

AFICS ANNUAL ASSEMBLY ASHI
PRESENTATION -
JAYANTILAL M. KARIA

23 June 2020

Dear Members of AFICS/NY,

It has been a pleasure serving as your representative on the AFICS/NY Governing Board for the last five years and ensuring that our collective interests in the After Service Health Insurance (ASHI) are well preserved.

First of all I would like to assure you that AFICS continues to be very much involved with the Administration to ensure that the ASHI and any issues related to Health and Life Insurance programmes are addressed expeditiously without negative impact on retirees. I take this opportunity to thank the Insurance Section representatives, Mr. Genc Osmani and Ms. Elma Whetherspoon and their staff who continue to provide very good service to all participants and address the concerns raised by us in a pro-active manner.

1. AFICS Representation on HLIC:

AFICS has historically had two observer positions in the Health and Life Insurance Committee (HLIC). As we mark the 50th Anniversary of AFICS, I take this opportunity to recognize the number of past representatives for all their dedicated efforts in ensuring that retiree interests on health insurance matters are well preserved. Some of the past representatives are Messrs. Richard Nottidge, Tom Bieler

and Frank Eppert. Dr. Sudershan Narula and myself are the current representatives, Ms. Marianne Brzak-Metzler and Ms. Nancy Hurtz-Soyka are alternate representatives from AFICS. The HLIC has representatives of the Administration, Staff Union, and now representatives from UNDP and UNICEF as well and Observers from AFICS. You may recall that almost three years ago, we had requested that the governance of the HLIC be changed to allow AFICS/NY full membership together with UNDP and UNICEF. Based on our efforts, while UNDP and UNICEF are now full Members of HLIC, on the issue of full membership of AFICS, we have recently been informed that based on legal advice and staff regulations, AFICS will remain as an Observer. We remain quite concerned about this issue and we will continue to work on this important matter with the Administration to ensure an appropriate representation of AFICS/NY.

While AFICS provides continuous assistance to our members on individual basis, some of the main issues addressed by AFICS/NY and HLIC during the 2019/2020 are as follows:

2. Medicare part B premium reimbursements: As you are aware Medicare Part B premiums paid by retirees are reimbursed by the Secretariat based on the claims filed by retirees with appropriate documentation submitted to the Insurance Section. You may recall that during the last two Annual Assemblies, I had reported that some retirees were not being reimbursed, as they had not submitted appropriate documentation and their reimbursements were being held in suspense accounts. The Insurance Section

has been pro-actively working on these cases to ensure that all amounts held in suspense accounts are fully reimbursed to the individuals concerned. We suggest that retirees enrolled in any of the medical insurance plans as well as Medicare Part B, verify that they are being reimbursed for Medicare premiums paid by them directly or through deductions from their social security payments. Anyone still having problems with Medicare Part B premium reimbursement should inform the Insurance Section. Also please pass on this information to fellow retirees. Also on Medicare, there are lots of advertisements for supplementary Medicare enrollment via TV Ads; robo calls and mailings. If you are already covered by Medicare Part B and one of the UN medical plans, we would recommend that you do NOT enroll in any Medicare supplementary plans. Please note that the UN will NOT reimburse any premiums for such additional supplementary Medicare plans.

3. In the HLIC, as per its on-going mandate, a number of cases for exceptional reimbursement were reviewed where medical costs for some participants were higher than established thresholds of various insurance plans. As AFICS representatives, we continue to ensure that all such cases are treated in a fair manner.

4. For the last three months, HLIC has been having weekly meetings to review the overall experience in the use of various medical plans by participants, in preparation for the 2020 renewals, for the period July 2020 to June 2021. The representatives of various Medical plans such as Aetna, Blue Cross, Cigna dental and Cigna International

provided detailed statistical information on overall usage, trends of medical costs including financial results of the plans and future projections. While normally, such meetings are held physically, this time all meetings were held virtually which was a challenge but we all managed with the use of technology as we are doing today, seems like we are all becoming experts on Zoom, webex and Microsoft teams!!

5. In order to ensure that the current benefits are not changed in any significant manner, HLIC reviewed various options presented by the Administration and Insurance providers. After a number of intense discussions, the HLIC has agreed to some changes in the premiums and benefits ensuring that these are kept to a minimum with adequate reserves for each plan. Fyi, as AFICS representatives, we did not agree with proposals to reduce the share of reimbursement from 80% to 60% for Out-of- Network facilities and an increase in premium initially proposed. However, unless efforts are made by all of us to use medical services most efficiently, we may not have a choice but to face increases in co-payments for office visits and potential reductions in reimbursements in use of Out-of-Network facilities in the future. The Administration has announced changes in the rates and benefits effective 1 July 2020 which will be posted on the AFICS website shortly.

6. At this stage I am going to reiterate what I have said in the past regarding our collective responsibility to ensure that future premium increases are kept at a minimum As

you know UN medical plans are self-insured by the Organization so the premiums are established based on the forecasted usage of the plan. If overall insurance costs increase, obviously the premiums increase so the question is what can we individually do to minimize overall costs:

- As pharmaceutical costs are increasing rapidly, it is important to ensure that participants discuss with their physicians use of generic medicines, which are significantly less expensive.
- Emergency Room (ER) visits for Non-Emergency medical treatments—the number of ER visits are still quite high. Fyi each ER visit costs over \$2000 on average and participants also pay \$75 as Co-pay. It is better to use Urgent Care Facilities which are now available everywhere providing basic medical services with much less wait time compared to waiting for hours in the ER, which is not even safe nowadays. These facilities are much less expensive and the co-pay for the participant is around \$20. Due to the current Covid-19 situation and going forward, Telemedicine services are also available to members, which should be used as an alternative to a doctor's visit.
- It appears that still a number of participants are using out-of-network providers with significant higher costs for a number of medical services. One example is for physical therapists with

average cost of about \$250 per session for Out-of-Network compared to about \$60 per session in-network. So let us all ensure that we use In-Network providers for all types of medical services. It also appears that some providers are in our insurance network, however for their patients covered under UN insurance plans, they submit claims as being Out-of-Network with higher fees. So please check with medical service providers that they will be submitting claims as being In-Network and also verify the settlement of your insurance claims to ensure that the fees are correctly charged. At times, such Out- of-Network providers may waive the \$20 Co-pay to individuals but charge much higher amounts on their insurance claims, effectively resulting in all of us paying higher costs with increased premiums!!

- When you are seeking any medical treatment and look up an appropriate provider, the important question to ask on insurance is not only if they accept Blue Cross or Aetna. Or Cigna, but also ask if they are In-Network of the plan that you have and will be submitting their reimbursement claim as an In-Network provider. Information on In-Network providers is also available on various insurance provider websites.

- In closing, I want to assure you that AFICS/NY will continue to address issues related to Health and Life Insurance programmes. It will also continue to work closely with the Insurance Section in the Secretariat. Please ensure that both your email and physical mailing addresses as well as your current banking information are on file with the Insurance Section. Any changes in this information should be directly sent to HLIS via email at ashi@un.org. Based on our efforts, in addition to the staff dedicated to addressing queries from retirees, a dedicated phone line has also been set up with specific times when retirees may call on Health insurance related matters. The number which is available on our website is 917-367-9727.

I hope this information is useful. I will be pleased to answer any questions.

Jayantilal M. Karia
AFICS/NY Vice-President of Governing Board and
Co-Chair, Insurance Committee.