



Division of Administrative and Common Services
Human Resources Management Section

UN/INF.544
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INFORMATION CIRCULAR

GROUP MEDICAL INSURANCE

Increase in contribution rates

1. The 1997 contribution rates for the Full Medical Insurance Plan (FMIP) and the Supplementary Medical Insurance Plan (SMIP) with J. Van Breda and Co. International were set out in information circular UN/INF.536 of 15 January 1997.
2. On the basis of the performance of the group medical insurance plans over the first half of the current review period, from 1 October 1996 to 31 March 1997, a substantial increase of the premium payable to Van Breda by participants and the Organization can be expected in January 1998. On the basis of a recommendation of the Joint JAC Standing Committee on Medical and Life Insurance that was endorsed by the Joint Advisory Committee, an increase of 5 per cent in the premium rates will be reflected in the May 1997 payroll, in order to avoid a sudden, large increase in those rates. The incremental staff contributions, together with the subsidy of the Organization, will be credited to the premium reserve fund and used to offset a portion of the premium increase expected in 1998.
3. Accordingly, from 1 May 1997, the share of the monthly premiums to be borne by staff members enrolled in the group medical insurance plan, expressed as a percentage of their emoluments, will be:

<i>Category</i>	<i>Insured persons</i>	<i>FMIP</i>	<i>SMIP</i>
		<i>(Percentage)</i>	
I	Staff member only	2.785	2.134
II	Staff member and one dependent	4.178	3.200
III	Staff member and two or more dependants	5.570	4.267

The same share will be borne by the Organization as a subsidy.

Cost awareness

4. Staff are reminded of the impact that they, as consumers of medical services, have on the performance of the group medical insurance plan by their choice of medical providers and services. Cost awareness is essential to consumers in the medical market to make informed decisions. Participants in the group medical insurance plans must be cost-aware, particularly in the case of elective and non-emergency hospital treatment, as there are wide variations in the charges levied by various providers of medical services, often with little difference in the quality of those services. Participants in the plans are reminded of the introduction by Van Breda and Co. International of a cost-estimate form for planned hospitalization (see information circular UN/INF.447 of 13 April 1995) which was designed to raise cost awareness and to reduce medical expenses.
5. Cost-estimate forms and additional information can be obtained from Social Security, room E1038.