



GOVERNMENT OF BERMUDA
Ministry of Health



Health Financing Reform *Consultation Guide*

September 2019

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Contents

- Introduction 2
- About this Consultation 3
- A New Basic Plan 5
 - Essential health insurance package 5
 - Current SHB..... 5
 - Proposed Additional Concepts..... 5
- Public Consultation Process 13
- How to respond 14
 - Public Consultation Period..... 14
 - Contact Details..... 14
- Public Disclosure of Information..... 14
- Questions for consideration 15
 - Social Determinants of Health 15
 - Basic health insurance coverage..... 15
 - Primary Care and Preventive Care Services..... 16
 - Continuity of Care 16
 - Funding of the basic health insurance plan 16
 - Willingness to Pay 16
 - Transitioning to a unified model of health financing..... 17
- Annex 1: Current and unified health financing systems..... 18

Introduction

Creating a culture for health in Bermuda will require different ways of working across the public, private and third sector to tackle the wider social and economic issues that affect health and to deliver services in different ways that support communities and individuals manage their own health and sustain healthy behaviours.

A whole system approach involves applying systems thinking, methods and practice to better understand public health challenges and identify collective actions. Adopting a whole system approach to Bermuda's health priorities is a long-term endeavour. It will require new partnerships between a broad-range of stakeholders to deliver better lives for the people of Bermuda.

Bermuda's health system priorities include:

- Increase access to basic health insurance
- Encourage and expand the use of community based services
- Ensure health coverage contributions become affordable, to increase access to healthcare
- Streamline use of overseas care
- Develop mechanisms to pay healthcare providers to contain costs and improve health outcomes
- Introduce an electronic health information system
- Implement strategies to meet the long-term healthcare needs of seniors and persons with physical, cognitive or mental disabilities
- Ensure clinical care meets best practice models
- *Reduce the complexity of the health system funding*
- Update health and insurance regulation to reflect current technologies and pricing and use of services
- Encourage healthy lifestyles through involving health professionals and organizations
- Partner with physicians and the broader healthcare community to achieve health reform goals and improve the coordination of healthcare delivery
- Increase the access to interventions to prevent and manage non-communicable diseases and their risk factors
- Ensure Government funding for vulnerable populations is protected and directed to most needy.

To accomplish these priorities, all stakeholders have an important role to play in the successful delivery of the health priorities using a whole system approach. Relevant organisations will vary depending on the priority but will include:

- Hospital and Community Providers
- Private Sector
- Third Sector
- Government
- Community Planning
- Academia

Progress towards effective health system reforms will then require working with new and existing partnership arrangements to strengthen collaborative working for health improvement, building capacity and support across Bermuda to put the public's health at the heart of decision making.

About this Consultation

This segment of consultation for health system improvement will focus on:

- **Increasing access to basic health insurance**
- **Encouraging and expanding the use of community based care**
- **Encourage healthy lifestyles through involving health professionals and organizations**
- **Increase the access to interventions to prevent and manage non-communicable diseases and their risk factors**



Figure 1. Putting Healthy people in health communities (Source CA.gov)

Within our local health system, enhancements to essential health services are driven through coverage by the basic, mandated package of insurance, which is currently called the Standard Health Benefit (SHB). As such, this consultation period will focus on the review of the current basic plan and opportunities for its improvement to accomplish the stated priorities. Along with identifying specific services to include for coverage, it is also important to determine how these services can fit into a larger whole system approach to public health improvement.

Following multiple considerations on what Bermuda needs to do to ensure everyone has access to affordable, essential healthcare, the Government has decided to adopt a “Unified” model of health financing, akin to a single payer system for essential services. This was selected after considering the detailed advantages and disadvantages of various financing options, and the

feedback of key stakeholders. The Government has adopted the unified model because it has the greater chance of improving efficiency, reducing duplication and controlling health costs.

The Ministry of Health is encouraging public discussion on how to make healthcare better in Bermuda. In particular:

1. **What a new basic insurance plan should include and cost (which will replace SHB)**
2. **What we need to do to transition to a unified health financing system (a Roadmap)**

The goal is to begin the transition to a better basic health plan and a single payer in the third quarter of 2020. So there is a great deal to decide and plan for before then. We want to do this together, looking after the best interest of Bermuda as a whole.

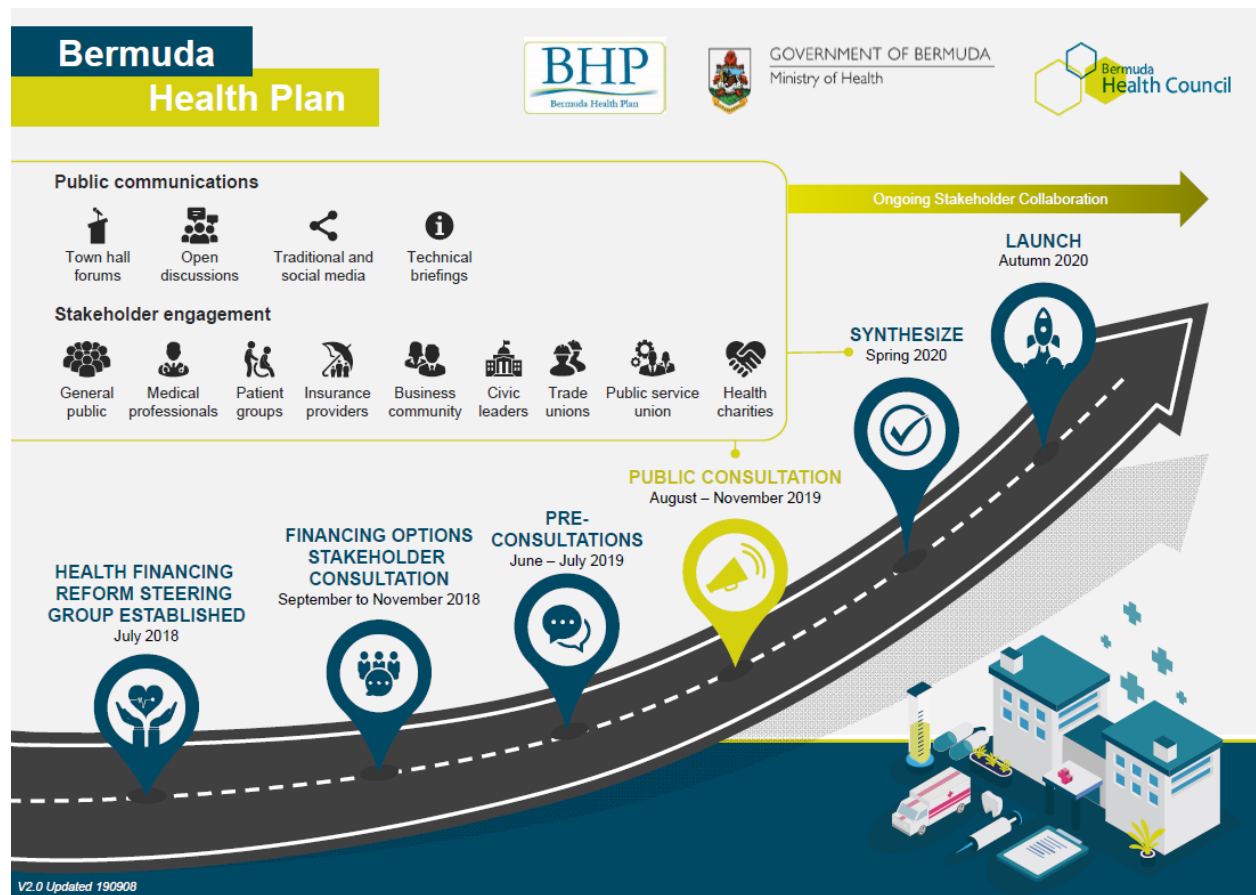


Figure 2. Consultation and development process

A New Basic Plan

Bermuda needs and deserves decent coverage for all its people. The current basic package includes largely hospitalization. We have been told repeatedly that other basic services need to be covered for everyone, like doctor's visits, medicines and overseas care.

This consultation is to decide as a country what needs to be in our basic health insurance plan, and what it should cost.

Additional benefits should still be available privately and through employers.

Essential health insurance package

Currently, there are some health care benefits you can count on getting no matter what health insurance plan you choose. These are called 'standard health benefits' (SHB). The following are examples of the types of services/products that have been historically considered to be part of the SHB package.

Current SHB

- Hospital Inpatient and Outpatient Care
- Mid-Atlanta Wellness Institute
- Select Artificial Limbs and Appliances (\$100k Lifetime)
- End Stage Renal Disease care (Dialysis, Transplants)
- Select Diagnostic Imaging at Approved Facilities
- Select Wellness Benefits
- Select Home Nursing, Palliative Care, and Infusions
- Select Palliative, Infusion and Chemotherapy Medications

The Bermuda Health Plan proposes to enhance the minimum basic package of insurance to help us all stay healthy. All of these services in the current SHB have been included in a mock benefit package for your consultative review and reference during discussion.

Proposed Additional Concepts

Bermuda Health Plan (Concepts for Inclusion within a Basic Package)

- Hospital Inpatient and Outpatient Care
- Mid-Atlanta Wellness Institute
- Select Artificial Limbs and Appliances (\$100k Lifetime)
- End Stage Renal Disease care (Dialysis, Transplants)
- Select Diagnostic Imaging at Approved Facilities
- Select Wellness Benefits
- Select Home Nursing, Palliative Care, and Infusions
- Select Palliative, Infusion and Chemotherapy Medications
- Unlimited Primary Care Visits
- Specialist Care Visits
- Personal Home Care Services (Caregiving)
- Chronic Disease Management
- Physician Home Visits
- Prescription Medication Coverage (limited)
- Total Maternity Care
- Radiation Treatments for Cancer Care
- Limited Overseas Treatment
- Basic Dental
- Basic Vision

Prescription Drugs	<ul style="list-style-type: none"> Covers the whole population (including youth), limit of \$400 per annum, defined formulary
Primary Care	<ul style="list-style-type: none"> A capitated model, providers paid set fee per month, plus \$25 copay, to provide services to patients (including youth) enrolled under their care
Enhanced Care Programme	<ul style="list-style-type: none"> To provide chronic disease management and necessary supports for 5 chronic non-communicable diseases
Specialist Care	<ul style="list-style-type: none"> Specialist access, maximum \$200 per consultation, with \$50 copay; max 4 consultations per year (including youth)
Personal Home Care Benefit	<ul style="list-style-type: none"> Expansion of HID benefit to full eligible population (on referral meeting clinical and financial need)
Basic dental and vision	<ul style="list-style-type: none"> Basic dental and vision care
Basic overseas care	<ul style="list-style-type: none"> Basic overseas coverage for medically necessary care not available on island

Figure 3. "Mock" Benefit Plan for consultation

It is estimated that providing this "mock" package to the full Bermuda population will cost approximately \$514 per adult and \$178 per child.

A summary breakdown of the coverage costs per month can be found in figure 4.

The detailed assumptions that informed this **estimated pricing can be downloaded [here](#)** (click "here" link) or found at www.gov.bm/healthplan.

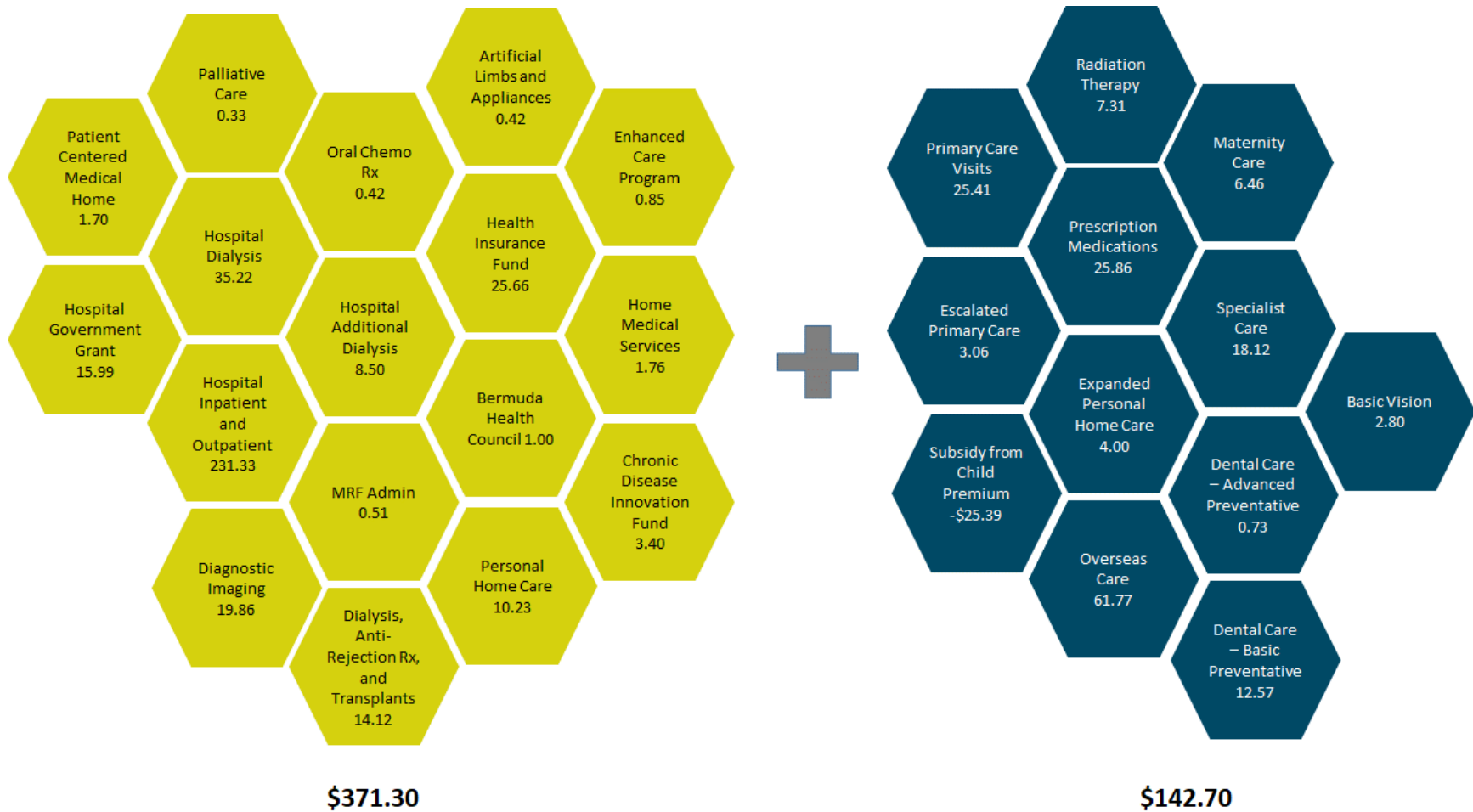


Figure 4. Summary of “Mock” Benefit Plan components to achieve an estimate of \$514 per Adult (Existing \$371.30 + New \$142.70)

Mock Plan for discussion and consultation purposes



	STANDARD HEALTH BENEFIT (SHB) \$355.00	BERMUDA HEALTH PLAN (DRAFT) ADULTS \$514.00 CHILDREN \$178.00	HEALTH INSURANCE PLAN (HIP) REAL COST \$610.00 PREMIUM \$429.24 (SUBSIDIZED BY MRF)	FUTURE CARE (HIP) REAL COST \$580.00 PREMIUM \$500.14 (MULTIPLE SUBSIDIES)
Current SHB Hospitalization, Kidney care, Imaging, Home medical	No co-pays	No co-pays	No co-pays	No co-pays
Doctor Visits (Primary Care)	none	Unlimited. \$25 CO-PAY	4 Visits. CO-PAY VARIES	Unlimited. CO-PAY VARIES
Specialists Visits	none	2 Visits. \$50 CO-PAY	5 Visits. CO-PAY VARIES	5 Visits. CO-PAY VARIES
Overseas Care	none	Medically Necessary. CO-PAY TBD	Medically Necessary. HIGH CO-PAY	Medically Necessary. CO-PAY VARIES
Dental	none	Basic. \$20 - \$40 CO-PAY	Basic. CO-PAY VARIES	Basic.
Vision	none	Basic.	Basic.	Basic.
Personal Home Care	none	✓	✓	✓
Outpatient Mental Health Care	none	Basic.	Basic.	More cover.
Other Supplemental Coverage	none	Local Radiation Treatments	More cover.	More cover.
Prescription Drugs	none	\$400	none	\$2000
Non Hospital Rehab (Allied Health)	none	none	none	Basic.

GRAPHIC AT-A-GLANCE COMPARISON OF BENEFIT PLANS
V 2.0 updated 190908





Figure 5. Mock BHP Compared to current SHB, HIP and FutureCare

The ‘mock’ Bermuda Health Plan (BHP) has aimed to include benefits to help people stay healthy, at a premium that is affordable to most people, and to cap co-payments to an affordable level. This mock BHP is more generous than the current Health Insurance Plan, but has less benefits than FutureCare (see Figure 5). It is estimated that it would result in savings to the average person because the co-payments are capped (see Figure 6).

The purpose of this public consultation is to decide as a country what should be included in the basic package of essential services that everyone should have access to. And to decide what is affordable in terms of premium and co-pays. The final Bermuda Health Plan will be the outcome of consultation and will likely be different from the “mock” plan.

Example Prospective Plan for Public Consultation

AS AN INDIVIDUAL, HOW MUCH WILL I SAVE ON HEALTH CARE?

For 1 Adult



1 ADULT - PROJECTED HEALTH COSTS FOR THE YEAR

\$7,058	\$6,308 (Savings = \$750)
2 Visits to a General Practitioner	
\$160 in copay (\$80 copay per visit)	\$50 in copay (\$25 copay per visit)
1 Visit to a Specialist	
\$200 in copay (\$200 copay per visit)	\$50 in copay (\$50 copay per visit)
2 Visits to a Dentist	
\$150 in copay (\$75 copay per visit)	\$40 in copay (\$20 copay per visit)
\$400 Spending on Prescription Medications	
\$400 out of pocket (\$0 coverage)	\$0 out of pocket (\$400 coverage per person)
\$2,500 Medically Necessary Treatment Overseas	
\$1,000 out of pocket (60% coverage)	\$0 out of pocket (100% coverage)
CURRENT PLAN	PROSPECTIVE PLAN
Health Insurance Plan (HIP) \$429 per month <i>Plan Premium: \$429/mo for an Adult; \$190/mo for a child</i>	Bermuda Health Plan (BHP) 2020 \$514 per month <i>Plan Premium: \$514/mo for an Adult; \$178/mo for a child</i>



www.gov.bm/healthplan



Figure 6. Individual savings comparison of HIP vs mock BHP (see more at www.gov.bm/healthplan)

To improve the basic plan and make sure everyone can afford it, we have to change the way we pay for healthcare. This is health financing reform. Bermuda presently has a 'multi-payer' system with 4 separate health insurers and 3 large, employer-based schemes. This has a lot of duplication and inefficiency. To turn our expensive system into a lean, efficient system the Government will establish a single payer for the basic health insurance plan.

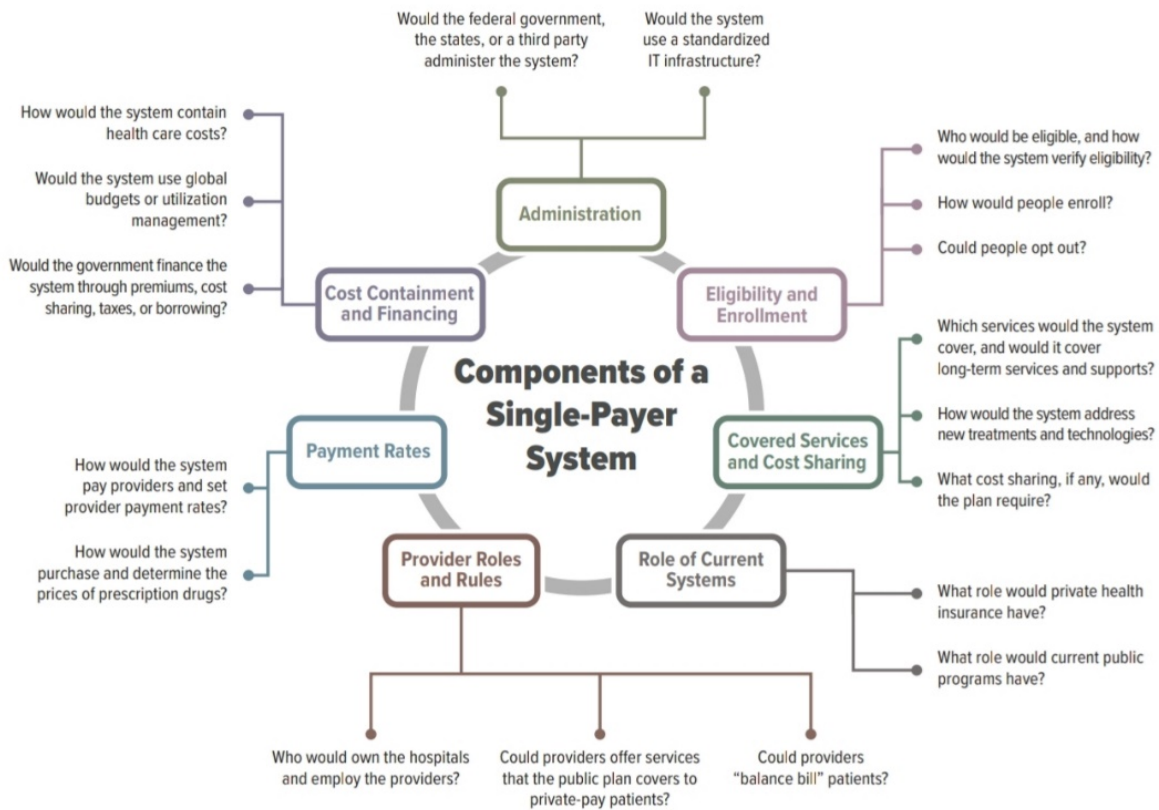
This consultation is to develop a Roadmap on how to convert our present system into a single payer system.

Additional benefits should still be available through multiple private insurers and employers.

Transitioning from the current system to a unified model, or a single payer system, for the basic package of insurance (see Annex 1) will take a significant transformation to Bermuda's health system. The Government intends to do this in phases over time, and to develop a Roadmap to transition in consultation with stakeholders. In addition to public consultation, there will be collaboration with insurers and employers in particular, to develop the Roadmap.

The US Congressional Budget Office outlined the key design components to establish a single payer system providing a helpful overview of the changes Bermuda will need to develop.

Designing a Single-Payer Health Care System



Source: Congressional Budget Office.

Figure 7. Key Design Components and Considerations for Establishing a Single-Payer System (US Congressional Budget Office Publication - 2019)

Providing the basic insurance plan in a single payer system will create fiscal space to address other drivers of health costs, such as prevention, chronic diseases, fee levels and utilization.

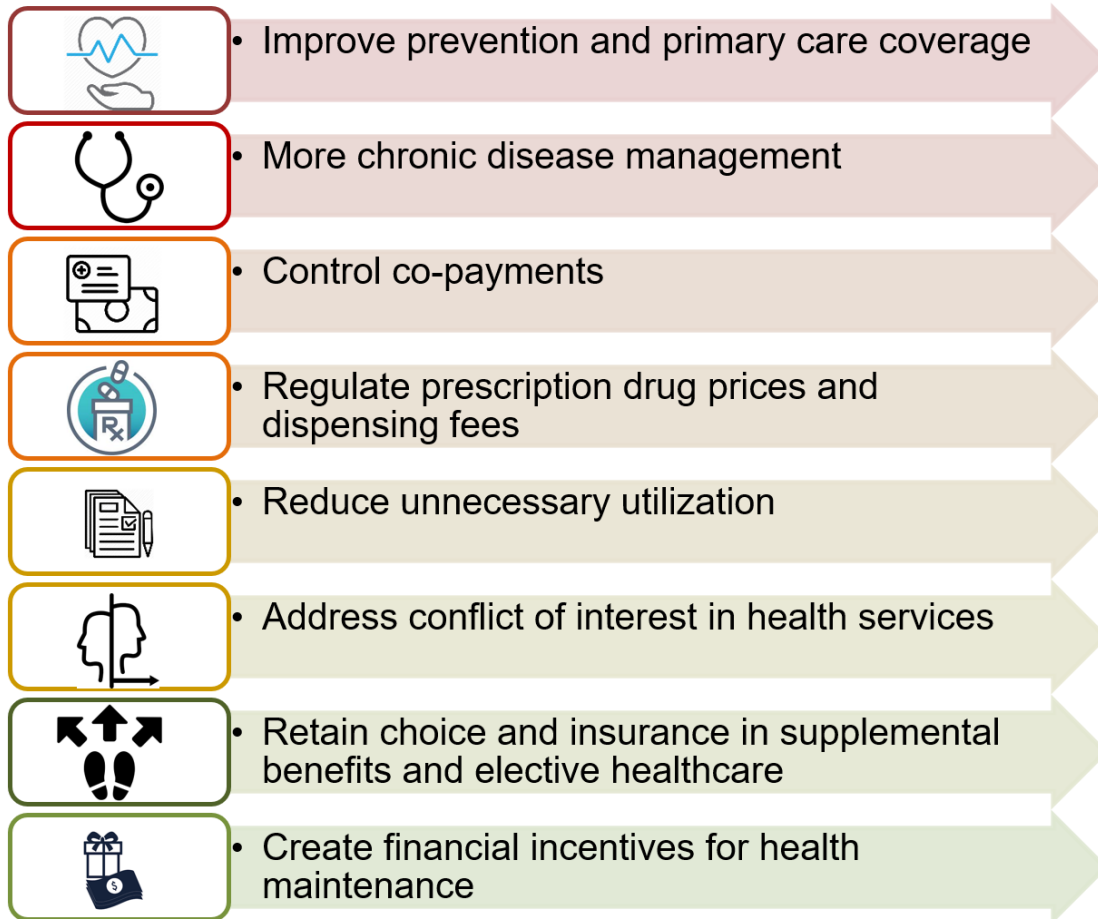


Figure 8. Health system improvements that will be possible with reformed system

Public Consultation Process

The [Ministry of Health](#), with support of the [Bermuda Health Council](#), will be holding a series of town halls, technical briefings and meetings to talk about the two consultation points:

1. What a new basic insurance plan should include and cost (which will replace SHB)
2. What we need to do to transition to a unified health financing system (a Roadmap)

Over the four-month period (from August through November), everyone should have an opportunity to contribute to the discussions on what the future of healthcare in Bermuda should look like.

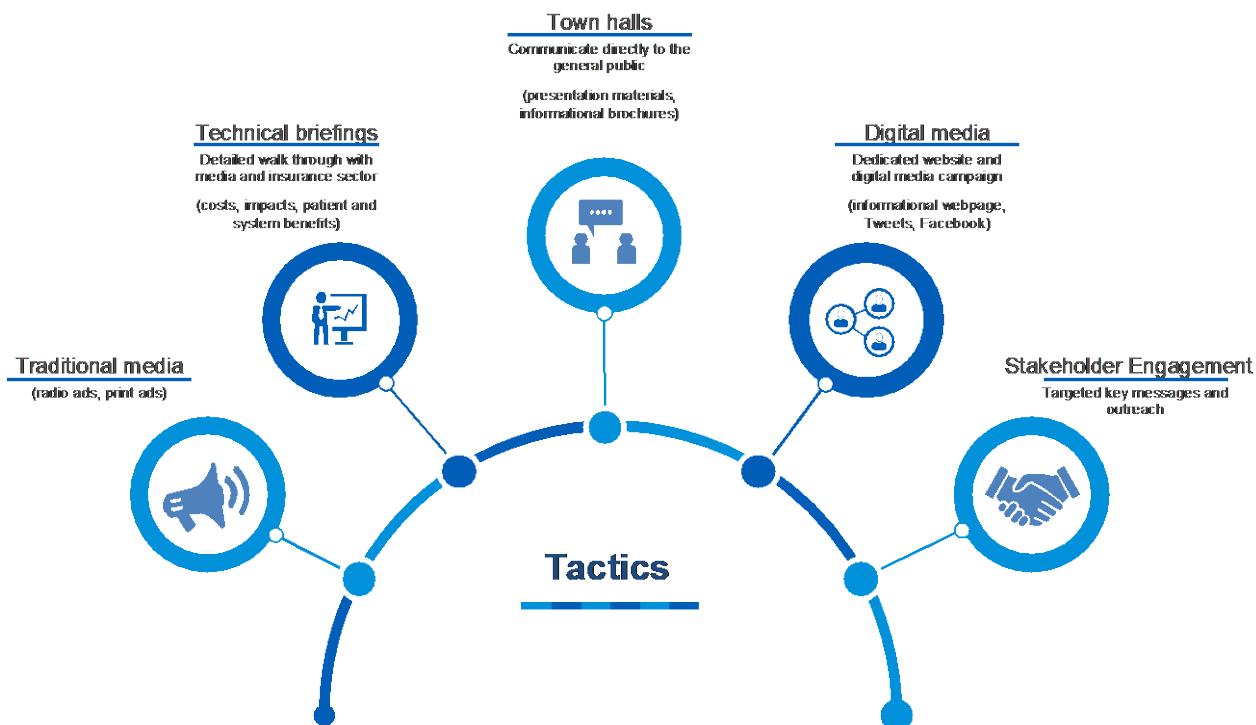


Figure 9. Consultation Activities

The public consultation period begins with reviewing a “mock plan”, called the Bermuda Health Plan, drafted to kick-start the discussion. The ‘mock plan’ is for discussion purposes, and include concepts that relate to improving access to critical types of care for better population. We want to hear the public’s views on the initial concepts and ultimately what the basic plan should include. Over the coming months, as we hear the views of the public, the draft plan will be adjusted.

Many stakeholders will also be part of more detailed discussions and planning to develop a Roadmap. Updates will be provided over the consultation period as we receive input from the many businesses, employers, insurers, patients and healthcare providers who will be impacted by the transition.

How to respond

We encourage you to participate in the public consultation town halls and meetings, and respond to the consultation in writing using the “Contact Details” below.

When responding to this consultation, please state whether you are responding as an individual or are representing the views of a group or organisation. If the latter, please make clear who you are representing and their role or interest.

To ensure openness and transparency, we will publish all responses in full on our webpages. If your response needs to include any information that you regard as sensitive and that you would not wish to be published, please provide that information in an annex marked ‘confidential’ and explain why you regard it as sensitive.

Public Consultation Period

The public consultation will run for four months, from 9th August to 9th November 2019.

Contact Details

Responses should be submitted by post or email no later than midnight on 19th November and should be sent to:

- **Email:** healthplan@gov.bm
- **Or in hard copy to:** Ministry of Health - Bermuda Health Plan, Continental Building, 25 Church Street, Hamilton HM 12, Bermuda

Public Disclosure of Information

Information provided in response to this consultation, including personal information, will be disclosed in accordance with the Public Access to Information Act 2010.

By submitting a response to this consultation you agree to publication of your response in full, save for information in an Annex clearly marked ‘Confidential’ explaining the reasons why you regard it as sensitive. Such information will be processed in accordance with the Public Access to Information Act 2010.

If you are replying by email, this statement overrides any standard confidentiality disclaimer that may be generated by your organisation’s IT system.

After the consultation, we will publish a summary of the responses received and the responses in full. These documents will be available on our webpages at www.gov.bm/healthplan.

Questions for consideration

Social Determinants of Health

The social determinants of health (SDH) are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life. These forces and systems include economic policies and systems, development agendas, social norms, social policies and political systems.

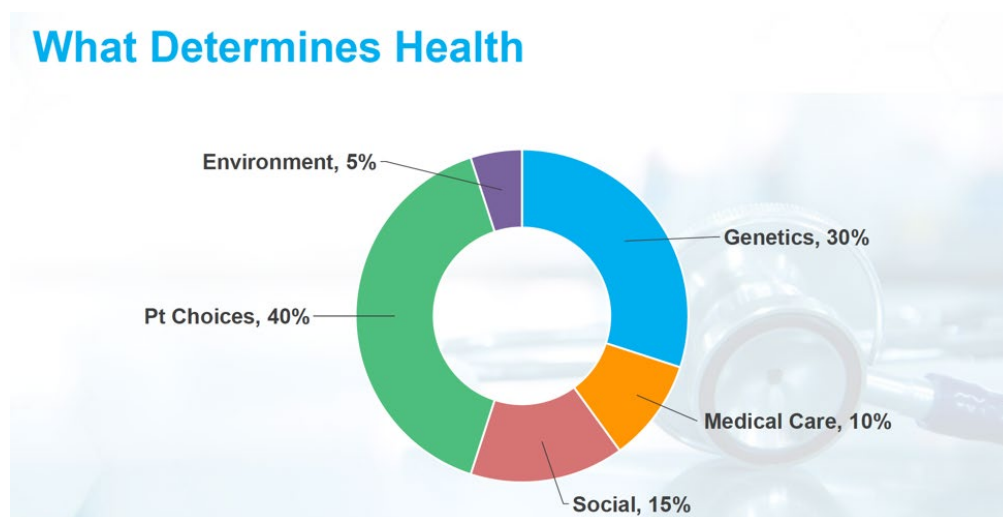


Figure 10. Social Determinants of Health

1. What can be done to better address the social determinants of health?
2. How should such for social determinant initiatives be paid?

Basic health insurance coverage

The World Health Organization says that for a country to have universal coverage an 'essential package of services' should be available and accessible to all persons. In Bermuda currently that is called the standard health benefit (see Annex 1). It includes largely hospitalization. In the future, we believe the basic insurance plan should include benefits that keep people healthy.

3. Considering the current package (Annex 1), what services **must** be included in a base package for the population because they are 'essential'?
4. What services should **not** be included in a basic plan because they are not 'essential'?
5. How should special needs for specific population groups be addressed as part of a basic insurance coverage model that is intended to provide basic protections for all?

Primary Care and Preventive Care Services

Primary medical care is the first level of healthcare which includes preventive, curative and rehabilitative services provided by medical doctors (in particular general practitioners), nurses and other health professionals. Preventive care are healthcare services aimed at preventing disease or injury. For example, vaccination, health check, screening for hypertension, cervical cancer etc.

A basic model for primary and preventive care services would be associated with defined clinical protocols that are considered basic and essential for comprehensive primary care for individuals.

6. Should the basic plan include comprehensive primary and preventive care services for the whole population?
7. What are your ideas for strengthening of public health education, healthy lifestyle-promotion, disease prevention, and developing a set of standards for primary care services?

Continuity of Care

Continuity of Care ensure that if different healthcare service providers are involved in the care of a patient, they communicate with each other to coordinate healthcare, so that the care provided to the patient is continuous and not being disrupted by any changes in service providers or places of care.

8. How can we better integrate care and help patients and providers to navigate through the health system?

Funding of the basic health insurance plan

Presently the premium for the standard health benefit is the same for everyone. This is known as “community rating”. Employers pay half and the Government contributes \$140 million each year towards some of the more expensive care, which is paid from general taxes.

9. How much should the basic plan cost individuals?
10. How should insurance for the indigent, elderly and disabled be paid?

Willingness to Pay

Currently standard health benefits have no co-pays, but most other benefits include user fees on top of what insurance covers. Often times, co-pays are too high for many people to afford, especially those who need many healthcare visits. We believe in future the basic plan should include some user fees but that they should be affordable for all.

11. What amount do you believe is a reasonable user-fee or co-payment for the following healthcare services:

- a) General Practitioner Visit
- b) Specialist Visit (Including Mental Health Care)
- c) Non-Physician Services
- d) Prescription Medications
- e) Hospital Emergency Room

Transitioning to a unified model of health financing

Presently Bermuda has a multi-payer system with 4 health insurers and 3 large, employer-based schemes. In future the basic plan will be in a single or unified risk pool, and additional benefits can be available separately.

12. What are your biggest concerns in transitioning the basic insurance plan (currently covering SHB) from a multi-payer system to a single payer?

13. Who should manage the single pool for covering basic benefits (e.g. government, a local insurer, an overseas insurer, a Quango, etc.)?

14. Who should not manage the single pool and why?

Annex 1: Current and unified health financing systems

Bermuda presently has a ‘multi-payer’ system with 4 separate health insurers and 3 large, employer-based schemes. This has a lot of duplication and inefficiency. To turn our expensive system into a lean, efficient system the Government will establish a single payer for the basic health insurance plan.

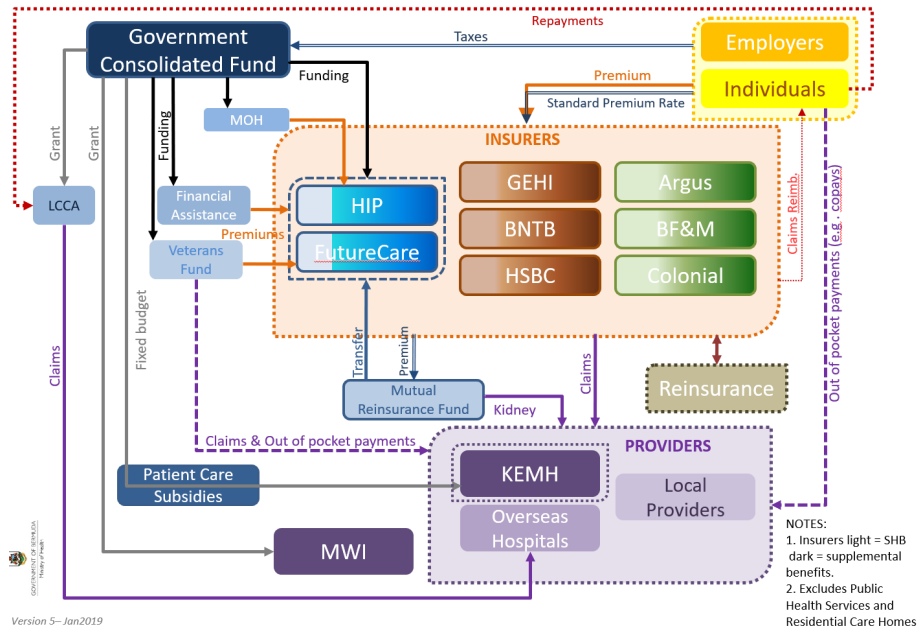


Figure 11. Current health financing system is complex and inefficient

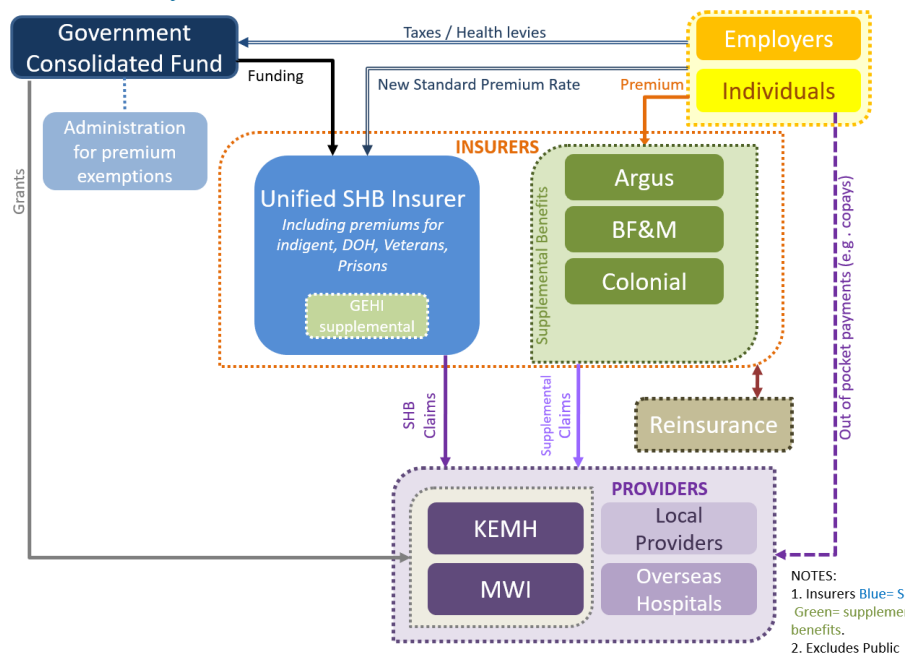


Figure 12. A unified model or single payer system