Bermuda Health Strategy
Priorities for Bermuda’s Health System Reform

2014–2019
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Message from the Minister of Health, Seniors and Environment

This Bermuda Health Strategy 2014 – 2019 presents the vision for health system reform. It builds upon the work done by the six Task Groups which was undertaken as part of the National Health Plan and presents reforms proposed to achieve the health sector goals. Some parts of this strategic plan mirror the former plan as the issues previously identified have not gone away and the comments are still relevant.

This health reform strategy covers the entire Bermuda health system, private and public providers and payors as well as the Bermuda Hospitals Board (BHB). As the BHB is a significant part of the system, the Ministry has been monitoring its progress and consulting to ensure that its modernization plan is in line with the overall system goals of Quality, Equity and Sustainability.

WHO’s Framework for Action – strengthening health systems to improve health outcomes – defines a health system as “all organizations, people and actions whose primary intent is to promote, restore or maintain health”. WHO indicates that it’s “Everybody’s business”. I totally agree with this assessment and as we move from stakeholder consultation to the phased implementation of the Strategy, I look forward to providing the public with updates on our progress.

I am mindful that the most impactful results for improved health will come from a change in each individual’s behaviour. We now know that most of the island’s major health costs result from lifestyle issues and utilization choices, rather than genetic factors so the solutions are in our hands. As a Government we cannot meet the people’s expectations without your support and participation. I believe the Strategy provides the vision needed, and the accompanying “Bermuda Health Action Plan 2014 2019” creates a plan of action with timelines to produce results. As we roll out the goals we will determine what will be defined as success so that our effort can be properly measured.

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Executive Summary

**Purpose:** The purpose of the Bermuda Health Strategy 2014 – 2019 is to provide the vision for health in Bermuda and outline the strategic reform priorities for our health system.

**Reasons:** Healthcare reviews since 1996 have identified areas to improve the Island’s health system. In particular, increasing healthcare costs and gaps in quality have become major concerns. The Strategy outlines the road map to restructure and reform the health system so it may improve the quality of healthcare, increase access, and contain health costs.

**Vision:** “Healthy people in healthy communities”

**Mission:** To provide affordable and sustainable healthcare for all Bermuda residents.

**Core values:** The core values for our health system will be **quality**, **equity** and **sustainability**. Quality is defined as the right care, at the right time, in the right setting, and at the right price. Equity is defined as equal access to basic healthcare. Sustainability is defined as affordable spending levels, financed by the most cost-effective mechanisms. These core values will guide decisions to achieve the vision and mission.

**Health sector goals:** The strategic priorities are set out as fourteen health sector goals:

1. Access to basic health insurance coverage shall be assured for all residents of Bermuda to ensure access to essential healthcare and protection from financial risk
2. Encourage and expand the use of outpatient facilities and preventive care to allow the hospital to focus on acute care
3. Health coverage contributions shall be affordable, to ensure access to healthcare
4. Streamline use of overseas care to efficiently meet the medical needs of the population and contain healthcare costs
5. Mechanisms to pay healthcare providers shall assure optimal quality to patients and maximum efficiency to the health system to contain costs and improve health outcomes
6. An integrated electronic health system shall be established throughout the health sector to improve quality of care and efficiency of the health system
7. Implement strategies to meet the long-term healthcare needs of seniors and persons with chronic illnesses, and physical, cognitive or mental disabilities to better provide for the needs of vulnerable populations and manage costs
8. Regulate standards of clinical care for all healthcare facilities and providers that are equivalent to best practice models.

9. Bermuda’s health system shall be financed through the most cost-effective means available to reduce complexity and duplication and improve efficiency.

10. Update health and insurance regulation to reflect current technologies and pricing and utilization of services.

11. Implement a comprehensive approach to health promotion which encourages healthy lifestyles and involves health professionals and organizations to ensure the Well Bermuda population goals can be achieved.

12. Partner with physicians and the broader healthcare community to achieve health reform goals and improve the coordination of healthcare delivery to ensure the best outcomes possible for patients and efficient use of healthcare resources.

13. Increase the access to interventions to prevent and manage non-communicable diseases and their risk factors, in order to reduce the burden of chronic non-communicable diseases to Bermuda.

14. Protect Government healthcare subsidies and redirect funding to vulnerable populations to ensure available

Government funds are dedicated to the populations with genuine financial need and/or in need of special societal protections.

Implementation & Evaluation: The strategy is supported by the Bermuda Health Action Plan 2014-2019, which details the implementation objectives and timelines. The Bermuda Health Council will coordinate implementation on behalf of the Ministry of Health, Seniors and Environment, and evaluate the outcome of reforms. Strategic health sector partners will act as Lead Agencies to develop and implement action plans to achieve the fourteen goals. The Ministry will report on progress to the public at least twice a year.
Purpose

“Promoting and protecting health is essential to human welfare and sustained economic and social development”

(World Health Organization, 2010)

The purpose of the Bermuda Health Strategy 2014 – 2019 is to provide the vision for health in Bermuda and outline the strategic reform priorities for our health system.

I. Context

The vision for health in Bermuda

The purpose of any country’s health system is to assure the health of its population. Health itself can be a complex term with multiple dimensions and definitions but, at its simplest, Bermuda embraces the World Health Organization’s view that health is “a state of complete physical, mental and social well-being”. This necessitates consideration of the population’s well-being from cradle to grave: from safe motherhood, to healthy childhood and adolescence, to optimal health and functioning during the economically-productive years, to active and healthy ageing.

Achieving this continuum includes provision of vital preventive health programmes like immunizations and screenings throughout the life cycle, but also assuring safe, healthy environments that protect the population where people work, study and engage in recreation. The continuum must also provide for the essential care and treatment of individuals when their health becomes compromised; people need primary, acute and rehabilitative care to restore and maintain health when accident or disease strike, and the health system must ensure such care is available, accessible and responsibly provided. Lastly, a time comes in the life cycle when health cannot be restored, and in such cases, the health system must provide for the dignified and humane care of individuals and their families, and for the safety of all concerned. In addition, the health system must be mindful of the broader social determinants of health that it cannot control directly: poverty, inequity, education, and many other factors that contribute greatly to a population’s health outcomes. It is the responsibility of the health system to respond to these, level the playing
field, and assure conditions that will enable everyone to achieve the best health possible.

Thus, the demands on health systems are great and varied, and there is no single institution or strategy that can address all of them in a single stroke. However, all strokes must move in a coordinated way, to lead us towards the healthy population we all strive to achieve. The Well Bermuda Health Promotion Strategy sets out the health goals for the country; this Bermuda Health Strategy 2014 – 2019 provides the framework to restructure and reform the health system so it may improve the quality of healthcare, increase access, and contain health costs.

Why do we need a Bermuda Health Strategy?

The need for this strategy arose from long-term concerns about healthcare costs, weaknesses in our health system and its inability to meet the needs of contemporary Bermuda. To address these, a National Health Plan was launched in 2011. This Bermuda Health Strategy 2014 – 2019 is built on most of those proposals, but puts them in today’s context. Aspirational goals are acknowledged, but the reality of the current economic climate requires some reprioritizing. The Bermuda Health Strategy 2014 – 2019 is needed to prioritize actions that will result in long-term reform.
The core structure of Bermuda’s health system was established by a number of statutes including the Public Health Act 1949, the Bermuda Hospitals Board Act 1970, and the Health Insurance Act 1970. The system served Bermuda well for four decades, particularly in the context of a small-knit, affluent community, during many years of economic growth and high employment. Bermuda is no longer the affluent community, supported by years of economic growth and high employment. Additionally compared to other high-income countries Bermuda’s health system is not providing value for money as measured by health outcomes for the level of expenditure. Accordingly, the health reform strategy must reflect the new reality.

In addition, while Bermuda is unique in many ways, we recognize that we are part of a global community and have international partnerships and obligations. In particular, our commitments to the World Health Organization (WHO) and the Pan American Health Organization (PAHO) highlight emerging global and regional priorities with respect to chronic non-communicable diseases (NCDs), human resource capacity, and health system strengthening. PAHO strategies and action plans, to which Bermuda subscribes, provide an excellent foundation and technical support to advance Bermuda’s achievement of the world’s vision for health as “a state of complete physical, mental and social well-being”. The Bermuda Health Strategy aims to ensure Bermuda is aligned with these goals.

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**Health System Situational Analysis**

The Health Insurance Act 1970 provided for Bermuda’s health system to be financed primarily through compulsory private insurance for employed persons and their spouses, and secondarily through government subsidies for children, indigent individuals, and elderly persons (aged 65 years and over). The Act mandates that employers provide health insurance and finance 50% of a minimum package – the Standard Hospital Benefit (SHB). The subsidies established were to cover SHB for the specified populations. This has been the core structure of Bermuda’s health system for four decades.
For the past forty years, it has been delivered through a mix of private and public sectors in both provision and financing, with significant reliance on private health insurance.

At the broadest level, it can be said that Bermuda’s health system is delivering overall population health outcomes comparable to other high-income countries, and that resources may be generally meeting need adequately. However, the level of expenditure is comparatively high, and there is inconsistency in the financial risk protection offered to the population, which compares unfavourably to most high-income countries.

There is much to be proud of in Bermuda’s health system. The Public Health Act 1949 established a foundation for the Island’s health system to assure the health of the population through a range of means including prevention, treatment and maintenance of health. Significantly, it must be understood that public health is not health services for the poor or even health services by the Government. Rather, public health is everything a community does to assure the health of the population, and that is and must always be the focus of Bermuda’s health system. The Bermuda Hospitals Board (BHB), established by the Bermuda Hospitals Act 1970, provides a wide range of primary and secondary health services, including, but not limited to, emergency response and care, acute hospital
care, direct access to numerous medical and surgical specialists with appropriate overseas and tele-medical referrals as required, maternal and child care, advanced diagnostic imaging and laboratory services, acute and chronic mental health, palliative and hospice care, and long-term skilled nursing care. These services are available 24/7 and thus BHB serves a vital role as both a medical and social safety net for Bermuda. Other strengths in the system include good personal care provision, good access to high-quality overseas hospitals, sufficient manpower and infrastructure capacity in most areas, a high overall level of financing and government subsidies for vulnerable populations. These strengths have yielded the positive outcomes enjoyed by the island to date and they must be maintained and built upon. Nevertheless, the system is not without challenges.

In 2012/13 Bermuda’s per capita health expenditure was BDA $11,297; which represented 13% of our national wealth. Comparison to OECD countries places our health system as the second most expensive (in purchasing power parity dollars), while failing to achieve coverage for all residents. Indeed, all but four OECD countries provide health insurance coverage to more than 98% of their population and spend less on healthcare than Bermuda. This highlights concerns about the cost-effectiveness of our system.

In addition, the level of expenditure is not affordable for a significant number of people. In 2008 it was reported that 11% of households were below the low-income threshold of $36,605; for these households the current per capita health expenditure represents a substantial financial challenge. In 2013 well-off households spent 3% of their income on healthcare, while less well-off households spent nearly 20%. Such differences result in inequitable access to healthcare and inequitable outcomes. Life expectancy over the past half century has increased by 14 years; however, the gap in life expectancy between blacks and whites has narrowed by only one year in six decades. Inequity has also been raised as a concern in Bermuda’s current health system, which can create challenges in achieving the goals of the Universal Declaration of Human Rights. Bermuda’s health system must correct known deficits.

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1 Overall Bermuda life expectancy increased from 65 years in 1950 to 79 years in 2007. In 1950 life expectancy was 63 for blacks and 68 for whites. In 2007 life expectancy was 76 for blacks and 80 for whites. The gap narrowed from 5 years in 1950 to 4 years in 2007.

2 The first article of the declaration states that “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.” (Universal Declaration of Human Rights, 1948).
The challenges for Bermuda are the hospitalization-based essential health package, and consequent reliance on voluntary coverage for most other care.

Analysis of our performance and comparison to high-income countries helps to identify where the solutions may lie. The challenges for Bermuda are our outmoded, hospitalization-based essential health package, and consequent reliance on voluntary coverage for most other care. Globally, evidence indicates that reliance on voluntary coverage is closely associated with higher levels of expenditure and poorer financial risk protection. In Bermuda, provider fees have not been well regulated, resulting in high price levels with no restrictions on utilization; and the fee for service methodology we apply to reimburse providers is also associated with higher costs. Additionally, peculiar to small island nations like Bermuda is the use of overseas care, which has contributed significantly to increases in overall health expenditure, having risen by 141% between 2004 and 2013.

Furthermore, Bermuda, like most high-income countries, anticipates a future where the demographic characteristics and health status of the population will present significant financing obstacles for the health system. As the size of the elderly population increases relative to the working population, health systems around the world are grappling with identifying sustainable means of financing. This challenge is particularly acute in a small island state context, like Bermuda, where the demographic shift has been expedited by the decline in imported, working-age population. Since 2009 the insured headcount has decreased as the guest worker population declined, resulting in an increase in the average age of the remaining insured population, and a corresponding negative impact on per capita utilization and costs. In addition, the growth in chronic non-communicable diseases like heart disease, kidney disease, cancer and diabetes has also placed greater strains on the system’s capacity, particularly as the population ages.

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3 There are wide variations across the OECD; for example, private expenditure on healthcare is 10% in Luxembourg, 25% in the UK, 30% in Canada, and 65% in the USA. (OECD, 2009)

4 Voluntary contribution mechanisms involve limited pooling of risks and to link coverage costs to risk of ill health; further, it is hypothesised that reliance on voluntary finance may exacerbate healthcare expenditure growth due to weak purchasing power of fragmented payors and individuals against providers. (Thomson, Foubister, & Mossialos, 2009).

5 Voluntary health insurance has been found to be “highly regressive in countries in which it plays a significant role and the majority of the population relies on it for coverage (as in the United States and Switzerland)” (Thomson, Foubister, & Mossialos, 2009) pp.33)
Significantly, the size of the elderly population and health status do not alone determine the overall levels of expenditure; for example, the population aged over 65 years is 12% in the United States (and Bermuda), compared to 21.5% in Japan where healthcare costs are nearly two thirds lower.

Nevertheless, these factors contribute to the financing stresses faced by any health system, as dependency ratios change and fewer able-bodied adults are available to provide for the infirm.

Bermuda is not alone in these challenges, but it is unique in its combined characteristics of size, relative affluence, geographical position and political cohesion. All of which place our small island in an inimitable position to bring about positive change.

**The growth in chronic non-communicable diseases like heart disease, kidney disease, cancer and diabetes has placed greater strains on the system’s capacity, particularly as the population ages.**
II. Vision, Mission & Core Values

Vision: “Healthy people in healthy communities”

The health of Bermuda’s population is vital to our prosperity. Without health, communities perish, childhood development suffers, mortality increases, economic activity stifles, and the health costs over-burden the economy. Therefore, this health reform strategy aims to assure the conditions for Bermuda to achieve its vision for health: “Healthy people, in healthy communities”. Achieving this will enable us to be strong, prosperous and able to withstand the challenges of global trends.

Mission: To provide affordable and sustainable healthcare for all Bermuda residents

While Bermuda’s health system has served the Island well over many years, dramatic changes in technology and demographics have created unacceptable gaps in coverage and rapidly rising costs. Change is necessary to provide all residents access to basic healthcare, while ensuring that healthcare costs are sustainable and do not undermine public finances.

Core Value: Quality

“The right care, at the right time, in the right setting, delivered in a respectful and dignified manner”

Healthcare can be many things to many people, but everyone would agree that without quality, it is nothing. For a health system to deliver a healthy population and good health outcomes, it must ensure that the care it provides is of a sound standard. This is imperative not only to ensure that care is good, but also to ensure that patients have confidence in the professionals and systems caring for them. Many aspects of healthcare delivery rely on the relationship between provider and patient; for that relationship to work, mutual trust and confidence are vital. From the patient’s perspective, quality defines that trust.

The World Health Organization defines quality in health systems using six dimensions needed to achieve good outcomes for individuals and for whole communities. The dimensions require that healthcare be:

- Effective: delivering health care that is adherent to an evidence base and results in improved health outcomes for individuals and communities, based on need;
- Efficient: delivering health care in a manner which maximizes resource use and avoids waste;
• Accessible: delivering health care that is timely, geographically reasonable, and provided in a setting where skills and resources are appropriate to medical need;

• Acceptable/patient-centred: delivering health care which takes into account the preferences and aspirations of individual service users and the cultures of their communities;

• Equitable: delivering health care which does not vary in quality because of personal characteristics such as gender, race, ethnicity, geographical location, or socioeconomic status;

• Safe: delivering health care which minimizes risks and harm to service users.

The Bermuda Health Strategy adopts these principles summarized with a short-hand description of quality as “the right care, at the right time, in the right setting, delivered in a respectful and dignified manner”.

The focus on quality is paramount in any health system, but especially so in Bermuda’s context. Relatively isolated but with rapid access to centres of excellence overseas, lack of confidence in healthcare locally can easily result in healthcare dollars leaving our shores. But without local investment, it can be more difficult to improve local quality. To break this cycle, it is imperative that Bermuda’s healthcare be of the highest standard so that patients have full confidence to seek their care here, and are inspired by local professionals in the care and maintenance of their health conditions. There are many factors that contribute to this, of course: the quantity of care, the clinical decisions, the service standards, and the price. We must be cognizant that Bermuda’s healthcare competes internationally. To succeed, it must deliver on quality.

Core Value: Equity

“Equal access to basic healthcare”

A core value of Bermuda’s 21st century health system will be equity. Equity is defined as equal access to basic healthcare. The structure of the system, the provision of healthcare and the mechanisms for financing it will be founded on the principle that “everyone has a positive right to the minimum level of services and
resources needed to assure fair equality of opportunity.” Thus, Bermuda’s health system will provide access to coverage, financial risk protection, and access to basic and essential healthcare. This shall recognize that individual healthcare needs differ according to factors such as age, gender and disability, and that capacity to contribute financially is least among those with the greatest need. The Health Strategy’s long-term aspirational goal is that all residents shall have access to quality, essential care. To achieve this core value, significant changes are needed in the way the health system is structured.

**Core Value: Sustainability**

“Spending levels to be affordable for the economy, employers, payors, providers, individuals, and families”

The third of the three of core values for Bermuda’s 21st century health system is sustainability. The growth in health spending as a proportion of gross domestic product (GDP) must be contained. Health spending cannot be permitted to threaten other areas of economic activity; it must be economically and fiscally sustainable if it is to serve its purpose and achieve the ultimate goal of assuring a healthy population. Significant reforms will be needed for Bermuda to achieve this, revolving largely around efficiencies to be gained in the financing and delivery of healthcare to ensure cost-containment; specifically by reducing complexity and duplication. The proportion of national wealth we dedicate to health is comparable to other countries, but more efficiency can be gained, and the rate of increase can be slowed with appropriate cost-containment measures. Sustainability, therefore, shall be a priority in all decisions about Bermuda’s healthcare system.
III. Health Sector Goals

The Ministry of Health, Seniors and the Environment of the Government of Bermuda, as the primary steward of the island’s health system, has established the following as the goals for Bermuda’s health sector. These are grounded on the core principles for the health system: quality, equity and sustainability, with the aim of achieving our mission of providing affordable and sustainable healthcare for all Bermuda residents. The purpose of these goals is to set the agenda for reform and developments in the health sector, and to provide unequivocal clarity to all the stakeholders on what the priorities are for our health system.

The goals were produced through collaboration with numerous stakeholders under the Ministry, following extensive consultation, and under the leadership of Ministers across the political spectrum. They reflect current priorities and address existing problems, but have been grounded on historical identification of the reforms needed, and represent evidence-based policy imperatives.

The goals are built around the three core values: equitable access, quality standards, and sustainability and efficiency.

Equitable Access

1. Access to basic health insurance coverage shall be assured for all residents of Bermuda to ensure access to essential healthcare and protection from financial risk

For Bermuda to achieve better health outcomes, improve life expectancy, and reduce disparity, access to health insurance coverage for essential healthcare shall be the long-term goal. This shall include mechanisms to ensure that persons with chronic health conditions have access to necessary coverage and services. Eligibility for coverage access shall be determined according to residence which shall be defined in law, and the package of services covered shall be defined in law and sufficient to meet the basic needs of the population.

2. Encourage and expand the use of outpatient facilities and preventive care to allow the hospital to focus on acute care

The current minimum package will be reformed and enhanced to ensure it provides appropriate access to essential healthcare beyond hospitalization. Bermuda’s basic health cover shall be defined in law to include urgent physical and mental health care, medically-necessary care required in acute in-patient settings, basic primary care, health maintenance, and clinical preventive services including screening, counselling and treatment. In Bermuda’s context,
portability of coverage for medically-necessary treatment not available locally will be required.

3. **Health coverage contributions shall be affordable, to ensure access to healthcare**

Benefit design and funding are essential to achieve access to coverage; however, affordability of coverage is of equal importance. In making the case for health coverage access, the World Health Organization recognizes that “it will be impossible to get closer to universal coverage if people suffer financial hardship or are deterred from using services because of the financial risks associated with paying for care”\(^8\). Thus, to enable contributions for basic health coverage to be affordable to all residents will require reforms in the financing mechanisms that build on existing community rating strategies.

4. **Streamline use of overseas care to efficiently meet the medical needs of the population and contain healthcare costs**

Resources must be redirected to streamline the use of overseas hospital care to medically necessary cases where high quality, cost-effective treatment is not available locally; and patients must be directed to facilities with proven clinical quality that are cost effective.

**Quality Standards**

5. **Mechanisms to pay healthcare providers shall assure optimal quality to patients and maximum efficiency to the health system to contain costs and improve health outcomes**

Quality care is about getting the right care at the right time; but it must also have the right price. Fees for healthcare services must be fair to all concerned, and Bermuda has much work to do in this area. Reimbursement mechanisms will be reviewed and reformed, and fees to providers of the essential health services will be regulated appropriately to ensure affordability and financial sustainability of the basic package. Mechanisms shall be implemented to ensure regulated fees are set with independent and transparent processes. Furthermore, following successful experience in other
jurisdictions, the cost impact of increases to regulated fees shall be prevented from escalating above inflation⁹. The process of reform will include the fees for local hospitalization. While we must ensure that funding is sufficient to maintain quality local services and facilities, particularly in the context of the new acute care wing and the financial obligations that have come with that, it’s clear that continued reliance on fee for service with no utilization controls can no longer be sustained. There are opportunities to improve thereimbursement mechanisms to provide stability for the hospital and for payors⁹.

6. An integrated electronic health system shall be established throughout the health sector to improve quality of care and efficiency of the health system

Good communication is vital to secure the best outcomes for patients. Bermuda’s health sector requires improved communication and coordination between stakeholders; electronic health records can help bridge gaps and avoid duplication and medical errors. This goals aims to ensure Bermuda has an integrated electronic health system shared between private and public sectors. In particular, any system introduced must provide confidential access and support to primary care physicians, and tie in laboratories and diagnostic facilities; as this will make it possible to improve quality of care, and reduce costs. This will begin with the development of a unique patient identifier.

7. Implement strategies to meet the long-term healthcare needs of seniors and persons with chronic illnesses, and physical, cognitive or mental disabilities to better provide for the needs of vulnerable populations and manage costs

The global trend of ageing populations is equally pressing in Bermuda. As life expectancy has increased, many more people are living longer beyond retirement and Bermuda is currently not able to cope with the changes this brings. The problem is compounded by the proliferation of new technologies, declining birth rates and a shrinking workforce, which have increased dependency ratios and put pressure on available funding and resources. Bermuda will act now to address the long term care needs of seniors and persons with disabilities by increasing the available resources and capacity to ensure seniors can enjoy active, healthy ageing and age at home to the greatest extent possible.

⁹ For example, in 2009 the Bermuda Hospitals Board switched to a diagnostic related groups (DRG) billing methodology for most in-patient services (Bermuda Hospitals Board, 2010). This resulted in DRG claims decreasing as admissions have gone down, but the non-DRG in-patient claims have continued to escalate at alarming rates, despite decreased admissions (Morneau Sobeco, 2014).
8. **Regulate standards of clinical care for all healthcare facilities and providers that are equivalent to best practice models**

To improve healthcare quality and assure patient safety, regulatory measures will be enhanced to broaden the scope and quality of oversight and monitoring. Efforts to improve accountability under this goal shall include regulation of healthcare providers/businesses, development and implementation of standards of practice, and clinical guidelines, and improved coordination of care across the health system.

**Sustainability and Efficiency**

9. **Bermuda’s health system shall be financed through the most cost-effective means available to reduce complexity and duplication and improve efficiency**

The World Health Organization recognizes that “timely access to health services... is critical [to promote and sustain health; and...] this cannot be achieved without a well-functioning health financing system”\(^\text{10}\). Assuring equitable access to coverage of a sound basic package requires application of health financing arrangements that provide value for money for the health system.\(^\text{11}\) International evidence has shown that this is best achieved by consolidating funding into large pools to ensure efficiency through strength in numbers and reduced fragmentation.\(^\text{12}\) Importantly, private insurance will continue to play a significant role in health financing in Bermuda; however, the scope and function will reflect the priorities and imperatives necessary to achieve equity, quality and sustainability. International experience globally provides evidence of efficiency measures available that may be applied in Bermuda. Detailed financial modelling to reform and optimise Bermuda’s financing mechanisms has been undertaken to enable evidence-based decisions on coverage and funding sources, including grants, subsidies, and private insurance.

10. **Update health and insurance regulation to reflect current technologies and pricing and utilization of services**

The lack of regulatory control of high-cost equipment in Bermuda has been identified as a priority area to assist in containing costs and preventing unnecessary duplication of services.\(^\text{13}\) While entry of professionals is regulated by statutory bodies under the Ministry responsible for Health, past reviews have raised concerns about the need for processes to make evidence-based decisions on Bermuda’s human resource needs\(^\text{14}\). Improvements with respect to pharmaceuticals will
involve reviewing available policy options to enhance the affordability of prescription drugs\textsuperscript{15}, and may consider development of a list of essential drugs with regulated prices to ensure affordability.

11. *Implement a comprehensive approach to health promotion which encourages healthy lifestyles and involves health professionals and organizations to ensure the Well Bermuda population goals can be achieved*

Globally, and in Bermuda, health promotion and health education have been identified as priority areas to tackle these wholly preventable problems, which are placing unnecessary stress on limited healthcare resources.\textsuperscript{16} The Well Bermuda Health Promotion Strategy has set out the agenda for health promotion on the island, with broad community support. The health reform strategy embraces the progress made across the health sector in this regard, with the expectation that further gains will be made and monitored, resulting in a measurably healthier population.

12. *Partner with physicians and the broader healthcare community to achieve health reform goals and improve the coordination of healthcare delivery to ensure the best outcomes possible for patients and efficient use of healthcare resources*

Currently healthcare is delivered in Bermuda by a mix of private and public providers. This model fits well with Bermuda’s culture and it will be retained, though it needs to be improved to close gaps in communication that result in suboptimal outcomes and misuse of health resources. In total 50% of expenditure is by the public sector, with 44% dedicated to local hospitalization. The remaining 50% of expenditure is by private sector healthcare providers, including primary care, pharmaceuticals and overseas care\textsuperscript{17}. Past reviews have highlighted a need to enhance coordination of care between the various sectors and providers, and it is anticipated that introduction of an integrated health information system will assist in this regard. Consequently, the current organization of the healthcare delivery system will be maintained, with a majority of healthcare delivered by private providers, public health services by the government, and hospital care by the Bermuda Hospitals Board as a quasi-autonomous non-governmental organization.

13. *Increase the access to interventions to prevent and manage non-communicable diseases and their risk factors, in order to reduce the burden of chronic non-communicable*
diseases to Bermuda

The growth in non-communicable diseases (NCDs) globally is increasingly felt in Bermuda. NDCs such as cardiovascular disease, cancer, diabetes and kidney disease represent the greatest burden of mortality and healthcare costs. They are also largely caused by preventable factors, and modifiable through better behaviours and interventions. A range of strategies will be employed to ensure persons with or at risk of chronic non-communicable diseases are identified and properly managed to secure better patient outcomes and reduce health costs. Measures will address coverage, clinical guidelines care pathways, and surveillance.

14. Protect Government healthcare subsidies and redirect funding to vulnerable populations to ensure available Government funds are dedicated to the populations with genuine financial need and/or in need of special societal protections

The subsidies provided in the health system, and the mechanism to finance them, will be reformed to enable Bermuda to protect the right to basic healthcare for the most vulnerable, dependent populations. The subsidy programmes shall be enhanced to optimise the principles of quality, equity, and sustainability and ensure funds are dedicated to those most in need. This will include a review of eligibility criteria, consideration of means-testing where appropriate, and commitment to adequate levels of financing by Government. Measures to optimise sustainability shall continue to provide for the vital protection of Bermuda’s children.
IV. Making it Happen

The Bermuda Health Strategy 2014 – 2019 provides the vision and guiding principles to modernize our health system. The technical detail on activities to implement the goals will be provided in supplemental Action Plans. Implementation and impact will be monitored and evaluated on an on-going basis.

Implementation

The Bermuda Health Action Plan 2014 – 2019 details specific actions that will be implemented to achieve the strategic priorities. It was developed by the Bermuda Health Council, the Bermuda Hospitals Board and the Health Insurance Department, in collaboration with the Ministry.

The Bermuda Health Action Plan 2014 – 2019 details specific actions that will be implemented to achieve the strategic priorities.

The Action Plan includes specific objectives and timelines for completion, and will be periodically updated as objectives are achieved and new initiatives are developed.

The Ministry of Health, Seniors and Environment will delegate oversight of the rollout to the Bermuda Health Council. Strategic health sector partners will act as “Lead Agencies” that will develop Action Plans to implement the Health Strategy goals.

Lead Agencies will be organizations with health sector leadership, with a shared interest in the success of the health reform strategy for the benefit of the country, and which are capable of ensuring involvement of stakeholders from across the community, including health, civil society, business, and government. Lead Agencies will ensure adherence to the spirit of the Health Strategy vision, mission, its core values and goals, and will develop and implement Action Plans in consultation with relevant stakeholders to ensure the broadest engagement possible. The Ministry of Health, Seniors and Environment will publish the Lead Agencies’ names on its web site, and will report on progress to ensure accountability.

Evaluation

Assessment of performance is essential to any health system. The Ministry of Health, Seniors and Environment will report bi-annually on progress towards the health sector reform goals to ensure accountability and timely completion. Performance will be evaluated using the Action Plan objectives and the OECD “Health at a Glance” model, which benchmarks performance on over 100 indicators on health status, quality of care, access, cost and coverage. The Bermuda Health Council and the Department of Health published the first such report on the quality of healthcare in Bermuda in the 2011 “Health
V. Conclusion

This Bermuda Health Strategy 2014 – 2019 provides the vision for health and the strategic priorities for Bermuda’s health system reform. The core values of quality, equity and sustainability provide the guiding principles for reform activities to modernize and strengthen the health system in order to improve the health and quality of life of Bermuda’s residents.

The Ministry of Health, Seniors and Environment will report bi-annually on progress towards the health sector reform goals.

The Bermuda Health Action Plan 2014 – 2019 provides the specific objectives to achieve the strategic reform goals. It coordinates short-term actions that will result in long-term reform. The Action Plan prioritizes preventing chronic, non-communicable diseases, health professional capacity building and health system strengthening, in accordance with World Health Organization priorities.

The Bermuda Health Strategy and the Action Plan lay the foundations for change to drive quality, equity and sustainability. In implementing the necessary reforms we will be guided by the belief, supported by evidence from the OECD, that efficient structures in the health system will enable Bermuda to support a healthy population and manage costs. We will choose best practices from other successful systems and adapt them to suit Bermuda’s unique circumstances.
Citations and Notes

1 The first of contemporary reviews cited is the seminal Health Care Review of 1996, popularly known as “the Oughton Report”.

2 See the Health Disparities Report 2013 (Bermuda Health Council, 2013)

3 (Fujisawa & Lafortune, 2008) and (Docteur & Oxley, 2003)

4 (Bermuda Health Council, 2014)

5 (WHO, 2006)

6 Roberts, Hsiao, Berman & Reich (2008) present these components in their definition of quality.

7 Deniels 1985, cited by (Roberts, Hsiao, Berman, & Reich, 2008)

8 (WHO, 2010, page xiv)

9 (Weissert, 1999)

10 (WHO, 2010, page ix)

11 (Thomson, Foubister, & Mossialos, 2009)

12 See WHO, 2010, page 47 and 77

13 (Bermuda Health Council, 2010b)

14 (Ombudsman for Bermuda, 2007)

15 (Institute of Health Economics, 2011)

16 (WHO, 1986)

17 (Bermuda Health Council, 2013)

18 (OECD, 2009a & 2009b)

19 (BHeC & DOH, 2011)
References


