverage of a person voluntarily covered in accordance with article 1.6" in case of an established fraud.

MC asks some clarification about the different processes and implications.

Item 6: SHIF Risk Register

SHIF/MC/23/279/6

ES presents the document. The SHIF Management Committee approved for the first time the SHIF Risk Register in 2019 and updated it in 2021. MC decided at its 265th meeting to review the document annually but the agendas of SHIF MC meetings have been such that it was not possible to do it in 2022.

The Risk Register has been updated by the SHIF Secretariat, in parallel with the development of the SHIF Anti-Fraud Strategy, to which it is an Annex.

MC makes some comments and decides to give MC members one more week to provide any further comments before the document is approved.

Item 7: SHIF Anti-Fraud Strategy

SHIF/MC/23/279/7

ES presents to the MC the SHIF Anti-Fraud Strategy. The Strategy is based on:

- Office Directive, Policy against fraudulent and other proscribed practices, IDGS 69 (version 4) of 16 November 2021.
- Office Directive, ILO Enterprise Risk Management Framework, IDGS 421 (version 3) of 25 August 2021.
- Office Directive, Ethics in the Office, IDGS No. 76 (version 2), of 11 November 2019.
- The Regulations and Administrative Rules of the SHIF (Edition 2022).

This is an internal document that has been shared with the staff of the Secretariat and discussed in detail during a specific training. The document has been developed by the SHIF Secretariat with the guidance and support of the ILO Senior Risk Officer. The SHIF Anti-Fraud Strategy is also a document that responds to different recommendations from the ILO Internal and External auditors.

MC makes some comments, one in particular on the low-risk appetite for fraud, the meaning of which meaning is considered not very clear. MC welcomes and takes note of the documents.

Item 8: SHIF Appeals procedure

(SHIF/MC/23/279/8)

As agreed at the last meeting of the MC, a revised version of the procedure was circulated to the MC by email. A representative of the administration updates the MC on the changes made to the draft procedure following discussion at the last MC meeting and comments received from the Secretary of the JAAB.

MC approves the procedure that will be added to the SHIF Administrative rules.

Item 9: SHIF Financial situation as of 30.09.2023 and technical results for the period 01.01.2023-30.09.2023

(SHIF/MC/23/279/9)

A representative of the administration presents the draft SHIF financial situation as of 30.09.2023 and the technical results for the period 01.01.2023-30.09.2023.

As at 30 September 2023, the investments have shown a loss of USD 918 thousands, of which around USD 560 thousands is related to losses due to revaluation of other currencies against the CHF. The persistent doubts regarding inflation (such as if it is long term/structural or temporary), along with uncertainties about the future actions of central banks concerning interest rates, potential economic downturns, and geopolitical risks, have continued to cause ambiguity in economic climate. The volatility in financial markets and especially on bond markets has continued in line with these uncertainties. While the SHIF portfolio is well diversified and positioned conservatively, in short term its performance has been affected by these uncertainties.

Item 10: Any other business

10.1 General Meeting of insured persons

MC discusses the organization of the General Meeting of insured persons that will take place on Monday 20 November from 1pm to 3pm.

10.2 JIU study

ES informs the MC that the draft report on the “Review of Quality, effectiveness, efficiency, and sustainability of health insurance schemes in the United Nations system organizations” has just been submitted for comments. The draft report has been shared with the members of the MC that participated in a meeting with the JIU in March 2023 as well as with representatives of the Staff Union Committee who were also invited to the meeting. The final report will be shared with the MC once available.

The meeting ends at 12.30 p.m.
