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\textsuperscript{st} 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 CHF
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

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

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CHIS benefits as of January 2012
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 dioptres (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\textsuperscript{st} January 2012
New CHIS Rules 1\textsuperscript{st} January 2012

- Accepted by the SCC on September 1\textsuperscript{st}
  - 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

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

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CHIS benefits as of January 2012