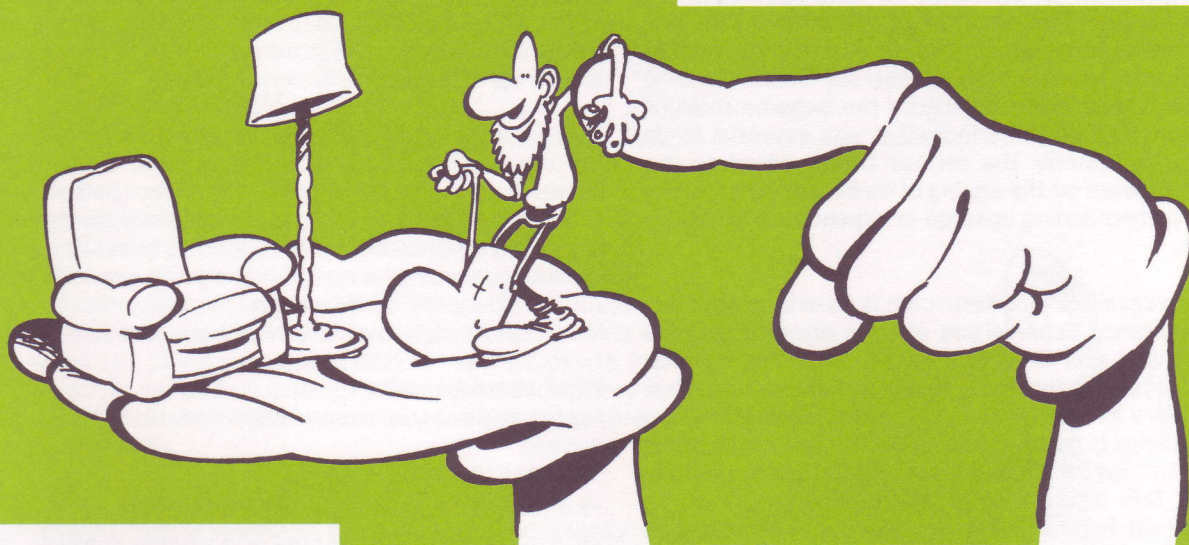


CHIS Bull'

Bulletin of the CERN health insurance scheme

N° 7 February 2001

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EDITO

At its meeting on 15 December 2000 the CERN Council approved the introduction of long-term care benefits within the existing CERN Health Insurance Scheme as part of a package of measures examined in the 5-yearly review of financial conditions.

This is the result of the many studies and negotiations carried out over a number of years. Long-term care provisions will primarily provide financial assistance to those in need but it will also help to safeguard the viability of our Scheme in the future.

I would like to thank all those who have worked so hard on the project.

... to safeguard the viability of our Scheme.

Contrary to a widespread belief, everyone can be concerned by long-term care: old and young alike. We have designed those benefits to cover people of all ages, although we assume that older people will be the primary beneficiaries of long-term care.

This edition of the CHIS Bull' is dedicated to explaining to all Members of the Scheme these new benefits which will be introduced progressively during the first half of 2001.

Vincent Hatton
Chairman of the CHIS Board

>Insurance for long-term c

Ageing is an inexorable process. And any health scheme worthy of the name should make it possible for the wide variety of health problems that may befall us as we grow older to be faced with dignity. From 1 January 2001, the CHIS Board, working on behalf of the CERN Management, has introduced new provisions into our Health Insurance Scheme. In effect, an insurance for long-term care has been put in place. The result is an appreciable improvement in the Scheme's benefits for long-term care. And the new provisions will also help to keep our Health Scheme in balance. This in turn will ensure the Scheme remains viable over the long term. Indeed, it was essential to do something to counter the serious threat posed to the Scheme's balance by the ageing of its beneficiaries, along with the corresponding upsurge in expenditure on hospitalisation.

So the new cover for long-term care is an extension of our Health Insurance Scheme and aims to encourage home care for those who develop a high level of dependency. The new cover has two main features. First, paramedical benefits have been extended, i.e nursing care. Second, a daily allowance is now payable to defray part of the costs of a nursing home, if needed, or of medical and social help at home. This insurance has advantages for all of us, young and old. For the young, because our Scheme can be maintained without loss of benefits. For the old, because, in case of need, they will receive immediate extra help if they are unable to perform the essential functions of daily living. The CERN Health Insurance Scheme is based on mutualist principles, in other words on solidarity. The new cover for long-term care is a perfect example of this.

Flashback

The idea of introducing insurance cover for long-term care is by no means new. In fact the first discussions started many years ago. They were triggered by a number of issues. One is the fact that the CERN population is getting older and over the next few years there will be a significant increase in the number of people retiring. Furthermore, advances in medicine have brought about a big jump in life expectancy, though that has been accompanied by an increase in conditions serious enough to cause dependency in old age. One out of four pensioners over the age of 85 is likely to become dependent.

According to our statistics, there will be some 240 cases requiring long-term care in 2025 and 150 in about 2045. Of course, breakthroughs in the treatment of ailments leading to dependency (diseases such as Alzheimer's and Parkinson's) may be achieved. But it would be unreasonable to place all our hopes in these advances, given that the general situation can only grow worse. Since long-term care costs between CHF 100 000 and CHF 120 000 per year per person, it is obvious that there are major implications for our Health Insurance Scheme.

What about benefits ?

A person requiring long-term care has to meet various types of costs, including:

- Medical treatment
- Paramedical treatment (physiotherapy, kinesitherapy, ergotherapy, etc.)
- Accommodation, either at home or in a nursing home (e.g. "établissement médico-social" in Switzerland).

The cost of medical treatment will be covered by the Health Insurance Scheme as in the past so there has been no change in this respect. On the other hand, paramedical expenses were previously covered only in part. So the new provisions relating to long-term care will give improved cover. The reimbursement ceiling has increased from CHF 2600 per year to CHF 2 500 per month per person in the case of high-level

No - one will be left whether your

WHAT IS DEPENDENCY ?

Typically, dependency means that we can no longer perform the essential functions of daily living. It can overtake us at any age. A serious accident, for example, can make young people dependent. Generally speaking, though, the elderly are more likely to be concerned.

The level of dependency is measured by the degree of inability to perform a range of basic functions: These include actions such as : **Getting up, sitting down or lying down - Moving about - Getting dressed and undressed - Washing - Eating and drinking - Going to the toilet - Coherence and ability to communicate - Time and space orientation.**

Once a case of dependency has been notified, a panel of experts will carry out a medical and social assessment to determine whether the person is dependent and if so, the level i.e. low, medium or high. The daily allowance payable (with a ceiling of CHF 85 per day per person, for a high level of dependency) is a fixed amount irrespective of whether the person stays at home or goes into a nursing home. In all cases, dependency levels are subject to periodic reassessment. The cover for long-term care is an integral part of our Health Insurance Scheme. So, where appropriate, members' spouses are also covered.

are : solidarity with dignity

dependency. Again, in the past, there was little provision for the cost of accommodation. This has been put right under the new cover. A daily allowance will be payable according to the degree of dependency and irrespective of whether the person concerned stays at home or goes into a nursing home.

Level of dependency	Low	Medium	High
Medical treatment	No change	No change	No change
Paramedical treatment	CHF 1'000.-/month	CHF 1'500.-/month	CHF 2'500.-/month
Accommodation	CHF 34.-/day	CHF 51.-/day	CHF 85.-/day

Hospitalisation

It is obvious that people requiring long-term care are far more comfortable if they can remain at home or receive special care in a nursing home. Our long-term care insurance now covers these types of accommodation. In some cases this will imply avoiding hospitalisation - something that both patients and relatives often find hard to cope with. It also forestalls the spiralling health costs associated with hospitalisation. Otherwise, a balanced Scheme would become extremely expensive for all its members.

Long-term care insurance therefore has two clear advantages :

- It allows those in dependency to live out their lives in dignity - wherever possible at home with the appropriate medical or paramedical support or in a nursing home.
- It maintains the balance and viability of the CERN Health Insurance Scheme by containing the costs of hospitalisation.

This new insurance makes CERN a pioneer in the field of social provision - no-one will be left out - whether young or already retired. This new insurance, based as it is on solidarity, will benefit everyone according to their needs.



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WHAT WILL IT COST ?

A special fund is being set up to cover the accommodation costs of long-term care, while paramedical costs will be financed by the usual Health Insurance Scheme.

The additional benefits will entail an increase in health insurance contributions :

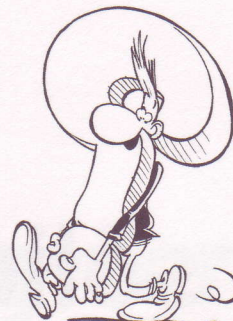
- Active staff will pay an increased contribution of 0,6% of their last basic salary
- Retired staff will pay an additional contribution between 1% and 1.3% of their final basic salary, indexed in line with pensions.

Retired staff are therefore called upon to contribute their share while younger members are expected to demonstrate solidarity with the old. A small price to pay to ensure that our overall Scheme stays in balance !

TRANSITIONAL MEASURES

The procedures for paying out these new benefits will be finalised by mid-2001. Transitional measures are planned for those who already need benefits. They will be integrated into the new system as soon as possible and with a minimum of formalities.

ZOOM



YOUR QUESTIONS...

Anything new to do with health care that affects our wallets naturally generates feedback. We have thought of a few questions relating to the new long-term care provisions. Alongside them you will find some immediate answers. But if you have other questions, don't hesitate to contact us.

- **Is there a minimum age for long-term care ?** No. Anyone may obtain long-term care, irrespective of age. A young person may require it following an accident with serious after-effects. Obviously, though, it concerns old people most.
- **May I opt out of the new insurance but keep my sickness and accident cover ?** No. Our Scheme is based on the principle of solidarity. To keep the whole Scheme in balance and to guarantee the best benefits for everyone, we all have to contribute in the same way.
- **I retired six months ago and now I am going to live in England. What happens if my wife or I need long-term care ?** As a first step, the consulting medical practitioner appointed by CERN will consult your doctor in England. Each case will be assessed on an individual basis. The allowance payable depends on the level of dependency - not the place of residence.
- **UNIQA has been paying a total infirmity allowance to my husband for the last twelve months. What will happen under the new insurance ? Do we have to start the proceedings all over again ?** Long-term care benefits cannot be cumulated with the infirmity allowance. You will therefore benefit from the transitional measures. In other words, your present arrangements will be integrated as soon as possible into the new cover for long-term care. In all likelihood this will happen in mid-2001.
- **I understand that the allowance of CHF 85 per day may be used to cover home care or to pay for a retirement home. What happens if I need to go into hospital again ?** In this event, you are covered by the Health Insurance Scheme. If you have to stay in hospital for a long time the daily allowance will be suspended. As in all other cases, it is a matter for the panel of experts to decide. It is important that you inform UNIQA immediately when you go into hospital.
- **I have already taken out private insurance to cover long-term care. Will I still have to contribute to the extra UNIQA cover? If so, am I entitled to benefits from both if I need them ?** You will have to contribute to long-term care in our Scheme. If you have taken out private insurance you will certainly be allowed to use it in addition to our long-term care. On the other hand, if you are covered by a national public health scheme, you will not be allowed to benefit from two schemes.



MORE QUESTIONS ?

Don't hesitate if you would like to ask more questions on long-term care. We will reply to you personally and if necessary we will raise the question in a future issue of the CHIS Bull'.

Vincent Hatton, Chairman of CHISB, HR Division, CERN, 1211 Genève 23
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