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Administrative instruction

Medical insurance plan for locally recruited staff at designated duty stations away from Headquarters

The Under-Secretary-General for Management, pursuant to section 4.2 of Secretary-General's bulletin ST/SGB/2009/4,[1] and for the purpose of implementing staff rule 6.6, promulgates the following:

Section 1
General provisions

1.1 The Medical Insurance Plan (also referred to as MIP or the Plan) is a health insurance scheme operated by the United Nations for the benefit of their locally recruited General Service and National Officer active staff members and eligible former staff members and their eligible family members serving at designated duty stations. The duty stations at which MIP does not apply are listed in the annex to the present administrative instruction.

1.2 MIP is part of the scheme of social security for staff established by the Secretary-General in accordance with staff regulation 6.2. The programme provides protection against the high cost of health care involving preventive care, chronic condition management, maternity or catastrophic events resulting in serious illness or injury. The programme is not, however, intended to cover all types of medical or dental expenses or to cover such expenses at full cost.

1.3 MIP is a self-insured plan. All costs of MIP, as well as the risk of providing health insurance, are borne by the United Nations and by the covered subscribers collectively through a cost-sharing arrangement approved by the General Assembly. The cost of the Plan is primarily based on the medical services provided to covered members and directly reflects the level of utilization of the plan by its participants.

1.4 The present administrative instruction must be read in conjunction with the related information circular on MIP (hereinafter referred to as the MIP circular) applicable for the relevant period, which sets out enrolment procedures, contribution rates, schedule of benefits, claims procedures and other relevant information on the use of the plan. The MIP circular is updated on a regular basis, as appropriate.

[1] References in the present instruction to administrative issuances include any revision, amendment or correction thereof, as well as any superseding issuance on the same subject.

1.5 The following definitions apply for the purpose of the present administrative instruction:

(a) *Administering office*: The office that has the responsibility on behalf of the Organization for the day-to-day operation of the Plan (for example, enrolment, collection of contributions from active and former staff members and premium accounting) at a given duty station;

(b) *After-service participant*: Retirees, participating survivors and recipients of a periodic disability benefit from the United Nations Joint Staff Pension Fund and/or a periodic benefit awarded under appendix D to the United Nations Staff Rules and Regulations;

(c) *Annual campaign*: Period during the year when a subscriber can enrol or terminate coverage for eligible family members after the original 31-day grace period following a qualifying event. The annual enrolment campaign takes place during a period set every year by Headquarters or the local office, with the effective date of coverage being 1 July of that year;

(d) *Co-insurance*: A subscriber's share of the cost of a covered health-care service or expense that is usually calculated as a percentage of the allowed amount for a service. For example, if the Plan covers 80 per cent of the reasonable and customary cost of a service, the co-insurance is 20 per cent or the share that the subscriber is responsible for;

(e) *Coordination of benefits*: The settlement of reimbursable medical expenses where more than one medical insurance scheme covers a subscriber and/or his or her eligible family members. In such cases, the order of which medical insurance scheme will be considered primary or secondary will be described in the related information circular, and, when utilizing a third-party administrator, the plan description document;

(f) *Eligible family members*: A subscriber's recognized spouse and one or more dependent children as defined in staff rule 3.6 (a) (iii). MIP recognizes only one eligible spouse. A subscriber's children who meet the criteria for a dependent child under staff rule 3.6 (a) (iii), but for whom the staff member does not receive a dependency allowance owing to local limits on the number of children for whom a dependency allowance is payable, may also be considered as an eligible family member for the purpose of enrolment in MIP. In the case of an after-service subscriber, eligible family members are defined as the spouse and children already enrolled at the time of separation from service and any child born to the staff member within 300 days of separation. A staff member's parents, brothers and sisters, whether or not recognized as secondary dependants, are not eligible for the Plan;

(g) *Eligible former staff member*: A former staff member who meets the eligibility criteria for after-service health insurance as set out in section 7 below on after-service health insurance;

(h) *Emergency medical care*: Medical treatments that are undertaken owing to an unplanned, sudden and acute illness or injury and that, for medical reasons, cannot be delayed or postponed;

(i) *Enrolled family member*: An eligible family member who is enrolled in MIP;

(j) *Explanation of benefits*: A statement that is sent to a subscriber by the third-party administrator that shows medical expenses claimed, reimbursement by the plan and any balances that are the responsibility of the subscriber. It may be sent by mail, by electronic mail or as a downloadable document from the third-party administrator's website;

(k) *Loss ratio*: The ratio of total claims paid plus administrative expenses (in the case of third-party administrators) incurred divided by the total premium collected from subscribers and the Organization for a specified period. A ratio of 1.0 or under is favourable since it means that total premiums collected are sufficient to cover the total cost of the programme. A ratio of over 1.0 means that the total premiums collected are not adequate to cover the cost of the programme;

(l) *Medical information*: Any information acquired by medical personnel, whether orally or in writing, relating to the physical or mental condition of any individual covered under the Plan. For purposes of the proper review and administration of claims, such information may include, but is not limited to, diagnosis, physician's medical reports, results of diagnostic tests, treatment plans and prescriptions;

(m) *Medical necessity (or medically necessary)*: All health-care services (namely, procedures, treatments, supplies, devices, equipment, facilities or drugs) that a medical practitioner, exercising prudent clinical judgment, would provide to a covered individual for the purpose of preventing, evaluating, diagnosing or treating an illness, injury or disease or its symptoms, and that are: (i) in accordance with generally accepted standards of medical practice; (ii) clinically appropriate in terms of type, frequency, extent, site and duration and considered effective for the covered individual's illness, injury or disease; (iii) not primarily for the convenience of the covered individual, physician or other health-care provider; and (iv) not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results in respect of the diagnosis or treatment of that covered individual's illness, injury or disease;

(n) *Medical net salary*: The remuneration of a staff member that is used as the basis for calculating his or her MIP contributions. It consists of gross salary less staff assessment plus any language and non-resident's allowance. The remuneration is that which appears on the salary scale for the month in question, at the grade and step of the staff member, including temporary grade and special post allowance;

(o) *MIP reference salary*: The monthly net base salary at the top step of the highest regular General Service level of the duty station scale. For this purpose, any extended General Service or National Professional Officer levels are not taken into account nor are longevity or long-service steps. The MIP reference salary is based on the scale in use on 1 January each year and is not revised on the basis of subsequent salary scale revisions unless such revisions have a retroactive effective date prior to the reference date. In cases where a grandfathered salary scale is in effect in the duty station, the scale to be used is the one that results in a higher MIP reference salary;

(p) *Out-of-pocket amount or expenses*: The unreimbursed portion of recognized medical expenses (or co-insurance) that are taken into account in determining the application of the hardship provisions in section 4 below. The elements considered for the calculation of the out-of-pocket amount are detailed in the MIP circular;

(q) *Participating survivor*: An enrolled family member who survives a subscriber;

(r) *Physician*: A person who is licensed to practise medicine by the authorities responsible for the territory in which he or she is practising;

(s) *Regional area of care*: A country or region of a country generally neighbouring the duty station of the subscriber and enrolled family members that is specially designated by the United Nations where they can undergo medical treatment without the need for an approved medical evacuation. A regional area of care is designated solely owing to the lack of adequate facilities in the duty station or the country of duty station. Medical expenses incurred in such areas will be reimbursed at the reasonable and customary rate of the designated location;

(t) *Reasonable and customary*: The prevailing pattern of charges for professional and other health services at the staff member's duty station or the approved location (for example, the place of approved medical evacuation or regional area of care) where the service is provided as reasonably determined by the third-party administrator;

(u) *Recognized expenses*: The expenses for services claimed provided they are found to be reasonable and customary at the duty station or, when obtained elsewhere in the country or at an approved medical evacuation location or regional area of care, at the place provided. If the expenses claimed are found to be above what is considered reasonable and customary, then the recognized amount for the purpose of calculating reimbursement is the reasonable and customary amount as determined by the third-party administrator;

(v) *Subscriber*: An active or after-service participant enrolled in MIP or, upon the death of the former or the latter, the surviving spouse (if any) or the eldest eligible child;

(w) *Third-party administrator*: An outside entity engaged by the United Nations organizations for the processing and payment of MIP claims.

Section 2
Participation and eligibility

Mandatory participation

2.1 Participation in MIP is mandatory for all locally recruited staff members holding an appointment in the General Service and National Officer categories who serve at a designated duty station. Participation is required even if a staff member is also insured under a different insurance plan, and the provisions for the coordination of benefits will apply in accordance with the relevant MIP circular.

2.2 All staff members, regardless of their length of appointment, will be enrolled in an MIP and have a deduction taken from their salary from the first day of their employment in respect of their participation in MIP.

2.3 Notwithstanding that participation in MIP is mandatory, an MIP enrolment form, obtainable from the administering office, must be completed and submitted by the staff member in respect of his or her own participation and, additionally, to provide an opportunity to enrol his or her eligible family members.

Voluntary participation

2.4 Health coverage for eligible family members is highly recommended as a protection against the potential high cost of health care. A staff member is therefore encouraged to enrol his or her eligible family members as defined in paragraph 1.5 (f) above in MIP. However, enrolment of eligible family members is voluntary. Coverage is not available for secondary dependants such as a parent, brother or sister.

2.5 A staff member who holds a temporary appointment of less than three months is not entitled to enrol his/her family members. However, if such appointment is subsequently extended for a cumulative duration of three months or more, the staff member may enrol his/her eligible family members starting from the first day of the extension of the appointment or from the first day of the following month of such extension.

2.6 A staff member who holds a temporary appointment of three months or more may enrol his/her eligible family members starting from the first day of that appointment or from the first day of the following month of such appointment.

2.7 Eligible family members of active staff must be enrolled within 31 days of the following "qualifying" events, subject to the provisions in paragraphs 2.4, 2.5 and 2.6 above:

(a) Date that the Plan is first introduced at the duty station;

(b) Date of staff member's initial appointment or reappointment with the Organization;

(c) Date of marriage with the staff member, in the case of a recognized spouse acquired after the staff member's entry on duty;

(d) Date of birth or legal adoption, in the case of children born to the staff member or adopted after the staff member's entry on duty;

(e) Date of recognition by the Organization in the case of stepchildren;

(f) Loss of insurance coverage of a recognized spouse as a result of loss of employment beyond his or her control upon presentation of certification from the former employer of the period of insurance coverage while employed.

2.8 If eligible family members are not enrolled in accordance with the conditions set out in paragraph 2.7, they may be enrolled only during the annual enrolment campaign held during a specific period every year, with the date of coverage being effective on 1 July of that year.

2.9 A child is eligible for coverage under MIP until the end of the year in which he or she reaches the age of 25, provided that he or she is not married or is not engaged in full-time employment.

2.10 Subject to consultation with the Medical Director of the United Nations, the age limitation in section 2.9 may be waived in the case of disabled children. If a child is disabled by reason of mental and/or physical handicap to the extent that he or she is unable to earn a living, coverage under MIP may be continued for as long as that incapacity lasts. Evidence of such incapacity shall be supplied in a manner satisfactory to, and at intervals required by, the Organization. If the United Nations Joint Staff Pension Fund continues to pay a child's benefit because of the child's incapacity, such payment may constitute satisfactory evidence of disability.

2.11 If an insured staff member dies, the surviving spouse (if any) or the eldest eligible child becomes eligible to assume the role of the subscriber and to continue to pay contributions in accordance with the appropriate category of coverage under the after-service health insurance programme described in section 7 below.

2.12 After-service coverage for eligible former staff members and their eligible family members is available on a voluntary basis. If an insured eligible former staff member dies, the surviving and eligible family members may continue coverage under the after-service health insurance programme described in section 7 below.

Staff member married to another staff member

2.13 In the case of a staff member married to another staff member, and both are locally recruited, they must maintain their individual coverage under the Plan. However, the insurance coverage for any child or children must be carried by the higher-salaried staff member if he or she is at least two steps higher than the other spouse; otherwise, the children may be enrolled by either staff member under his or her coverage.

2.14 In the case of a staff member married to another staff member, and one is internationally recruited, the locally recruited staff member must maintain coverage under MIP. The internationally recruited staff member may be allowed to enrol his or her spouse under the international plan. The provisions on the coordination of benefits outlined in the MIP circular will apply.

Waivers for certain duty stations

2.15 Under certain circumstances, all staff at a duty station may be excluded from participating in MIP upon approval by United Nations Headquarters. The exercise of this authority is delegated to the Chief of the Insurance and Disbursement Service, to whom all waiver requests shall be addressed. The waiver may be granted if either one of the following conditions are met:

(a) Where comparable and adequate health coverage is provided on a general basis by the Government or national health plan of the country concerned;

(b) Where staff at the duty stations listed in the annex to the present administrative instruction have traditionally had health insurance coverage through a United Nations-recognized plan other than MIP. Staff members at these duty stations may opt into the Plan as a group. Once a duty station opts into MIP and the exercise of that option has been approved by United Nations Headquarters, subsequent withdrawal from MIP will not be permitted.

2.16 United Nations Headquarters may periodically review the waiver that has previously been granted for a duty station and may, as a result of such review, lift such waiver.

Individual exceptions to the waiver given to an entire duty station

2.17 Where a waiver for the entire duty station has been approved on the basis of coverage provided by the Government or a national health plan and where certain individuals are excluded from the governmental coverage (for instance, for not being nationals of the country), individual enrolment will be permitted in MIP.

2.18 Eligible family members may not be enrolled in MIP without the participation of the subscriber; the subscriber would therefore have to be enrolled in MIP in order for his or her eligible family members to qualify for coverage when an individual waiver has been approved.

Special leave without pay and administrative leave without pay

2.19 Coverage under MIP may be continued during a period of special leave without pay or administrative leave without pay provided the staff member pays both his or her own contribution and that of the Organization prior to the period of special leave in accordance with the provisions set out in section 6 below. Regardless of whether a staff member elects or not to continue coverage during the special leave without pay or administrative leave without pay period, he or she must re-enrol in the Plan immediately upon return from the special leave without pay or administrative leave without pay at the same coverage level that he or she had prior to going on the special leave or administrative leave. When a period of special leave without pay or administrative leave without pay commences before the last day of the month, coverage will remain in place until the last day of that month, since premiums are paid at the beginning of the month and are not prorated.

2.20 In the case of a staff member married to another staff member, the staff availing of special leave without pay or placed on administrative leave without pay may elect to be covered under his or her spouse's plan, whether it is MIP or an international plan of the United Nations.

Special leave with half pay

2.21 MIP coverage shall be continued during a period of special leave with half pay. In this case, the Organization will pay only half of the subsidy amount that it would have otherwise paid during full-time employment. The staff member shall therefore pay half of the regular organizational subsidy portion in addition to his or her regular contribution, which will be deducted from the staff member's payroll. The Organization's subsidy shall resume upon the staff member's return to full-time employment. When a period of special leave without pay commences before the last day of the month, coverage will remain in place until the last day of that month, since premiums are paid at the beginning of the month and are not prorated.

Cessation of coverage

2.22 A staff member participating in MIP remains covered through the last day of the month in which the employment ceases. In cases of termination for disciplinary reasons, coverage will cease immediately. In the case of retirement or disability, the provisions for after-service coverage explained under section 7 below will apply.

2.23 Enrolled family members may remain covered as long as the staff member or eligible former staff member remains covered, subject to payment of the required contribution, and until their eligibility (as defined in section 2) ceases. Surviving family members who continue contributing to MIP maintain their coverage until their eligibility ceases or until they elect to discontinue, whichever occurs first.

2.24 Withdrawal of enrolled family members from MIP must be submitted in writing to the administering office within 31 days of the following "qualifying" events:

(a) Upon divorce, in the case of a spouse;

(b) Upon the death of a covered dependant;

(c) Upon marriage or full-time employment of a covered child;

(d) Upon employment of a spouse with the United Nations or a United Nations system organization where medical insurance coverage is likewise mandatory. If such employment results in the spouse becoming the higher-salaried staff member, coverage of a child or children shall likewise be terminated and transferred to the spouse's coverage.

2.25 With the exception of death of a covered dependant, if enrolled family members are not terminated in accordance with the conditions set out in paragraph 2.24 above, no retroactive refund of contribution can be made as a result of the staff member's failure to provide the Organization timely notification of any changes in the status of his/her covered family members.

2.26 Enrolled family members may also be withdrawn from MIP during the annual campaign period. Withdrawn family members of active staff members can re-enter the Plan only after a minimum two-year waiting period, provided that they remain eligible in accordance with the eligibility conditions set out above. Re-enrolment can take place only during the annual campaign, provided that two years would have elapsed by the 1 July effective date of campaign applications. Withdrawn dependants of eligible former staff members under the after-service health insurance programme cannot re-enter the Plan.

Section 3
Benefits

3.1 Subscribers shall only be entitled to reimbursement of emergency and non-emergency medical, dental, mental and vision care expenses covered under the Plan and deemed medically necessary, in accordance with the rates of reimbursement and the schedules of exclusions as outlined in the information circular on MIP issued by the Controller, which will include, in an annex, a detailed list of reimbursable and non-reimbursable expenses. The applicable information circular provides information regarding any plan changes, schedule of benefits and exclusions and how to obtain additional information regarding the Plan's coverage. It may be updated on a regular basis as necessary by the Insurance and Disbursement Service and will be issued one month before the effective date of implementation.

Maximum reimbursement of expenses

3.2 Under the Plan, reimbursement of expenses at the rates described in the MIP circular will be allowed in respect of each subscriber or enrolled family member up to a limit in any calendar year equivalent to six times the MIP reference salary in effect on 1 January and converted to United States dollars at the United Nations operational rate of exchange or the ad hoc rate of exchange established by United Nations Headquarters, as applicable. In case of a secondary salary scale introduced in the duty station, the scale to be used is the one that results in a higher MIP reference salary.

3.3 Once a subscriber along with his or her enrolled family members incur collectively out-of-pocket expenses up to the level of one half of his or her monthly net base salary, additional reimbursements may be allowed against the residual amount, namely, the portion of reasonable and customary expenses not reimbursed. Conditions for this additional reimbursement will be detailed in the MIP circular in force under the "stop loss" provision. In the case of a retiree, the one half of monthly net base salary requirement is substituted by one fourth of the monthly net base salary at the date of separation adjusted by the global cost-of-living increases declared by the United Nations Joint Staff Pension Fund.

3.4 In determining the totality of expenses reimbursed in any calendar year, full account will be taken of all amounts paid by MIP in respect of the subscriber or enrolled family member for services contemplated under the MIP circular in force.

3.5 Where demonstrated hardship is involved, the Plan may reimburse amounts in excess of those described in paragraph 3.2 above. Such cases must be submitted to United Nations Headquarters for its decision as described in section 4 below.

3.6 Information on subscribers and enrolled family members who have reached the calendar year limit on reimbursements under the provisions for major expenses is to be reported to United Nations Headquarters by the third-party administrator.

Section 4
Hardship provisions

Definition

4.1 The hardship provision shall be applicable in the event of major medical expenses where the subscriber or an enrolled family member is faced with expenses that are so significantly over and above the normal limits payable under the Plan as defined in paragraph 3.2 above that they would cause undue financial hardship. Undue financial hardship will not be considered as long as the total unreimbursed medical expenses (or "out-of-pocket" expenses) incurred by the subscriber and enrolled family members for reasonable and customary care have not exceeded one half of the subscriber's monthly net base salary for active staff members or one fourth of the monthly net base salary at the date of separation adjusted by the global cost-of-living increases declared by the United Nations Joint Staff Pension Fund for retirees.

Measurement of unreimbursed expenses

4.2 Unreimbursed expenses in respect of dental, vision and hearing care, as detailed in the MIP circular, shall not be taken into account in determining hardship, nor shall any expenses for medical and hospital services that are not considered recognized expenses (namely, expenses in excess of reasonable and customary charges).

Procedure for hardship claim submission

4.3 The third-party administrator should submit the following information and documentation to United Nations Headquarters for review:

(a) The grade/step of the subscriber as at 1 January of the claim year, age and relationship of patient;

(b) Full information on the nature and extent of illness, treatment to date and recommended further treatment as well as related cost information (costs to date and estimated future costs). The data should be provided by the patient's physician. A recommendation rendered by the United Nations-designated physician may also be requested;

(c) A copy of the reimbursement record of the subscriber and all enrolled family members for the year the hardship claim was incurred.

Approval of hardship claims

4.4 United Nations Headquarters will determine the amount of reimbursement that can be approved. In considering the reimbursement of expenses under the provision for hardship, Headquarters will take into account only expenses that are considered to be reasonable and customary for the duty station of the staff member and may consult with the Medical Services Division on medical necessity. A third-party administrator may be given the delegation of authority to settle hardship claims up to a set limit.

Section 5
Claims procedure and reimbursement

Time limitation

5.1 The subscriber must submit a claim under the Plan with the third-party administrator as soon as treatment or care that is reimbursable under MIP has been provided. Claims not presented within 12 months of the date of treatment or service will be denied.

Screening of claims

5.2 The third-party administrator is responsible for screening and monitoring the completeness and correctness of each claim and for ensuring that it conforms to the requirements of the present administrative instruction, is consistent with the benefit scheme at the time the services and expenses were incurred, and reflects reasonable and customary costs as described in the MIP circular in force. The third-party administrator may request additional documentation or seek advice from any source in respect of any claim that appears unreasonable or questionable, whether in terms of the institution or professional services concerned, the nature or treatment of the illness or the costs incurred. When additional information is requested, the staff member shall fully cooperate with the third-party administrator. Failure to do so may result in denial of reimbursement of the claim.

Referral to United Nations Headquarters

5.3 The third-party administrator has the authority to administer and finalize medical claims under MIP. At the discretion of the third-party administrator, claims may be referred to United Nations Headquarters for advice. Guidance may also be sought in case of any question as to the interpretation of the present administrative instruction.

5.4 Individual claims exceeding an amount equivalent to five times the MIP reference salary are considered to have reached a threshold that merits special

attention; accordingly, the administering offices should give particular emphasis to the monitoring of such claims. While the administering offices or third-party administrators are authorized to settle claims up to the annual MIP ceiling locally, claims exceeding the threshold will be reported to United Nations Headquarters on a periodic basis.

Administration and finalization of claims

5.5 If the claim conforms to the requirements of the present administrative instruction and the provisions of the MIP circular in force, the claim will be finalized and the appropriate amount will be reimbursed to the subscriber, who will be provided with a copy of the explanation of benefits or processed claim form.

5.6 If the claim includes charges for any service found to be in excess of reasonable and customary costs, the third-party administrator shall reimburse the claim only up to the level of the reasonable and customary charges in the locality for similar services and shall inform the subscriber that it has reduced the amount of the reimbursement. Any disputes of claims processed by the third-party administrator shall be handled in accordance with section 9 below.

5.7 Services and medication provided outside the country of the subscriber's duty station shall be covered on the basis of the reasonable and customary costs prevailing at the duty station to which the subscriber is assigned except in cases of:

(a) Emergency medical care as defined in paragraph 1.5 (h), above while the staff member is on official business travel;

(b) Approved medical evacuation at the authorized location in accordance with administrative instruction ST/AI/2000/10 and information circular ST/IC/2000/70 and any future amendments;

(c) Treatment in the designated regional area of care of the duty station, if applicable, as defined in the MIP circular.

In the above cases, reimbursement will be based on the reasonable and customary costs prevailing at the location where care is received except when a subscriber elects to seek treatment at an alternative location than that approved by the Organization for medical evacuation. In this case, the reimbursement will be based on the costs of the approved location for medical evacuation. Expenses that are above these limits shall not be reimbursed.

Currency of reimbursement

5.8 The currency of reimbursement shall be the same as that in which the subscriber contributes to MIP (see paras. 6.2 and 7.17 below). If the medical services are paid in another currency, reimbursement shall be made in the currency of contribution to MIP. The rate of exchange used shall be that of the United Nations, as applicable, or the best rate available to a third-party administrator on the date the expenses were incurred. If the applicable salary scale is denominated in any currency other than the local currency, reimbursement may still be made in the local currency in which the expenses have been incurred.

Section 6
Financing

Contributory nature of the scheme

6.1 MIP operates as a health insurance plan for which premiums are paid to finance the cost. To enable the Plan to provide for adequate medical care and in view of the costs involved, all subscribers in the Plan are required to contribute towards the payment of premiums, as is typical of all insurance plans of the United Nations system. As is the case in other United Nations health insurance plans, the Organization will also share in the cost of the premiums. The contribution to be paid by the subscriber is based on a percentage multiplied by the remuneration of the subscriber. The percentage of contribution for each category of coverage shall be set out in the MIP circular.

Remuneration basis for assessing contributions

6.2 Contributions of the subscribers are determined on the basis of their medical net salary as defined in paragraph 1.5 (n) above. For active staff members, 100 per cent of the remuneration is used to compute the contribution. For after-service participants, the calculation of the contribution is set out in section 7 below.

6.3 Contributions and subsidies are not prorated. The full monthly amount will be collected regardless of the day of the month on which coverage starts. In the case of separation from service, the full monthly amount will be collected even if separation is before the last day of the month; however, coverage will remain in place until the end of the month of separation.

Collection of contributions

6.4 The contributions of staff members towards MIP premiums are collected through monthly payroll deductions. Staff on special leave without pay who elect to continue coverage shall be billed in full prior to the start of the leave. In case the period of leave exceeds three months, the staff member may be billed by the administering office on a quarterly basis and payment must be received one month prior to the beginning of the quarter that the payment covers. Coverage in MIP shall be terminated without further notice if payment is not received by the Organization within such time frame. It is therefore the staff member’s responsibility to ensure that his or her payments are up-to-date.

Review of contribution levels

6.5 The premiums made up of the contributions from staff members and the Organization are set based on the overall claims experience of the Plan. The initial level of contributions is based on a projection of overall medical costs reimbursed globally under MIP. The claims experience is monitored on a periodic basis by comparing actual and projected costs as well as the loss ratio by country or duty station. The Organization may adjust the contribution rates, including for certain duty stations, countries or geographical areas, based on these periodic reviews. Tiers of contributions may be introduced as required and countries or duty stations will be assigned to the appropriate tiers according to their respective loss ratio.

Section 7
After-service health insurance

General

7.1 After-service health insurance is available under the conditions described below for separating locally recruited staff members at designated duty stations and for their eligible family members who, at the time of separation from the service, were covered by MIP.

7.2 After-service coverage is optional and is allowed only as a continuation of in-service coverage. Secondary dependants, as defined in staff rule 3.6 (a) (v), are not eligible for after-service coverage.

Eligibility conditions

7.3 The following categories of separating staff members and their family members are eligible for after-service coverage:

(a) Separating staff members who entered on duty prior to 1 July 2007 who separate from service on a fixed-term or continuing appointment on early retirement at age 55 or later or at their normal retirement age and who, at the time of separation, had at least five years' in-service participation in MIP, or in a health insurance plan recognized by the United Nations and are eligible and elect to receive a retirement, early retirement or deferred retirement benefit under the Regulations of the United Nations Joint Staff Pension Fund;

(b) Such separating staff members are entitled to a subsidy from the Organization provided they had at least 10 years of in-service participation in MIP, another United Nations qualifying plan or a combination thereof. Entitlement to a subsidy resulting from less than 10 years of in-service participation will be recognized only if the former staff member pays the entire premium until he or she has fulfilled the 10-year requirement;

(c) Separating staff members who entered into duty on or after 1 July 2007 will be eligible to participate and will be eligible for the Organization's subsidy if they separated from service on a fixed-term or continuing appointment on early retirement at age 55 or later or at their normal retirement age, provided that at the time of separation they had at least 10 years of in-service participation in MIP, or another United Nations recognized plan or a combination thereof and are eligible and elect to receive a retirement, early retirement or deferred retirement benefit under the Regulations of the United Nations Joint Staff Pension Fund;

(d) Separating staff members who are eligible for periodic disability benefits from the United Nations Joint Staff Pension Fund and/or a periodic benefit under appendix D to the United Nations Staff Rules (which govern compensation for service-incurred illness, injury or death) and who were covered under MIP at the time of separation. No minimum qualifying period of in-service coverage is necessary in such cases;

(e) Spouses and dependent children if they have been insured through the staff member concerned and remained insured at the time of the latter's separation. However, in the case of staff who entered on duty on or after 1 July 2007, eligible family members would be eligible for after-service coverage if they were enrolled at

the time of the former staff member's separation from service and for a minimum cumulative period of five years (or two years if the spouse had coverage with an outside employer or a national government). This two-year or five-year participation requirement will not apply in the case of a spouse or child newly acquired prior to separation provided such spouse or child was enrolled within 31 days of the effective date of the dependency relationship;

(f) The surviving spouse and children of a former staff member covered under the after-service health insurance who dies after leaving the service of the United Nations or who dies at any age while still in the service, provided that they were insured in MIP at the time of the former staff member's death and are eligible for a periodic benefit awarded under the Regulations of the United Nations Joint Staff Pension Fund or appendix D to the United Nations Staff Rules, or both;

(g) In the case of the retirement of a staff member married to another staff member, the insurance coverage, whether at the two-person or family level, must be carried by the active staff member. However, if the retiring staff member wishes to have his or her own after-service coverage, he or she may do so provided the active staff member covers any child or children, even if they were previously covered under the retiring staff member's policy.

7.4 For determination of eligibility under paragraph 7.3 (a) and (b) above and 7.16 below, staff members are considered to have entered on duty before 1 July 2007 if the appointment on which the staff member is serving when separation from service is effected commenced prior to 1 July 2007 and they have served continuously since then without break in service.

7.5 A child is insurable under the after-service coverage until the end of the year in which he or she reaches the age of 25, except in cases covered in paragraph 7.9 below, provided he or she is not married or engaged in full-time employment. There is no limit on the number of children eligible for after-service coverage, provided they are officially recognized by the Organization prior to the date of separation.

7.6 After-service coverage is also available for a natural child born within 300 days of the separation from service of the insured former staff member, provided he or she is officially recognized by the Organization and enrolled within 31 days of birth. A child adopted after separation from service will not be eligible for after-service coverage.

7.7 In case of death in service, a child born within 300 days of the death of the deceased staff member is also eligible for after-service coverage and may be enrolled under a surviving parent, provided he or she is officially recognized by the Organization, is eligible for a periodic benefit awarded under the Regulations of the United Nations Joint Staff Pension Fund or appendix D to the United Nations Staff Rules or both, and is enrolled within 31 days of birth.

7.8 In case of death in service with no surviving eligible parent, a child born within 300 days of the death may be covered provided he or she is officially recognized by the Organization, is eligible for a periodic benefit awarded under the Regulations of the United Nations Joint Staff Pension Fund or appendix D to the United Nations Staff Rules or both, and is enrolled within 31 days of birth.

7.9 If a child is disabled by reason of a mental and/or physical handicap to the extent that he or she is unable to earn a living, after-service insurance may be

continued for as long as that incapacity lasts. Evidence of such incapacity will have to be supplied in a manner satisfactory to and at intervals required by the Organization. If the United Nations Joint Staff Pension Fund continues to pay a child's benefit because of the child's incapacity, such payment may constitute satisfactory evidence of disability.

7.10 If, before joining the United Nations, the insured former staff member had been covered under any of the other contributory health insurance plans of the United Nations system, the periods of such coverage will count towards the required minimum qualifying period of in-service coverage. It is not necessary that the required minimum qualifying periods of in-service coverage be single, continuous periods. Two or more periods of in-service coverage that are interrupted by periods of non-coverage will count towards the required minimum period concerned.

7.11 Covered family members of former staff members may be withdrawn from the after-service health insurance programme at any time upon the submission of a written request by the former staff member to the administering office. However, once termination has been processed, withdrawn family members shall not be allowed to re-enter the Plan.

Enrolment procedures and time limits for after-service coverage

7.12 Applications for after-service coverage should be made by filling out the MIP enrolment form and returning it to the relevant administering office. After the application has been approved, the applicant will be informed of the amount of the contribution and method of payment.

7.13 Separating staff members who are eligible for after-service coverage shall arrange for their enrolment within 31 days of their separation. Separating staff and eligible family members who do not enrol in the after-service coverage within 31 days of being eligible shall not be permitted to enter the Plan at a later date.

7.14 If an insured former staff member dies, the surviving spouse (if any) or the eldest eligible child becomes eligible to assume the role of the subscriber and to continue to pay contributions in accordance with the appropriate category of coverage. Eligible surviving family members shall arrange for such enrolment within two months of the death of the former staff member.

Contributions

7.15 The cost of after-service participation is met through joint contributions by the Organization and the subscribers, except in the case of persons referred to in the following paragraph, who must pay the entire cost of the premium (namely, the participant's and the Organization's portions).

7.16 As described in paragraph 7.3 (b) above, a separating staff member who is eligible for after-service health insurance but has less than 10 years' participation in a United Nations contributory health insurance plan must pay the entire cost of insurance until they have accumulated 10 years of coverage, after which the United Nations begins paying the applicable subsidy.

7.17 For former staff members, the calculation of the contribution is based on the application of the relevant percentage set out in the MIP circular in force to 50 per cent of the monthly net base salary corresponding to the grade and step of the

former staff member at the time of separation and adjusted periodically in accordance with the global cost-of-living increases declared by the United Nations Joint Staff Pension Fund. The global cost-of-living increase refers to the adjustment of the United States dollar pension entitlement.

7.18 The contributions of the eligible surviving spouse and children shall be one half of those of the former staff members through whom they were originally insured. That is, the contribution is based on the application of the relevant percentage set forth in the MIP circular to 25 per cent of the monthly net base salary corresponding to the grade and step of the former staff member at the time of separation and adjusted periodically by the global cost-of-living increases declared by the United Nations Joint Staff Pension Fund.

7.19 The contribution of those enrolled in after-service coverage is based on a percentage as set forth in the MIP circular in force according to the desired coverage level multiplied by the remuneration indicated above. The percentages will be reviewed periodically and may be adjusted as necessary.

Timing and method of payment of contributions

7.20 Those eligible for, and who enrol in after-service health insurance under the conditions set out above will be required to pay their contributions in advance on a quarterly basis. Such quarterly payments must be received at least one month prior to the first month covered by the payment. Contributions must be made in currency acceptable to the United Nations, normally the currency of the subscriber's country of residence. After-service insurance coverage will become effective on the first day of the month immediately following separation from active service.

Change in country of residence

7.21 Any subscriber who is enrolled in after-service health insurance and who changes his or her country of residence after separation is responsible for informing the appropriate United Nations office in the new country of residence. Participation in the after-service coverage will continue but the reimbursement will continue to reflect the level of medical costs of the duty station from where the subscriber retired from service. The subscriber will continue to pay a contribution appropriate for the original duty station from which the subscriber retired based on the United Nations operational rate of exchange in effect at the time of payment.

7.22 The contribution will normally be in the currency of the new country of residence. The administering office in the new country of residence will take steps to see that the insured person was up-to-date in his or her contributions for after-service coverage in the previous duty station.

7.23 If the new country of residence does not have a United Nations office where MIP is in effect, United Nations Headquarters will designate the comparable after-service scheme and determine the appropriate contribution.

7.24 Notwithstanding the provisions of paragraph 7.23 above, an after-service participant and/or his or her eligible dependants who are participating in MIP shall not be allowed to switch to an international United Nations health insurance plan as a result of a change in country of residence.

Type of benefits and currency of reimbursement

7.25 The benefits available under the after-service arrangements are the same as those for in-service coverage.

7.26 The currency of reimbursement will be governed by the provisions of paragraph 5.8 above.

Cessation of coverage

7.27 After-service coverage for eligible former staff members ceases: (a) upon their death; (b) upon their failure to make timely contributions; (c) upon their giving written notice of withdrawal to the United Nations office concerned; or (d) when their periodic disability or periodic compensation benefits stop (unless he or she returns to service or he or she qualifies for after-service coverage).

7.28 Coverage also ceases when the former staff member re-enters the United Nations Joint Staff Pension Fund as a participant following re-employment. In this case, participation in after-service coverage will be suspended and the staff member will contribute to the health insurance plan as an active participant. After-service health insurance coverage will resume upon separation from service and reapplication within 31 days of such separation.

7.29 After-service coverage for an insured family member ceases upon the following events:

(a) Date of death;

(b) Date of divorce from a participating former staff member, in the case of a spouse;

(c) The end of the year in which a child turns age 25;

(d) Date of marriage or full-time employment, in the case of a child;

(e) Remarriage of a surviving spouse;

(f) In the case of a surviving child covered on his or her own, upon cessation of the child's benefit from the United Nations Joint Staff Pension Fund.

7.30 After-service coverage shall also cease upon the subscriber's failure to make timely payments of his or her contribution, and upon giving written notice to the local human resources office of withdrawal from such coverage.

Section 8
Confidentiality

8.1 Confidentiality of a member's medical information is an important feature of MIP. The Organization and the third-party administrator will implement reasonable measures to ensure the confidentiality of plan members' medical information and will not share medical information without a plan member's explicit authorization except in life-threatening emergency or as set forth below.

8.2 Since the reimbursement decisions under MIP are based on medical necessity, such confidentiality does not, however, preclude the third-party administrator from requesting a plan member's medical information in order for a claim to be properly

reviewed and finalized. If a plan member refuses to provide such information, his or her claim for reimbursement of medical expenses shall be rejected.

8.3 Medical information provided by a plan member in connection with an insurance claim may not be used for any other purpose without the written consent of the plan member. A member's medical and claims information may be disclosed only by the third-party administrator to the Organization with the member's written consent.

8.4 Notwithstanding the preceding paragraphs, the required consent is assumed to have been provided when a plan member has disclosed such medical information to any United Nations office or staff member, either through an oral or written communication, in connection with a request for review of his or her insurance claim, or a complaint, appeal or grievance.

8.5 In cases of suspected fraud or abuse of the plan benefits, relevant medical information may be utilized even without the member's consent, for use in any investigative, administrative or judicial proceedings.

Section 9
Disputes and appeals

9.1 All claims questions must be addressed directly to the third-party administrator. In the case of disputed claims, subscribers must follow the appeals process set out in the member plan description document of the third-party administrator, which includes an independent external review. The subscriber must exhaust the appeals process with the third-party administrator before appealing to United Nations Headquarters.

9.2 Only appeals against the final determination of the third-party administrator that specifically state a manifest error made by the third-party administrator in the application of the terms and conditions of the Plan will be considered. Consequently, appeals that simply disagree with the final determination of the third-party administrator or contest the coverage of the Plan will not be considered.

9.3 Procedures and required documentation for appeals against the decisions of the third-party administrator sent to United Nations Headquarters will be detailed in the MIP information circular. All processing of claims related to medical necessity and review of medical information will be done in consultation with the Medical Services Division. If the reimbursement is subsequently approved, the third-party administrator will be advised by United Nations Headquarters to reimburse the subscriber.

Section 10
Forfeiture and suspension of benefits

10.1 The subscriber and his or her enrolled family members are expected to fully comply with the present administrative instruction and the member plan description document of the third-party administrator. Since the health insurance coverage is provided to eligible family members upon the request of the staff member or retiree, he or she is responsible for ensuring that all claims submitted, including those

relating to services for family members, are accurate, complete and comply with MIP rules. Accordingly, the staff member or retiree shall be held ultimately responsible for any acts committed by his or her covered family members to fraudulently obtain, attempt to obtain or abuse the benefits under MIP.

10.2 In cases where the third-party administrator has reason to believe that a claim is or may be fraudulent, the Insurance and Disbursement Service shall have the authority to deny the reimbursement of that claim.

10.3 In cases of presumptive fraud, the Insurance and Disbursement Service may refer the case to the Office of Internal Oversight Services for further investigation and possible disciplinary proceedings. These procedures will also be followed in cases of fraud committed by former staff members and their covered family members. Failure to cooperate with any investigation may result in the imposition of the disciplinary and/or administrative measures indicated in paragraph 10.4 below.

10.4 An investigation that concludes that a subscriber and/or eligible covered family members failed to comply with the MIP rules or fraudulently obtained or attempted to obtain benefits to which the subscriber is not entitled may result in the imposition of one or more of the following measures:

(a) Institution of a disciplinary process and the imposition of disciplinary measures for misconduct in accordance with the Staff Regulations and Rules of the United Nations, in the case of an active staff member;

(b) Recovery of benefits previously paid from the Plan that has been subsequently determined as an improper payment, including by offsetting these incorrect payments against future claims;

(c) Partial or total suspension of subsidy from the Organization indefinitely or for a specific period of time;

(d) Suspension from the Plan indefinitely or for a specific period of time.

10.5 Any fraud committed by subscribers, their eligible covered family members and providers may also be referred to national authorities by the Organization.

Section 11
Miscellaneous

Employment injury

11.1 In the event of illness or injuries that may be attributable to the performance of official duties, the resulting medical and related expenses are payable under appendix D to the United Nations Staff Rules (rules governing compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations). When this is the case, medical expenses may be paid initially under MIP, subject to the subsequent offset by any amounts payable under the provisions of appendix D.

Further information

11.2 Further information about the specific types of benefits available under MIP, the schedule of contributions and claims and enrolment procedures is detailed in the

MIP circular and may be obtained from the local human resources office, the Health and Life Insurance Section at Headquarters or the third-party administrator.

Section 12
Final provisions

12.1 The present instruction shall enter into force on 1 April 2015.

12.2 Administrative instruction ST/AI/343 of 31 July 1987 is hereby abolished.

(*Signed*) Yukio **Takasu**
Under-Secretary-General for Management

Annex

Duty stations at which the Medical Insurance Plan shall not apply

The Medical Insurance Plan (MIP) shall not be applied at the following duty stations:[a]

(a) Beirut: Economic and Social Commission for Western Asia

(b) Geneva

(c) London

(d) Mexico City: United Nations Information Centre and Economic Commission for Latin America and the Caribbean

(e) New York

(f) Paris

(g) Rome

(h) Santiago: Economic Commission for Latin America and the Caribbean

(i) The Hague

(j) Vienna

(k) Washington, D.C.

[a] Approval must be sought from the relevant headquarters for any future waiver in accordance with paragraph 2.17 (waiver for certain duty stations). Other United Nations organizations maintain their own list of excluded duty stations.