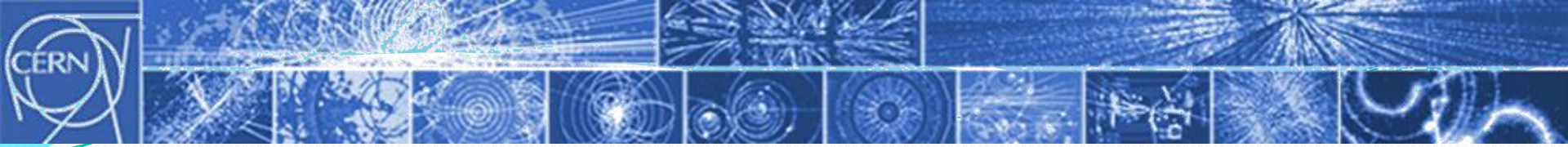


# HIS benefit changes

HR Public Meeting – 23 September  
2011



# HIS benefit changes – AGENDA

- Introduction by Anne-Sylvie CATHERIN, Head, Human Resources Department
- Presentation by Philippe Charpentier, CHIS Board Chairperson

# HIS benefit changes as of 1<sup>st</sup> January 2012

Philippe CHARPENTIER  
CHIS Board Chairperson

# Why change the CHIS benefits?

## □ Last 5YR outcome:

- Increase in contribution rates (as of 01.01.2011)
  - ❖ Maintain the level of benefits
  - ❖ ... but compensate for medical inflation and population ageing
- Allow the CERN Director-General to "take measures to limit the increase of CHIS expenses, by encouraging use of health care providers/treatments with best quality-to-cost ratio."
  - ❖ **This is the main motivation for these changes**
- Simplify some rules, adapt to new techniques
  - ❖ Provided they do not increase the cost for CHIS

# Principles for changes

- Maintain current level of benefits
  - After comparison with other IO's
    - ❖ Our system is **comparable** in terms of benefits
  - **Secure** the current overall average reimbursement rate (ceilings included) of **87%**
- Provide benefits to **all** members
- Protect even more those members with **high expenses**
- Review some benefits in order to make their understanding (by members) and treatment (by contractor) easier, adapt to new health care conditions

# Summary of benefits today

# Today's reimbursement rate

## □ Deductible

- First 200 CHF per year not reimbursed

- ❖ This means: up to 222 CHF expenses, reimbursement rate is zero, raises to 80% for 2000 CHF expenses

## □ Reimbursement rate

- General rule: 90% - deductible
- Cost borne by the member in an approved hospital limited to 2000 CHF
- Some benefits have ceilings (e.g. dental care)
- 100% for a given case if outpatient expenses (cumulated for the given case) > ~ 80,000 CH



# Hospitalisation today

- Public hospital
  - 100% in all classes (public, semi-private, private)
  - Extra cost for single room not reimbursed
- Approved hospital
  - 90% (-deductible) with a limit of 2,000 CHF borne to the member
  - Direct payment by the contractor (UNIQA)
- Non-Approved hospital
  - 90% (-deductible) but no limit
  - The member must advance the payments
    - ❖ Still possibility to obtain an advanced reimbursement...



# Hospitalisation today

## SUMMARY OF HOSPITALISATION BENEFITS

Room	Establishment	Geographical area	Cost of stay	Approved	Reimbursement rate	Max. annual payment borne to Member	Method of payment to hospital
2 BEDS AND MORE	Public				100%	0 CHF	Direct payment by Administrator
	Private	Area close to CERN i.e. CH: GE, VD FR: 01, 74		Yes if tariff agreement	90%	2000 CHF	Direct payment by Administrator
				No	90%	No ceiling	Payment by Member
		Outside above area	≤HUG	Yes automatic	90%	2000 CHF	Direct payment by Administrator
			>HUG	No	90%	No ceiling	Payment by Member
1 BED	Reimbursement = same for 2 beds, but extra accommodation cost of stay (if any) at member's charge						

# Special (selected) health care cases today

- Dental care:
  - Normal rate but reimbursement ceiling 2,928 CHF per year
    - ❖ No carry over
- Optical care:
  - Subject to change of dioptries (0.25)
    - ❖ Almost imperceptible change...
  - Glasses: 90% without ceiling
  - Frames: 76 CHF per year, carry-over over 3 years
  - Disposable lenses: 500 CHF/year, no carry-over

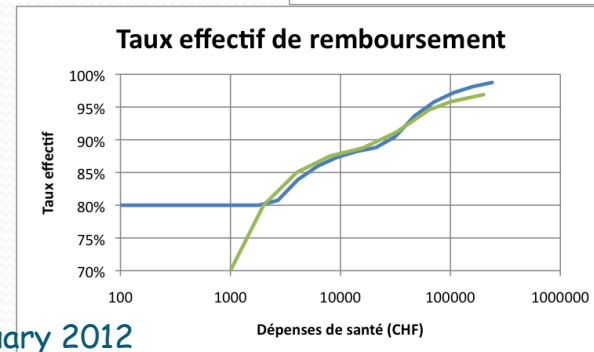
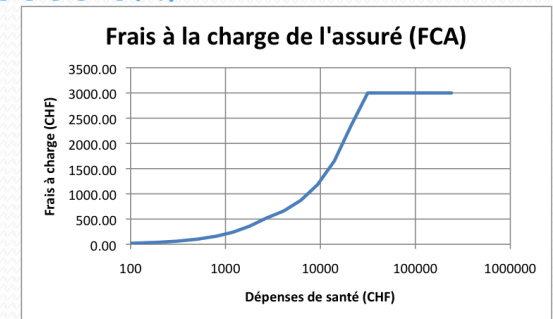
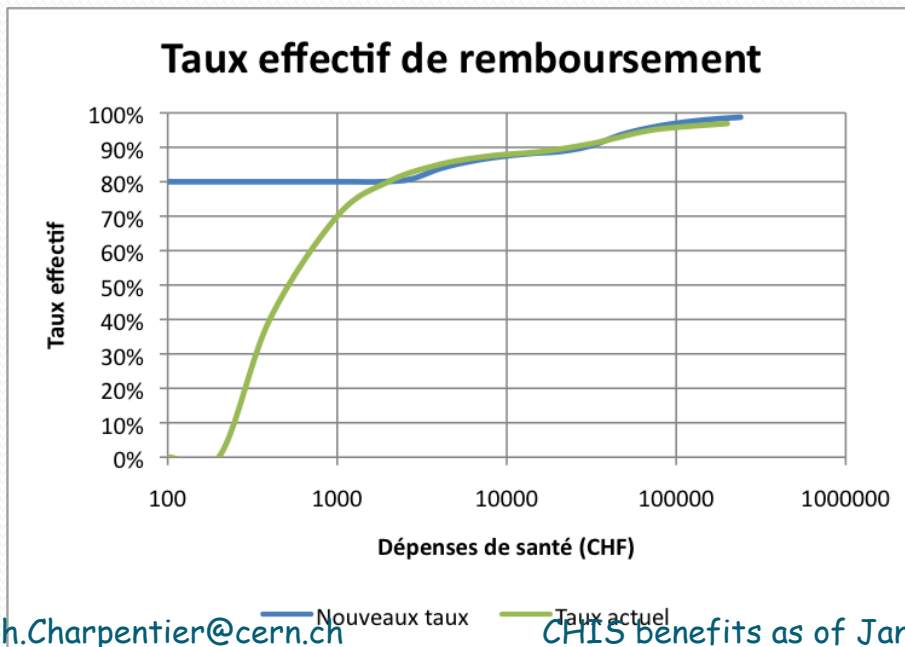
# Changes as of 1<sup>st</sup> January 2012

# New CHIS Rules 1<sup>st</sup> January 2012

- Accepted by the SCC on September 1<sup>st</sup>
  - After numerous discussions within the CHIS-Board
  - Thank You to all CHIS Board members for their extremely valuable input and collaborative spirit
- Approved by the Director-General this week
- Implementation is taking place at the contractors (UNIQA)
  - Will be ready in time
  - Reimbursement of 2011 expenses will still follow the current rules (throughout 2012)
- Members will receive a personal information letter, detailed article in the next CHIS Bull' and the new rules will be made available on the CHIS site.

# Replacing the deductible

- **General rule** of reimbursement rate:
  - 80% up to a certain threshold, then 90% up to a second threshold, then 100%
  - ❖ Threshold expressed in Cost Borne by the Member (FCA)
  - Choice of thresholds: from simulation, keeping same average rate
    - ❖ FCA (Frais à la Charge de l'Assuré): 500 CHF and 3000 CHF



# Hospitalisation changes: reasons

- (Semi-)private sections of public hospitals
  - Evolution of public hospitals:
    - ❖ Includes (semi-)private sections
    - ❖ Attracts more practitioners
      - Free choice of practitioner for the patient
    - ❖ ... but this has a cost
  - Example: APDRG at HUG
    - ❖  $\text{Cost} = N_{\text{points}} \cdot \text{Value}_{\text{point}}$  ( $N_{\text{points}}$  depends on the pathology)
    - ❖  $N_{\text{points}}$  is higher in (semi-)private section than in public section
    - ❖ In (semi-)private section, practitioner fees are in addition to the APDRG cost (~40% additional cost)
      - As a result HUG costs are similar to private hospitals
  - In France: "dépassement d'honoraires"

# Hospitalisation: new rules

- Public sections or public hospitals:
  - 100% as before
- (Semi-)private sections of public hospitals or approved private hospitals:
  - Reimbursed following the General Rule
  - No longer limited to 2000 CHF borne to the member
    - ❖ Replaced by the 100% rate threshold (FCA = 3000 CHF)
- Non-approved hospitals:
  - 80% reimbursement rate, not used for cumulating FCAs
- Direct payment by UNIQA
  - Only for public or approved private hospitals (as now)



# Hospitalisation new rules

SUMMARY OF HOSPITALISATION BENEFITS							
Type of establishment	Geographical area	Approved by CHIS	Sector	Reimbursement rate	Max. annual payment borne by Member	Method of payment to hospital	Room
Public hospital	Anywhere	Approved by definition	Public sector	100%	0 CHF	Direct payment by Administrator	Any type of room  (however any supplement for a single-bed room is exclusively borne by the Member)
			Private or Semi-private sector	General rule	included in FCA	Direct payment by Administrator	
Private hospital	Switzerland : explicit agreement with CHIS	Approved	n.a.				
	Elsewhere : applying tariffs similar to those agreed with National Health Insurance						
	If not above	Unapproved	n.a.	80%	No limit (not included in FCA)	Payment by Member	

# Ceilings

- Ceilings used to be expressed in reimbursed amounts
- No longer possible with the variable rate...
- Ceilings now expressed in maximum expenses
  - Previous ceilings have been divided by 0.9
    - ❖ ... and rounded up!
- Ceilings expressed per calendar year
  - Pro-rata the duration of the contract
- Some "unused" parts of the ceilings may be carried over to subsequent year(s)
  - See examples later...

# Other modified rules

## □ Optical care:

- Single ceiling: 500 CHF per annum with carry-over for 3 years (i.e. 1500 CHF in total every 3 years)
  - ❖ Suppress change of diopters and ceiling for frames
  - ❖ Suppress special ceiling for lenses
- Refractive surgery (ceiling 2000 CHF per eye)

## □ Dental care:

- Ceiling with carry-over on 3 years: 3300 CHF per annum

## □ Prevention: 100%

- Mammography, hemoculture (colon cancer screening), papilloma-virus vaccination



# Incentive measures



- Many calls to use less expensive health care providers
  - Quite a few of you changed your habits, thank You!
  - However: 69% of the members live in France and 64% of outpatient expenses are in Switzerland!
    - ❖ This means many residents in France still go to doctors, buy their drugs or make blood tests, X-rays etc, in Switzerland
- 5% extra reimbursement rate (i.e. 85%/95%) for outpatient expenses in selected member states
  - Concerns: doctors, drugs, lab tests, imagery, and more generally most out-patient expenses (see details in the rules)
  - Countries selection based on the OECD report on health costs
  - **All member states** but **Switzerland, Norway and Denmark**
    - ❖ The list will be reviewed every year
- In the future similar incentive measures could be granted to other health care providers, if it helps keeping costs under control

# Conclusions

- ❑ Maintain the same overall benefits
  - 87% average reimbursement rate (all included)
- ❑ Continue protecting (even more) members with high expenses
- ❑ Rationalise hospitalisation in view of the new situation
- ❑ Simplify some rules and adapt to new practice (e.g. optical care)
- ❑ Encourage strongly to use less expensive health care providers
- ❑ ... and, last but not least:
  - Continue to negotiate best tariffs with health care providers (new round of discussions starting now...)