

Medical Insurance Bulletin

April 2009 (revision)

NATO civilian staff have medical insurance through a Group Insurance Policy (GIP) that NATO has with Vanbreda International (VBI), an Antwerp-based insurance broker. The Liaison Committee (LC) of NATO Civilian Staff Associations (CSAs) guards your interests in matters that concern all staff. For issues related to the GIP, it has a standing working group.

This working group meets regularly with representatives from NATO and VBI, sometimes also with representatives from the retired staff. During these meetings, various interesting bits of information come up, which I want to share with you in this bulletin. Medical Insurance Bulletins appear irregularly, whenever there is enough information to justify publication.

If you have further questions that cannot be resolved through the VBI brochure ("NATO/SHAPE Group Insurance Contract", dated 01/01/2007), your administration or your local CSA, you can contact me or one of the other members of the working group in Capellen, Brussels, Larissa, Izmir, Geilenkirchen or Latina.

The brochure is available at your local CHRM and at the Vanbreda website (see at the end of this bulletin). It contains all information that you should normally need, so that you don't have to refer to the actual contract.

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Your entitlement to reimbursement

Members of the working group are often approached by staff members who feel that they are entitled to reimbursement of a certain treatment or medicine which they are not getting from Vanbreda.

In general, you should be aware that there is no moral right to any reimbursement, only a contractual right. The GIP contract defines which treatments and medication are reimbursed. As you can see on page 5 of the brochure, the contract is based on the Belgian social security system:

The benefits may never be inferior to the reimbursements and indemnities provided by the Belgian Social Security legislation concerning the reimbursement of medical expenses.

Often it is strictly a matter of applying the rules of the contract. Sometimes, however, the contract allows a little room for interpretation. In such cases, you may consider the following actions:

1. You can get help from your local Civilian Human Resource Manager (CHRM). In exceptional cases, they can solicit assistance from the medical insurance specialists in the offices of the Deputy Assistant Secretary General for Human Resources at NATO HQ.

Don't hesitate to provide additional justification. For instance, you can:

- a. Get a report from another physician. Note: in many cases it is anyway in your own interest to get a second opinion *before* you start the treatment. Vanbreda reimburses second opinion consultations at 90%.
- b. Do additional, objective and scientifically sound tests to show that the treatment is having the desired effect

- c. Quote articles in medical magazines supporting your case
 - d. Demonstrate that the treatment or medicine is reimbursed by other insurances
2. If the matter cannot be resolved to your satisfaction, you can file a complaint on the VBI website at www.vanbreda-international.com. Click MEMBER'S ACCESS to login. When logged in, click FORMS in the horizontal blue bar at the top. At the bottom of the forms page, there is a link to a complaint form.
 3. Article 7 of the GIP contract includes arrangements for a formal arbitration procedure, involving an independent arbitrator or physician jointly appointed by both parties (you and VBI). Your local CHRM can help you get things started.

The remit of the LC GIP working group does not include assistance to individual staff members – sorry. However, if you think your case is generally applicable to many staff members, we want to know about it! Maybe we should work on a solution that would benefit everyone who is in the same situation as you.

But there is more. You should also understand the basic principles of our medical insurance.

Insurance fundamentals

Financial arrangement

An insurance is a financial arrangement that protects you against the financial consequences of certain risks. The insurance company collects premiums and reimburses the costs incurred by the clients, insofar as they are covered by the policy. More money is collected in premiums than what is reimbursed to the clients. The excess covers two things: a) the overhead costs of the insurance company, such as personnel, offices and automation; b) profit for the insurance company.

Because there are many clients, an insurance also creates solidarity. Certain risks do not materialise for every client (fortunately!). But when it hits you, you know that your expenses are reimbursed with money that was contributed by all clients.

An insurance company will insure anything, as long as you pay the premium and as long as there is a sufficient number of clients to spread the risk. However, you don't want every risk to be covered by an insurance.

Some risks are so likely to materialise that you are certain it's going to happen to you sometime. Why should you then pay to an insurance company first, if you already know you are going to claim the money back later? If you pay for it yourself, it's cheaper because you save the overhead and profit of the insurance company.

There are also risks that have only a marginal financial impact. For instance, if you have a headache, you go buy some aspirin or paracetamol out of your own pocket. It's a financial impact that is acceptable. To insure it would cost more, again because of the overhead and profit of the insurer.

The NATO Group Insurance

In our case, the overhead is a more or less fixed amount that depends almost exclusively on the number of clients (staff members and their dependents). It is called the "management fee" and it is collected by VBI. They use the money to pay the salaries of the personnel of the claims department and the call centre, as well as all other costs like maintenance and heating of the building, information technology etc.

Vanbreda is the broker managing the insurance. The actual financial risk coverage is provided by a number of independent insurance companies. They are the ones getting the profit.

Premiums

We have a very good medical insurance. This is no surprise, if you check your payslip to see how much premium you pay. Don't forget to also check your employer's share! Overall, NATO pays $\frac{2}{3}$ of the premium and you pay $\frac{1}{3}$.

The premiums are calculated according to a fixed formula that uses both the premiums and the reimbursements of the previous year. The formula is designed such that the profit for the insurers is always more or less the same percentage of premiums. If we "consume" more medical care, reimbursements go up, so the premiums go up the next year.

Why is Vanbreda careful about what they reimburse and what not? After all, they only get a fixed management fee depending only on the number of clients. The reason is, **NATO (Administrations and staff representatives)** wants them to! It is in the interest of the nations ($\frac{2}{3}$) and the staff ($\frac{1}{3}$) that premiums are controlled. The only way to control premiums is by controlling the reimbursements.

Controlling reimbursements

So how can you help to control reimbursements so that premiums do not skyrocket? First of all, check the Vanbreda brochure, chapter 6 (page 6-7). You should also read the article "Cost control" in last year's Medical Insurance Bulletin. Your local CSA has a copy, if you did not receive it yourself.

Ceilings

One very effective way of controlling reimbursements is the establishment of ceilings. Ceilings are also interesting for the insurers because they limit the financial risk associated with the insurance. So both parties benefit!

Our ceilings follow the evolution of salaries automatically. They are adjusted whenever salaries have increased more than 4% compared to the time of the previous adjustment.

The current ceilings are always available on the VBI website (see below).

Direct payment

If you face an expensive treatment, you don't need to pay the bill in advance and get reimbursed later. For any amount over €200, you can send the bill to Vanbreda and they will pay it directly to the care provider. In cases where you are not entitled to 100% reimbursement, you will of course still have to pay the remainder.

Direct payment is not possible for dental or optical expenses.

Very important to remember: always call Vanbreda **first**, i.e. before the treatment, to discuss the details.

Lenses

If you need new lenses for your glasses, you no longer need a prescription from an ophthalmologist (eye doctor). If you are convinced that you have no medical problem with your eyes, and that the only thing you need is optometric correction of your vision, you can have your eyesight measured in the shop where you order the lenses. Vanbreda will reimburse. The only condition is that the measured dioptré must be specified on the invoice.

If you do not yet wear glasses and have problems with your vision, an initial visit to an ophthalmologist is recommended in any case. Your problem may be caused by a medical condition other than normal aging!

Rehabilitation (convalescence)

A change has been made to the contract to improve the coverage of the expenses associated with rehabilitation in a specialised institution, for instance after a car accident or a stroke. Before 2009, a ceiling was applied to these costs, but this ceiling has been removed.

Prior approval is still required. Depending on the medical justification for the stay, it can still happen that only part of the intended stay is reimbursed.

As always, your Supplementary Insurance will cover the remaining 10% if the convalescence is associated with a serious illness.

Dental expenses

It may sometimes be necessary to have a big job done on your teeth. Before you do that, be sure to check the ceilings applicable in your country for the various dental works. The Vanbreda brochure contains ceiling codes which you can then lookup in the separate ceiling table available on the VBI website.

Ask your dentist for a cost estimate, containing sufficient detail for you to be able to check whether ceilings are being exceeded. However, never disclose the ceilings to your dentist or to any other care provider! You may want to get an offer from one or two other dentists. Be a critical consumer! We want to control the costs, remember?

The ceilings apply to the total of your claims in any calendar year. You may therefore be tempted to submit your claims in two separate years. This will not work. The dates on the bills is what counts, not the dates when you submit the claims. Needless to say, the dates on the bills must show the actual dates when the treatments took place, otherwise it would be fraud.

So what can you do to get full reimbursement? The only legal way is to plan carefully. Together with your dentist, make a treatment plan that extends over two calendar years.

By the way, if dental work is needed for serious *medical* reasons, or because you had an accident whereby your teeth were damaged, you can ask prior approval for full reimbursement without application of the ceilings.

VBI website

www.vanbreda-international.com

The VBI website at this address contains a wealth of information. To login, click "MEMBER'S ACCESS". Enter your personal reference number (check your card!) and click "Submit". On the next screen, enter your birth date and click "Login".

Many staff members have opted for the free service "Settlement Notes Online". Those staff members consult their reimbursement details online instead of on paper. If you have opted for this service, login with your Settlement Notes Online password.

Apart from all the information that is in the VBI brochure, which you should have received from your Human Resource Manager, there is the medical claim form, which you can complete electronically. However, you still need to print it and send it to VBI together with all the receipts, prescriptions and such.

On the "PROVIDER LIST" tab, you can locate care providers that have direct payment arrangements with VBI. Often these providers will also have price agreements with VBI, which helps control the costs of the insurance. If you click "New agreements", you will get to see which new agreements VBI has struck with care providers in the last six months.

The "DISEASES" tab gives detailed information for the benefit of people with certain chronic diseases such as HIV/AIDS, diabetes and COPD.

By the way, you can click "Contact" at the bottom left of any page to get contact information for VBI, such as the toll-free number of the claims department (+800 32 710 708). Note that this is an international number. The "+" stands for the international access code. In most countries, that would be "00".

