

# PE-375 Medical Insurance Program

Effective: August 1, 2017

## INTRODUCTION

The purpose of this Staff Rule is to regulate the participation in the Medical Insurance Program provided by the Bank.

## INTERPRETATION AND APPLICATION

The Vice President for Finance and Administration shall be responsible for the determination of issues that may arise regarding the interpretation of this Staff Rule and its Annexes, consistent with the principles established herein, and the General Manager of the Human Resources Department shall be responsible for their application.

## AUTHORITY

The Vice-President for Finance and Administration, following existing policies, shall be responsible for proposing, for consideration of the President of the Bank, any substantial modifications to the Medical Insurance Program, including premiums and terms of coverage. Non-substantial changes shall be informed to the Office of the Presidency prior to the approval by the Vice-President for Finance and Administration of such measures.

## 1. GENERAL

- 1.1. The terms of coverage under the Medical Insurance Program will be published by the Bank.
- 1.2. The Bank will periodically set and publish premium amounts.
- 1.3. The Medical Insurance Program is a Bank benefit for which eligible participants pay a premium in the amounts approved by the Bank.
- 1.4. Premiums paid by the participants will be deducted from their salary or pension, as applicable.
- 1.5. When both spouses are Bank staff and/or former staff and both participate in the family Medical Insurance Program, only one premium payment for said family will be deducted which will be from the spouse with the higher premium.

## 2. DEFINITIONS

- 2.1. For purposes of this Staff Rule, the following applies:

2.1.1. Medical Insurance Program ("Program"): Health plan sponsored by the Bank which includes medical, dental, vision, and pharmacy benefits. The Program is also referred to as Retiree Medical Insurance Program.

2.1.2. Parent Medical Coverage: Coverage under the Bank's Medical Insurance Program provided to the participant's eligible dependent parent.

2.1.3. Participant: A staff member or retiree enrolled in the Medical Insurance Program.

2.1.4. Retiree: Former active staff member participating in the Medical Insurance Program, who has been retired under the Bank's Retirement Plans on a pension, whether immediate or deferred.

2.1.5. Spouse: The person registered with the Bank as the wife or husband; or the domestic partner of the participant as per Staff Rule PE-360 "Staff and Family Relationships."

2.1.6. Dependent Children: Children of the participant or the spouse of the participant as established in Staff Rule PE-360 "Staff and Family Relationships".

2.1.7. Dependent Parent: Parent or parent-in-law of the participant as established in Staff Rule PE-360 "Staff and Family Relationships".

2.1.8. Dependents: The family unit of the participant that may be comprised, if such family relationship exists, of the spouse and dependent children covered under the Program, and the dependent parent enrolled in the Parent Medical Coverage.

2.1.9. Disability: A physical or mental handicap, as certified in accordance with Bank procedures and accepted by the Bank's medical reviewer.

2.1.10. Waiver: Non-participation in the Medical Insurance Program which is approved by the Bank.

2.1.11. Alternate Coverage: Insurance coverage held by the staff member and deemed by the Bank as comparable to the Program's coverage for purposes of a Waiver for the staff member. Insurance coverage held by dependents and deemed by the Bank as acceptable for purposes of a Waiver for dependents.

2.1.12. Vesting: The grant of entitlement to the Retiree Medical Insurance Program on behalf of a participant as established in Annex 1 of this Staff Rule.

2.1.13. Years of Participation: The number of full years of service (i.e., complete 12-month periods) that the participant was covered under the Medical Insurance Program.

2.1.14. Continuous Participation: For vesting purposes, refers to participation in the Medical Insurance Program without interruption, notwithstanding a change in the employment contract with the Bank from national to international staff member or vice versa.

2.1.15. Non-continuous Participation: For vesting purposes, for staff hired on or after January 1, 2015 and for services rendered on or after January 1, 2015 as national or international staff, refers to participation in the Medical Insurance Program which may be discontinued due to a Waiver, or a break in employment with the Bank.

2.1.16. Premium: Cost of participation in the Program. The Premium varies depending upon the eligibility class of the participant as further defined in this Staff Rule. Premium amounts will be higher for non-vested retirees and for retirees who become vested under a progressive schedule. The payment for Parent Medical Coverage is a separate Premium, in addition to other premium amounts payable by a participant. The Bank may modify all premiums from time to time.

2.1.17. Basic Premium for Active International Staff: Except as expressly provided hereby, the cost, as published by the Bank, of participation in the Program while on active service. This rate will also be applicable for staff on Long Term Disability as per paragraph 8.1 of this Staff Rule.

2.1.18. Basic Premium for International Staff on Prolonged Leave without Pay: The cost as published by the Bank for staff members who are on extended leave of absence as regulated by Staff Rule PE-355 "Leave without Pay". This rate will also be applicable for continued participation in the Program after termination of service, as per paragraphs 6.1.2 or 6.1.3 of this Staff Rule.

2.1.19. Basic Premium for Non-Vested International Retirees: The cost as published by the Bank for retirees who were hired as staff before January 1, 2015 and who did not fulfill the corresponding Vesting criteria before pension commencement.

2.1.20. Basic Premium for Vested International Retirees: The cost as published by the Bank for retirees who have fulfilled the corresponding vesting criteria.

2.1.21. Basic Premium for International Retirees under a Progressive Schedule: The cost as published by the Bank for retirees who were hired as staff on or after January 1, 2015 and who fulfilled some or all of the vesting criteria before pension commencement. The Basic Premium for International Retirees under a Progressive Schedule is equal to the Basic Premium for Vested International Retirees multiplied by a progressive vesting factor, which is a component linked to the Years of Participation for Vesting.

2.1.22. Parent Medical Coverage Cost for International Participants: Amount as published by the Bank to be paid by the participant on behalf of a covered dependent parent.

2.1.23. Qualifying Life Event: An event which constitutes a reason determined by the Bank to allow a waived staff member, or waived staff member and dependent child and/or spouse to enroll in the Program, after a decision to opt out by the staff member was made. Qualifying Life Events are limited to: death of a spouse or domestic partner providing Alternate Coverage; termination of employment of spouse providing Alternate Coverage; legal separation or divorce from spouse providing Alternate Coverage for the dependent children; or a significant change to the Alternate Coverage, excluding voluntary loss of that coverage, that causes loss of comparable coverage for the Waived staff member. Unless there is a Qualifying Life Event, a waiver decision is final. Proof of the occurrence of the Qualifying Life Event is required.

## 3. PARTICIPATION IN THE MEDICAL INSURANCE PROGRAM

### 3.1. MANDATORY PARTICIPATION

3.1.1. All international Bank staff with employment contracts defined in Staff Rule PE-311 "Types of Appointments", and their respective spouses and dependent children, must participate in the Medical Insurance Program.

3.1.2. Staff may request, in writing, a Waiver as a result of having Alternate Coverage as defined in paragraphs 2.1.10 and 2.1.11.

3.1.3. The Bank offers five options: (a) individual coverage for the staff member only, when either the staff member has no dependents, or the spouse and dependent children are waived; (b) family coverage for the staff member, spouse and dependent children; (c) no coverage, neither the staff member nor dependents are covered because they are all waived; (d) family coverage for staff member and all dependent children, with only the spouse being waived; and (e) single parent coverage for the staff member and all dependent children, when the staff member has no spouse. In options (d) and (e) all dependent children must be covered by the staff member.

3.1.4 Staff members and dependents waived from the Program, will be allowed to enroll thereafter only if a Qualifying Life Event as described in paragraph 2.1.23 occurs. This provision does not apply to a dependent parent.

## **3.2. VOLUNTARY PARTICIPATION**

3.2.1. Participation in the Medical Insurance Program will be optional for:

3.2.1.1. Executive Directors, their Alternates, Counselors and Co-Terminous Office Assistants, and their dependents<sup>[1]</sup> who will be automatically enrolled into the Medical Insurance Program effective as of the hire date, and who must request in writing their exclusion from the Program to terminate participation.

3.2.1.2. Children of the staff member or spouse of the staff member who do not qualify as dependent children for purposes of Bank policy, regardless of whether (a) they reside with the staff member, or (b) are married. Such coverage ceases on the child's 26th birthday.

3.2.2. Individuals mentioned in paragraph 3.2.1.1 and 3.2.1.2 who have decided not to participate in the Program will be allowed to enroll thereafter only if a Qualifying Life Event as described in paragraph 2.1.23 occurs.

## **4. ENROLLMENT IN THE MEDICAL INSURANCE PROGRAM**

4.1. Staff subject to mandatory participation will begin such participation:

4.1.1. On the effective date of hire, or

4.1.2. On the effective date of termination of Alternate Coverage due to a Qualifying Life Event as per paragraph 2.1.23. All staff must notify the Bank immediately of the termination of such Alternate Coverage. For any period of retroactive coverage, the corresponding premiums are payable by the staff member to the Bank.

4.2. Once the staff member is already a participant of the Medical Insurance Program:

4.2.1. Coverage for a new spouse and/or children will begin on the effective date that the dependent status is recognized by the Bank. Coverage for a newborn is retroactive to the moment of birth, as long as such birth is on or subsequent to the effective date of hire of the staff.

4.2.2. Medical insurance coverage for dependent children may continue beyond age 26 only in cases of disability. However, in those cases, if the staff member requests interruption of coverage or the child ceases to be disabled, later in the future, then a future renewal of coverage for that child will not be permitted, except as provided in paragraph 3.1.4.

## 5. VESTING CRITERIA TO PARTICIPATE IN THE RETIREE MEDICAL INSURANCE PROGRAM

5.1. Staff members who terminate employment with the Bank and are eligible to receive a pension under the Bank's Retirement Plans, may participate in the Medical Insurance Program as retirees, along with their dependents, provided the conditions and minimum number of years of participation for vesting in the Program are met as specified in Annex 1 of this Staff Rule.

## 6. ENDING ENROLLMENT

### 6.1. ON TERMINATION OF EMPLOYMENT WITH THE BANK

6.1.1. With the exception of staff who retire with an immediate pension and continue participation in the Retiree Medical Insurance Program, staff members who terminate employment with the Bank and their dependents will cease to participate in the Medical Insurance Program thirty (30) calendar days after the effective date of such termination of employment.

6.1.2. Staff hired prior to September 1, 1995 who deferred their pension may continue participating in the Medical Insurance Program beyond the thirty (30) days mentioned in paragraph 6.1.1, and may continue the participation of their dependents, until the effective date of the staff member's retirement, provided the staff members pay in advance, the Basic Premium for International Staff on Prolonged Leave without Pay.

6.1.3. Staff hired on or after September 1, 1995 may continue participating in the Medical Insurance Program beyond the thirty (30) days mentioned in paragraph 6.1.1, and may continue the participation of their dependents, for an additional five (5) calendar months, provided they pay in advance, the Basic Premium for International Staff on Prolonged Leave without Pay.

6.1.4. Vesting criteria in relation to continued participation in the Medical Insurance Program after termination of service, as per paragraphs 6.1.2 and 6.1.3, is established in Annex 1 of this Staff Rule.

## **6.2. ON TERMINATION OF DEPENDENT STATUS**

6.2.1. The participation in the Medical Insurance Program of an insured ex-spouse, and insured former dependent child, will cease thirty (30) calendar days after the effective date of a staff member's legal separation or divorce, the effective date of the "Declaration of Termination of Domestic Partnership", or the date on which the condition of dependent child ceases, as it may be applicable.

## **6.3. AFTER ENDING ENROLLMENT**

6.3.1. The additional thirty day (30) coverage period beyond termination of employment, or termination of dependent status, will be at no cost to the staff member.

# **7. STAFF ON PROLONGED LEAVE WITHOUT PAY**

7.1. Staff absent on prolonged leave without pay for a period of more than thirty (30) calendar days will cease to participate in the Medical Insurance Program, along with their dependents, thirty (30) calendar days after the effective date on which the leave of absence was initiated.

7.2. This additional thirty (30) day coverage period is at no cost to the staff member, consistent with paragraph 6.3.1 of this Staff Rule.

7.3. With the Bank's approval, staff members will have the option of continuing their participation in the Medical Insurance Program during the period of prolonged leave without pay, as long as they pay in advance the Basic Premium for International Staff on Prolonged Leave without Pay.

7.4. Vesting criteria in relation to continued participation in the Medical Insurance Program while on prolonged leave without pay is established in Annex 1 of this Staff Rule.

## 8. STAFF ON LONG TERM DISABILITY

8.1. Staff who become incapacitated and are placed on long term disability, under the Life and Disability Insurance Program of the Bank, may continue participation in the Medical Insurance Program along with their dependents, upon initiation of the disability.

8.2. The amount that staff will pay for participation in the Medical Insurance Program during the period of long term disability will be the Basic Premium for Active International Staff.

8.3. Vesting criteria in relation to continued participation in the Medical Insurance Program while on long term disability is established in Annex 1 of this Staff Rule.

## 9. PARENT MEDICAL COVERAGE



9.1. Participation under the Parent Medical Coverage as defined in paragraph 2.1.2 is optional and must be requested by the staff member in writing after the Bank has officially recognized the dependent status. The dependent parent will be required to have a complete medical evaluation for determination of any pre-existing condition.

9.2. Staff members who have chosen not to enroll a dependent parent within thirty (30) days from the date the Bank has officially recognized the dependent status or have chosen to opt out of the Program shall not be allowed to enroll in the Program thereafter.

9.3. Coverage under the Parent Medical Coverage could begin as early as the effective date on which the Bank has recognized the parent as a dependent of the staff member, but only after the staff member has submitted to the Bank a medical evaluation, and it has been assessed and accepted accordingly to the satisfaction of the Bank.

9.4. The staff member is responsible for payments of the Parent Medical Coverage Cost for International Participants, which will be in effect upon coverage commencement.

9.5. The terms of coverage under the Parent Medical Coverage for the dependent parent shall be subject to the exclusion that benefits shall not be payable for treatment of a condition or conditions pre-existing, present or identified, on the date of initiation of coverage. Such exclusion shall remain in effect for the first five (5) years of continuous coverage.

9.6. Coverage for a parent, who is no longer recognized as dependent by the Bank, will cease thirty (30) calendar days after the date on which dependent status was terminated, at no cost to the staff member, consistent with paragraph 6.3.1.

## 10. SPECIAL PROVISIONS

10.1. In such cases when a staff member passes away in active service, who at the time of death was covered under the Bank's Medical Insurance Program, and the surviving spouse starts receiving a survivor's pension from the Bank's Retirement Plans:

10.1.1. The surviving spouse will be eligible to continue participating in the Retiree Medical Insurance Program.

10.1.2. The corresponding Medical Insurance premium will be computed as if the staff member had participated in the Program for a period of five (5) years, or the number of years of service projected to what would have been the staff member's normal retirement, whichever period is greater.

## 11. MISREPRESENTATION AND FRAUDULENT CLAIMS

11.1. Participants must notify the Bank of any changes affecting the eligibility of their dependents or themselves for participation in the Medical Insurance Program.

11.2. All participants are also expected to submit claims consistently with the rules and procedures applicable to the Program and to be truthful in their dealings with the Bank and with the Program Administrator.

11.3. All participants must also cooperate with any audit, investigation or other inquiry regarding their participation and/or the participation of their dependents in the Program.

11.4. Any corrupt practice, misrepresentation, falsification of claims, other fraud, failure to cooperate with an investigation or other obstruction of an investigation, or any other wrongdoing related to participation in the Program shall be considered serious misconduct. The consequences of such misconduct may include, but shall not be limited to disciplinary sanctions, which for staff may include the termination of employment; loss of eligibility to continue participation in the Program; the offset of other payments, including in the form of payments from the Program or other payments due from the Bank, to compensate the Program for wrongfully-paid amounts; and other process for the restitution to the Program or the Bank, as applicable, for lost amounts.

11.5. The Bank may also refer any suspected violation of national law to the appropriate authorities.

## 12. RECOVERY OF OVERPAYMENT

12.1. Any participant who knows that the Bank has made an overpayment should immediately report the overpayment to the Bank.

12.2. In the event of overpayment to a participant on a claim, the Bank shall have the right to the immediate repayment to the Bank of overpaid amounts upon written notice by the Bank to the participant.

12.3. When the participant is a staff member, spouse, dependent child or dependent parent, failure to promptly repay such amounts by such staff member shall be considered misconduct and may be subject to disciplinary sanctions. Further, the Bank shall have the authority to recover overpaid amounts through deduction from any other payments due from the Bank to the staff member in one or more installments, of not less than ten percent (10%) of the total amount (after any other deductions) of each such payment payable by the Bank.

12.4. The Bank may also undertake any other process for the restitution of funds to the Program or the Bank, as applicable, for lost amounts.

<sup>[1]</sup>For Staff Office Assistants assigned to the Office of Executive Directors, participation in the Medical Insurance Program of the Bank is mandatory as defined in 3.1.1 of this Staff Rule.

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