



GLOBEX UPDATE

HEALTH & BENEFITS

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Events, developments, and opportunities in the international marketplace

OMAN INTRODUCES MANDATORY HEALTH COVERAGE

The Omani government is working on new legislation to introduce mandatory health insurance for private sector employees. The new scheme is set to take effect starting January 2018. The law will require employers to provide health insurance for both nationals and expatriates employees. Under current laws, an employer is not required to provide medical insurance to local Oman employees since they are entitled to free medical treatment at all government hospitals, but the new health insurance scheme will allow for coverage for locals as well. The goal is to help regulate and streamline the health system in Oman, since they have seen significant increases at government hospitals and clinics. The new health system help divert some patients to the private sector and ease the pressure on government-run hospitals.

SINGAPORE PROPOSES LEAVE BENEFITS FOR CONTRACT WORKERS

Singapore employers have embraced new labor agreements developed by the Ministry of Manpower that allow employers to provide term contract workers with leave benefits and termination notice period based on their cumulative length of service. The Tripartite Standard on Employment of Term Contract Employees was introduced as a measure to provide employees with annual, sick and other leave benefits which they were not previously entitled to. Employers who sign up for the Tripartite Standard on Employment of Term Contract Employees are committed to recognize the cumulative length of service fairly when calculating leave entitlements. They must add up all contracted periods of 14 days or more, as long as the breaks in service are within a month. The employers must also serve notice for early termination or non-renewal of employment contracts more fairly. They would be required to recognize their contract worker's cumulative length of service on when to serve the notice. The longer the cumulative length of service, the longer the notice period. The Ministry believes that the new agreements are not only good for employers to help these workers stay employable, but it is also in the employers' best interest that their contract workers are well-trained and effective.

Success Stories

- Completed multinational pooling feasibility studies for two clients seeking best way to take advantage of global economies of scale.
- Helped Partner Desk client navigate a difficult benefits renewal in India, identifying solutions that will help them save money, enhance benefits and improve their claims administration platform.
- Secured group travel medical policy for large multinational manufacturing firm.

HEALTH COSTS IN ASIA CONTINUE TO INCREASE

According to a recent survey on medical trends, employers in Asia can expect to see an increase in medical costs. These costs are caused by an increasing aging population, negative lifestyle changes and legislative influence on health. These factors are influencing employers to consider less conventional methods of developing an employee benefits strategy. Countries expected to have the most alarming medical inflation rates this year include Vietnam at 19.3%, Malaysia at 17.3% and Indonesia at 11.8%. In Malaysia, the increased rates are driven mostly by outpatient costs, which account for 18.1% of total costs; in Vietnam, the drivers of cost increase are due to inpatient services (they account for 22.1% of total costs). Also, the survey showed that there was also a rise in non-communicable diseases, which is the most noticeable cause of employee medical costs in Asia. Additional contributing factors include harmful lifestyle habits, an aging workforce, and the cost of medical technology as well as other factors such as increased air pollution and an increase in infectious respiratory diseases are likely behind the rising number of claims submitted by employees. When planning employee benefit programs, employers are urged to move away from short term, traditional solutions such as reducing plan designs and coinsurance options and consider shifting toward a more holistic and integrated approach to employee benefits that is designed around a more evidence-based approach that leverages both traditional methods and modern advancements in employee benefits.

Recruiting and retaining key talent around the world remains a formidable challenge for HR management. More and more, a company's success depends on the ability to offer a competitive benefits package while remaining within budget. Globex Partner Brokers can offer their clients access to a range of products, capabilities and resources custom-tailored to helping multinationals optimize their employee benefits around the world. Contact any member of the Globex Health & Benefits Team to learn more.

PLEASE NOTE OUR NEW TELEPHONE AND FAX NUMBERS



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