



## REVIEW OF THE QUALITY, EFFECTIVENESS, EFFICIENCY AND SUSTAINABILITY OF HEALTH INSURANCE SCHEMES IN THE UNITED NATIONS SYSTEM ORGANIZATIONS

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### Background

Staff health insurance is an essential part of the compensation package provided to the staff of United Nations system organizations. However, the scope of its consideration as a "common system" matter is limited, partly because of a lack of policy coordination and common guidance that has given rise to the distinct historical development of each plan, and also because of dissimilar supply conditions for health services in different countries or duty stations and the demographic profiles of the organizations. This has resulted in a variety of health insurance schemes being adopted over time across United Nations system organizations with significant variations in their coverage, cost, eligibility criteria and the degree of solidarity and mutualization of health risks inherent in each plan.



### Objectives & Purpose

The review provides an independent, system-wide comparative assessment of the 26 health insurance schemes for active and retired staff members and families of the participating organizations. It focuses on the coverage, quality, effectiveness, efficiency and financial sustainability of the plans, including the funding modalities and long-term implications of after-service health insurance benefits, with a view to identifying good practices and potential areas for improvement and standardization.



### What the JIU found

#### 1. Governing bodies and legislative organs remain largely inactive in health insurance policymaking.

The organizations in the United Nations system have an obligation to establish a social security scheme for their staff, but in all cases except one, regulations are limited to the recognition of the right to social security and the delegation to the executive heads of the

organizations of full authority to establish relevant health insurance policies. This has resulted in the existence of 26 different health insurance schemes in the participating organizations with different coverage and benefits.

#### 2. A minimum set of principles, requirements or standards for the United Nations sponsored health insurance scheme is absent.

Having one health insurance scheme for the United Nations system is not feasible at the present time and could not be effective or adequate to meet the differing needs or preferences of the staff. However, there is no minimum set of principles, requirements or standards to determine the adequacy of a health insurance scheme. Such guidance would not only assist policy design and enhance coherence, but would also help to determine whether the existing 26 health insurance schemes adequately fulfil the commitment made under the relevant – albeit brief and often concise – regulations and rules.

#### 3. Locally recruited staff and retirees outside headquarters locations are not sufficiently engaged in health insurance policymaking.

The engagement of beneficiaries in policymaking and in the governance of health insurance plans is crucial. The majority of health insurance plans have a governance and administration mechanism that enables the representatives of plan members to formally participate in policy decisions related to health insurance. However, locally recruited staff and retirees outside headquarters locations are not sufficiently engaged or represented, and several plans designed for locally recruited staff in the field do not have a formal mechanism to engage their plan members in the decision-making process of the plan at all.

#### 4. Inequalities in access to health insurance remain an issue.

The 26 health insurance schemes apply varying eligibility criteria for staff, retirees and their family members and associated protected persons. The unharmonized eligibility criteria, especially for those who receive subsidized premium rates from their organizations, create unequal access to health insurance coverage for active and retired staff and their family members, and demonstrate an inequitable use of public funding.

## 5. The solidarity models underpinning the health insurance schemes to ensure equitable distribution of premiums and risks are not well aligned.

The application of varying models in determining shares of contributions to health insurance premiums between the organizations and staff results in differing rates of contributions for staff within and across the participating organizations and, for many schemes, such models are not adequately based on the principles of ability to pay and intergenerational solidarity. Therefore, there is room for a system-wide approach to create a set of contribution-setting principles that could foster harmonization and comparability and promote equity and solidarity.

## 6. Long-term care, mental health care and optical care received the lowest ratings in terms of meeting the needs of survey participants.

From the large-scale global staff survey administered by the review, health insurance coverage for hospitalization, outpatient care and preventive care were rated the highest as most often “fully” or “mostly” meeting the needs of the respondents. On the other hand, long-term care, mental health care and optical care received the lowest number of positive responses, coupled with other areas deserving of particular attention, such as outpatient care for locally recruited staff, conditions related to physical disabilities and medications for chronic illnesses, physical therapy, routine health check-ups, dental care and reproductive health care.

## 7. After-service health insurance liabilities remain underfunded.

Even though after-service health insurance liabilities have been on the agenda of governing bodies, the United Nations System Chief Executives Board for Coordination and external auditors as a system-wide issue since the 1990s, funding those liabilities remains an unachieved goal, with only 31 per cent already funded. The choice of the pay-as-you-accrue method is not only a matter of sound financial management or long-term financial sustainability, but also of transparency and efficiency in legislative budget discussions.



## Approach & Methodology

In accordance with JIU internal standards and working procedures, the review used a mixed-method approach, drawing findings, conclusions and recommendations based on analysis of both quantitative and qualitative data from primary and secondary sources. The key data collection methods include:



**Desk review** of relevant policy and management documents, including: all co-sponsored health insurance policies and related contracts with external insurers or third-party administrators; reports of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions on managing after-service health insurance, and General Assembly resolutions thereon; audited financial statements and actuarial valuations of after-service health insurance liabilities submitted by the participating organizations; and varied documentation shared by the associations and representatives of staff and retirees;



**Corporate questionnaire** to 28 participating organizations;



**Global staff survey** receiving a total of 23,163 responses from staff and retirees around the world;



**Case studies** to compare the size of contributions to health insurance premiums as a percentage of the salaries of staff who are at the same grade and step in the same duty stations but insured under different health insurance plans. Six duty stations were chosen for the case studies;



**Interviews** with 147 people representing the participating organizations that administer the health insurance schemes within the United Nations system, the relevant staff and retirees associations, the International Civil Service Commission and the United Nations Joint Staff Pension Fund.



## Ethical Safeguards

The review was conducted in accordance with the JIU Statute and its internal regulations. Due consideration was given to protecting the confidentiality of the stakeholders who responded to the corporate questionnaire, participated in interviews and filled out the online survey. In fulfilling its professional and ethical obligations, the team was not subject to any external influence that could have affected its independence, fairness, neutrality or professional integrity during the planning, execution and drafting phases of the report.



## What the JIU recommends

The JIU makes 7 recommendations to legislative bodies and executive heads.

### The legislative and/or governing bodies of UN organizations are called on to:

**4** Request the International Civil Service Commission to propose guidelines to enhance coherence in the application of the principles of intergenerational solidarity, ability to pay and family protection in health insurance schemes co-sponsored by the United Nations common system organizations [recommendation 4]

**7** Establish a long-term strategy to fund after-service health insurance liabilities as they accrue for posts funded from assessed contributions, at least to cover future after-service health insurance liabilities for all newly recruited staff [recommendation 7]

### The executive heads of UN organizations are called on to:

**1** Ensure that, by the end of 2026, arrangements are made for the representation of all groups of plan members, including locally recruited staff in the field and retirees, in their health insurance plan management, oversight or advisory committee. [Recommendation 1]

**2** Explore discontinuing the practice of subsidizing premiums for secondary dependent family members, non-dependent family members and unrelated household members, and the practice of mutualizing their risks with those of primary members. [recommendation 2]

**3** Ensure that the right of family members of staff to participate in after-service health insurance is conditional on a minimum of five years of participation in a United Nations contributory health insurance scheme, without prejudice to duly justified exceptions based on life events. [recommendation 3]

**5** Ensure that the highest level of protection is given to all beneficiaries' health insurance-related data, including medical reports, prescriptions, tests and reimbursed amounts, and that the disclosure, transmission, processing and storage of health insurance-related personal data be subject to the written consent of the person concerned and any possible exception be unequivocally spelled out in relevant policies. [recommendation 5]

**6** Ensure that voluntary contributions cover future after-service health insurance liabilities corresponding to staff working on programmes or projects funded from such contributions as they accrue. [recommendation 6]

The review also issued 33 informal recommendations as additional suggestions to the executive heads in the areas of transparency; inter-agency mobility; contribution and premiums; coordination of policy changes at the duty station level; hardship provisions and ceilings; preventive and long-term care; segregation of duties in administrative matters; performance monitoring and audit; customer service charters and service-level agreements; fraud risk; cost containment measures; contractual arrangements with insurance providers and administrators; and funding after-service health insurance liabilities.



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