

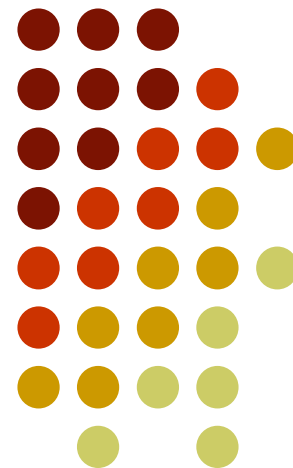


GOVERNMENT OF BERMUDA
Ministry of Health
Health Insurance Department

Bermuda Country Update

9th Caribbean Conference on
National Health Financing Initiatives

Nov. 4th – 6th 2014, Tobago
Calvin C C White Sr





Objectives

- Overview of operating structure
- High Level Claims Review
- Strategic developments & progress
 - System wide
 - HID
- Inside the “Crystal Ball”

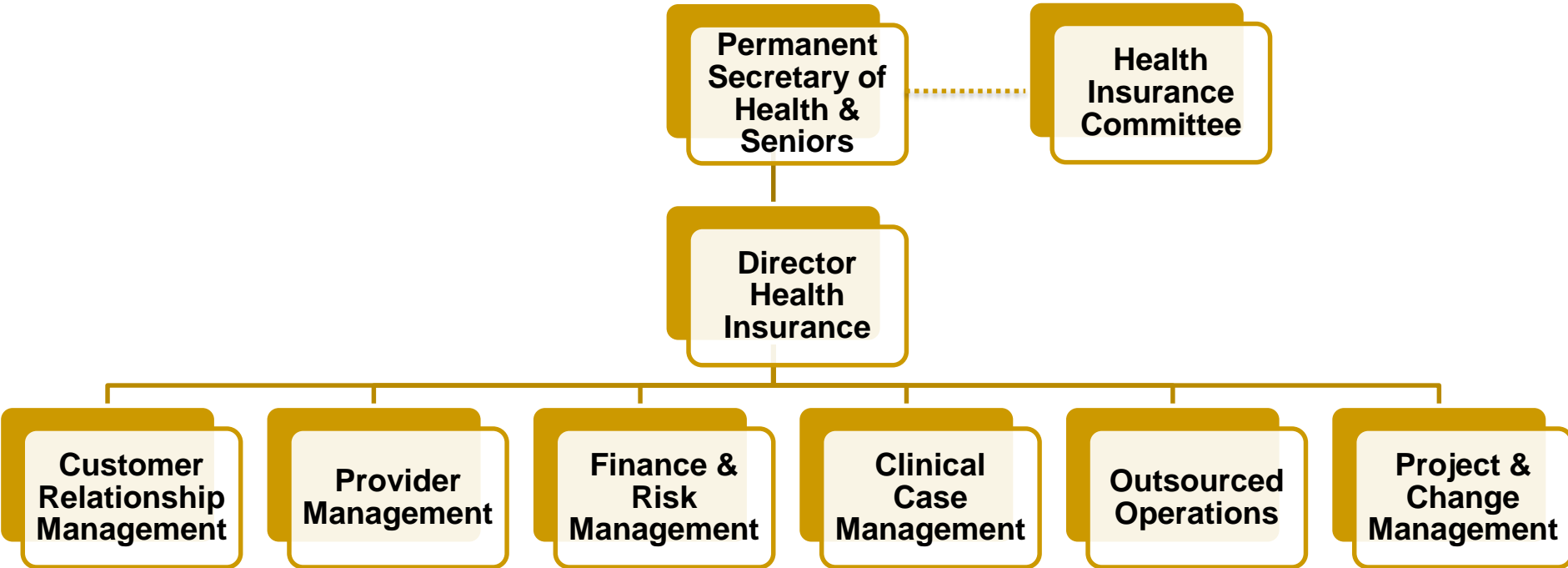


Plan Objectives

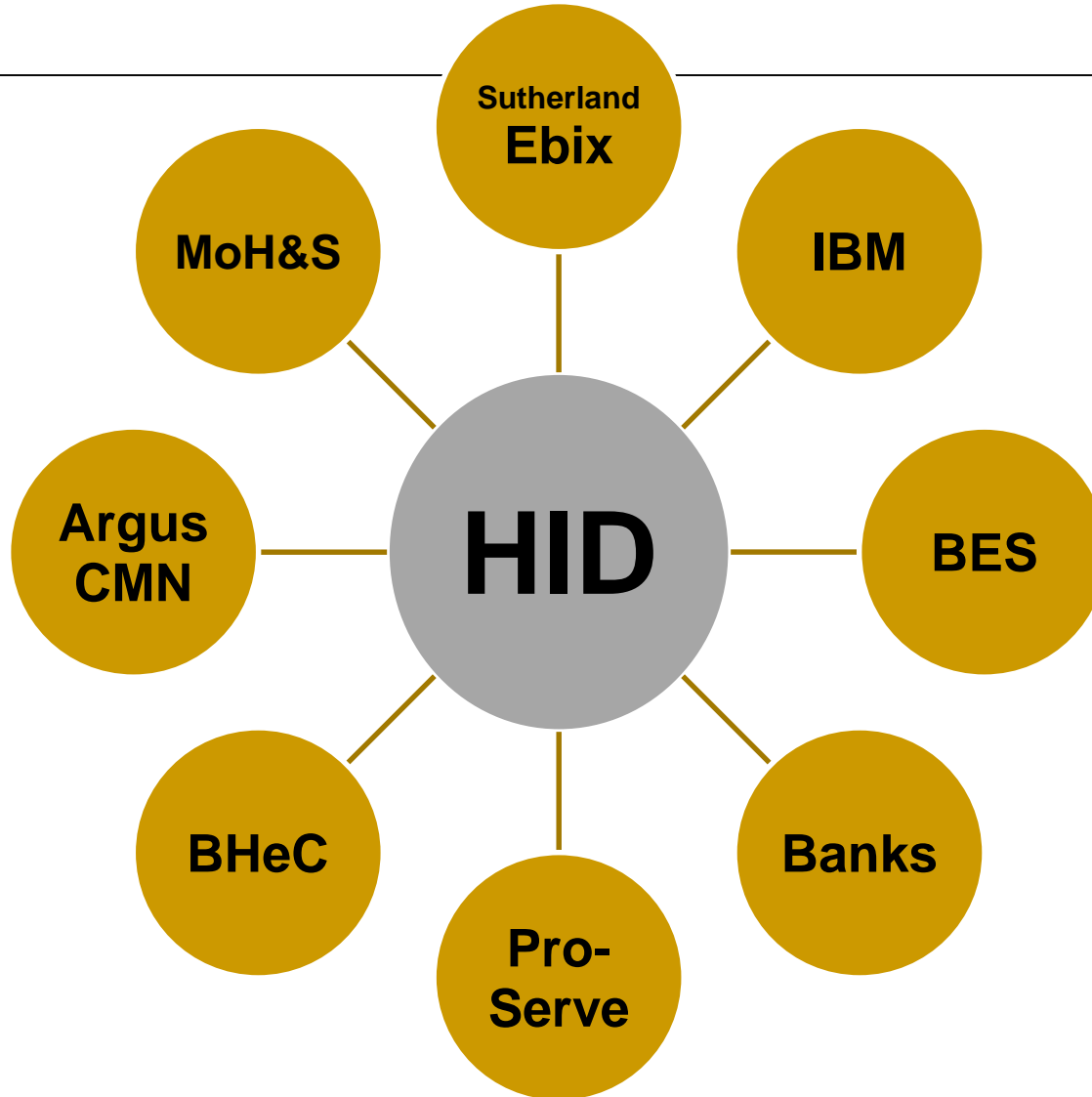
Vision Statement: To provide accessible health benefits for the residents of Bermuda.

#	Objectives
1	To design and administer health benefits that are accessible, affordable and add value to Bermuda's population
2	To adjudicate and pay claims accurately and efficiently in accordance with Health Insurance Department policies and procedures and governing legislation
3	To provide quality customer service by quickly providing accurate responses to queries in accordance with Health Insurance Department policies and procedures and governing legislation
4	To reduce health care expenditures for Health Insurance Department managed Funds
5	To improve the timing and frequency of operational, management and financial reporting to facilitate better decision making

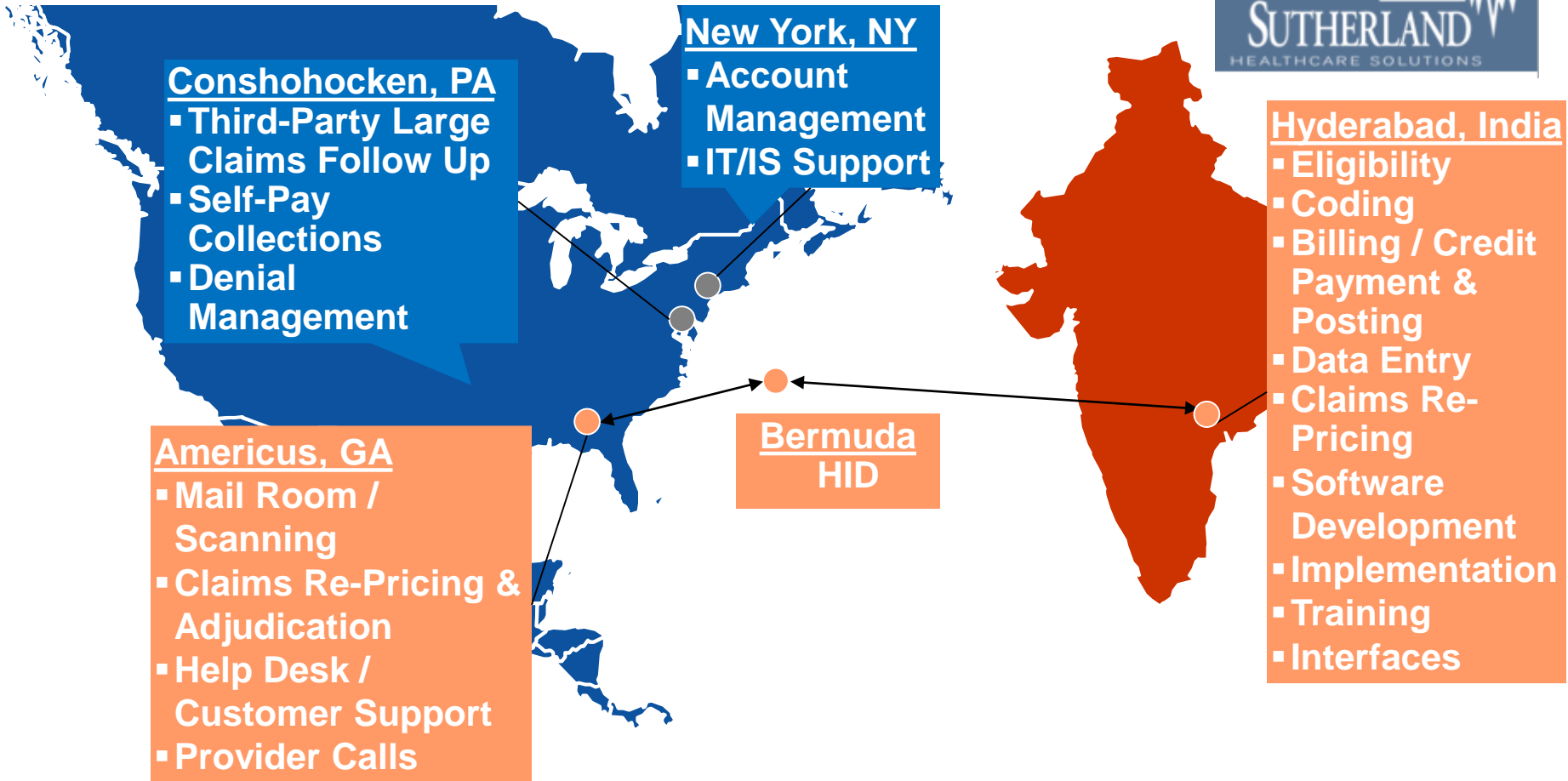
HID Administrative Structure



HID Operating Model



Outsourced / Global Delivery Model



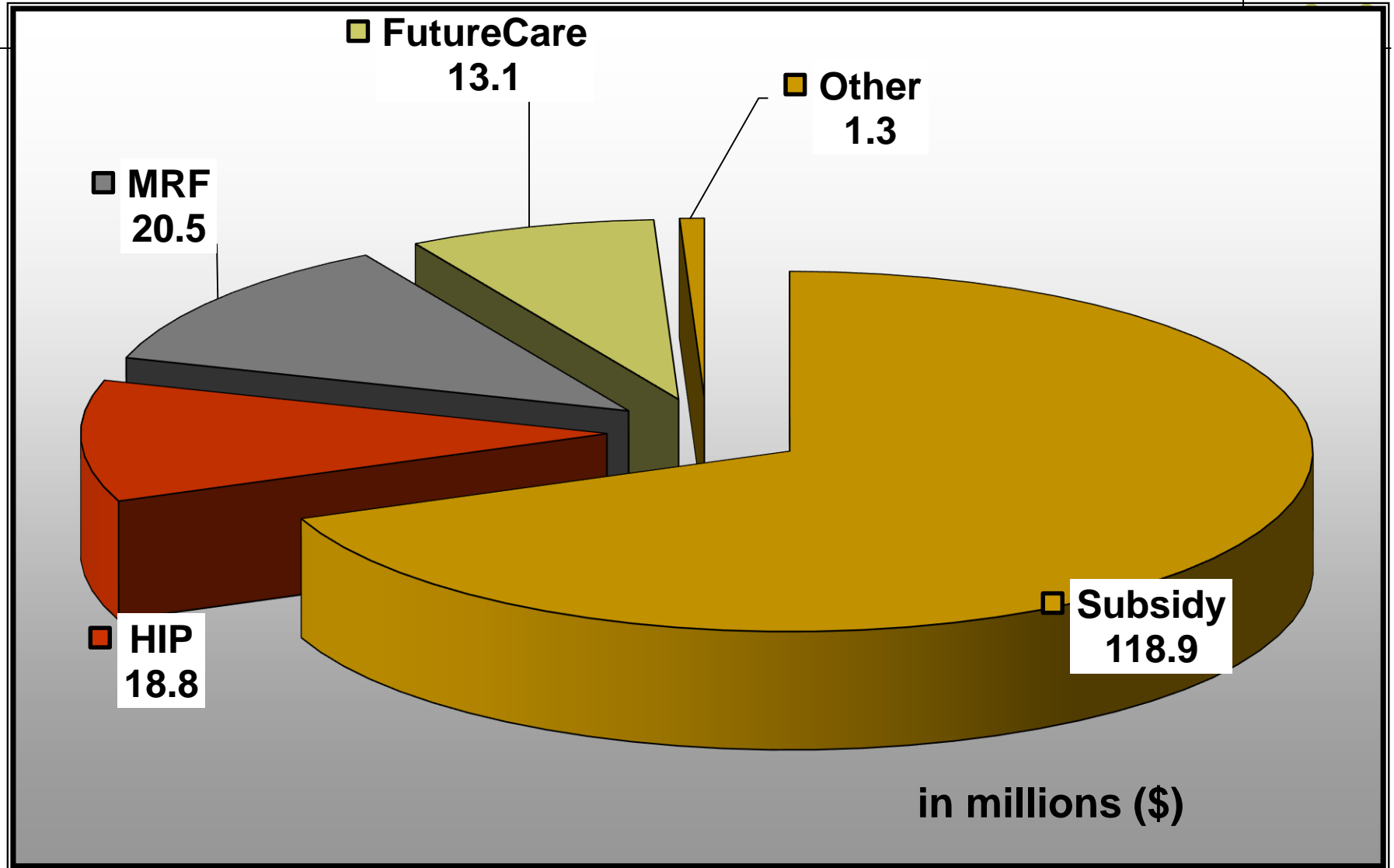
Scope of Operations: Four Products



Product	Description
<input type="checkbox"/> Health Insurance Plan (HIP)	<ul style="list-style-type: none">▪ Basic Insurance Plan for individuals & groups▪ Continuous enrollment for persons 19+▪ Covers Hospital I/P & O/P + Supplemental Benefits + Dental
<input type="checkbox"/> FutureCare Plan (FCP)	<ul style="list-style-type: none">▪ Like HIP but more comprehensive▪ For persons 65+
<input type="checkbox"/> Mutual Reinsurance Fund (MRF)	<ul style="list-style-type: none">▪ Funding vehicle for HIP / FutureCare dialysis, kidney transplant, anti-rejection drugs & long-stay▪ Premium-funded by all public & private insurers
<input type="checkbox"/> Government Subsidy Entitlement	<ul style="list-style-type: none">▪ Hospital Subsidies for Youth (100%), Indigent (100%), Aged (70% 64-75or 80% for =>75)

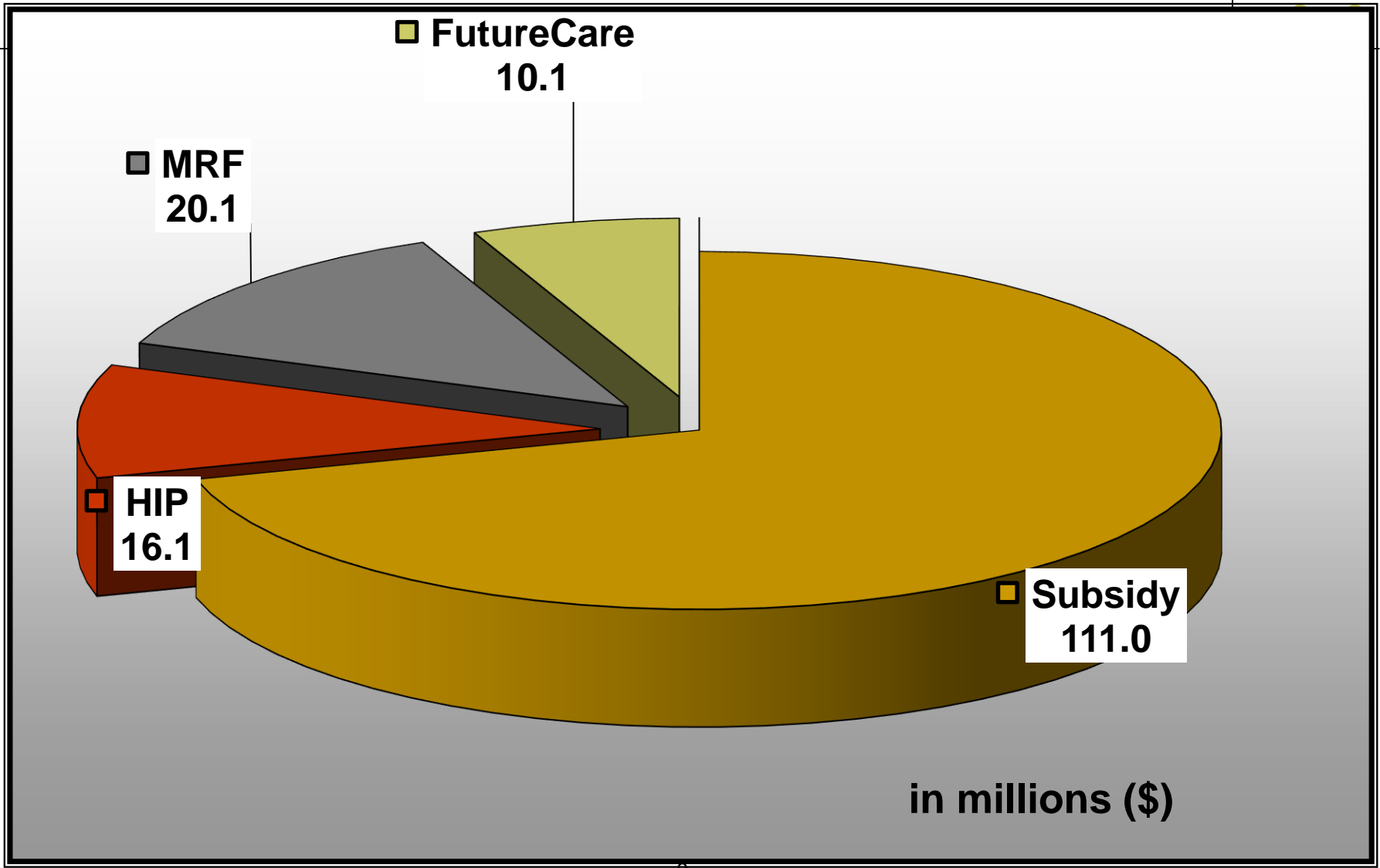


Claims Claimed by Product 2013/14





Claims Paid by Product 2013/14



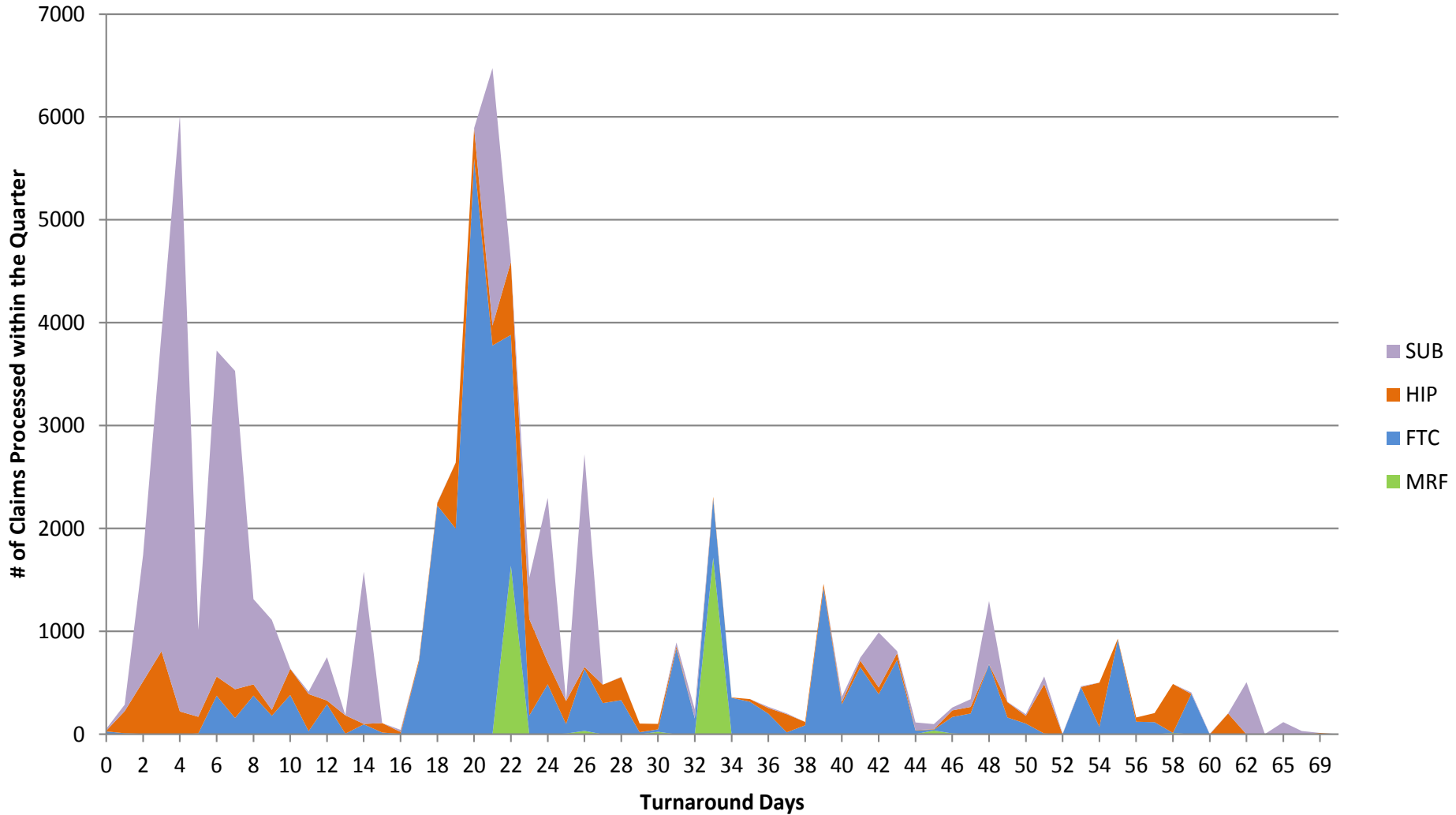
Claims Management



- IBM conducted an independent audit of HID TAT
- Above industry performance
- Average Turn-around-Time (TAT) for all claims processing <15 days since January 2014
- Sutherland Quality and TAT continue to exceed Service Level Agreements

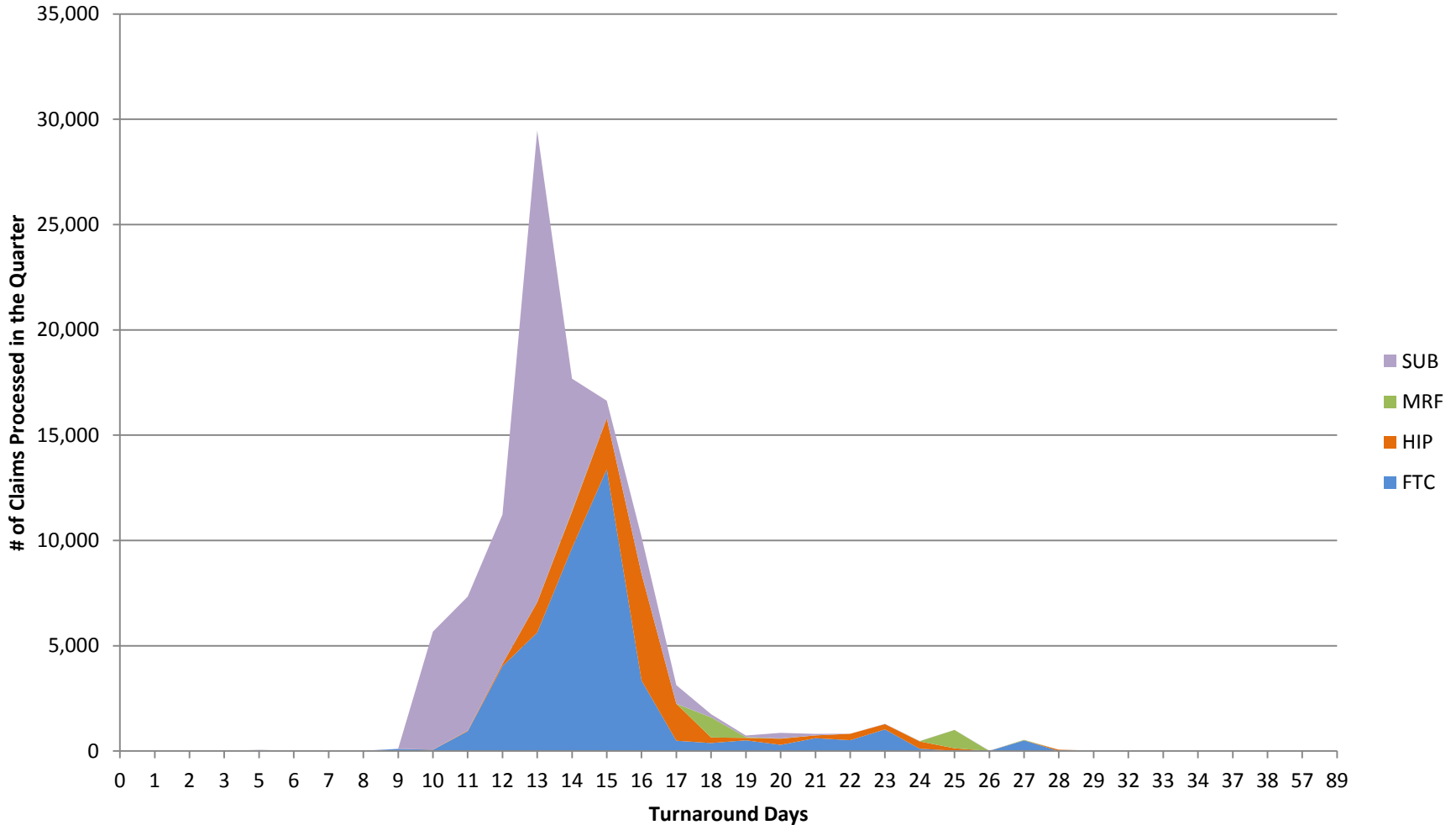
Claims TAT Distribution for All Products

Up to 75 days Apr. 1, 2013 to Jun. 30, 2013



Claims TAT Distribution for All Products

Up to 75 days Apr. 1, 2014 to Jun. 30, 2014



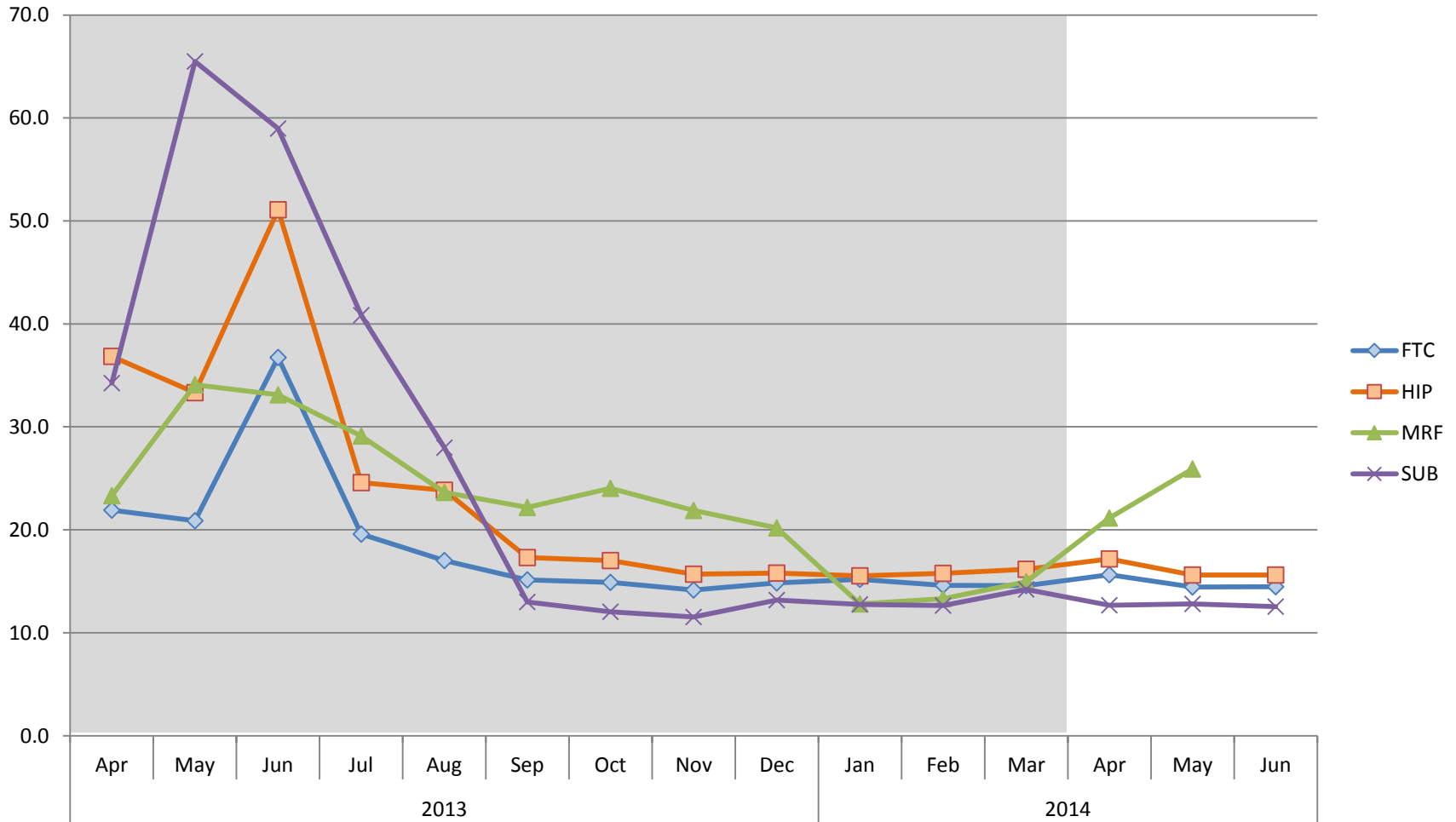
Claims TAT Summary Statistics

(by product from Apr. 1, to Jun. 30, 2014)

Value	FTC	HIP	MRF	SUB	Total
Average of Turnaround Days	14.9	16.1	21.2	12.7	14.1
Std Dev of Turnaround Days	2.8	2.8	3.7	1.7	2.9
Var. of Turnaround Days	7.8	7.6	13.3	3.0	8.2
Min of Turnaround Days	0	0	2.0	0	0
Max of Turnaround Days	89	57	27	37	89
Median of Turnaround Days	14	15	17	12	13

Average Monthly TAT by Product

Apr. 1, 2013 to Jun. 30, 2014



Average Monthly TAT by Product

Apr. 1, 2013 to Jun. 30, 2014

Supporting Data

Average of Turnaround_Days	FTC	HIP	MRF	SUB
Row Labels				
2014				
Jun	14.5	15.6		12.5
May	14.4	15.6	25.9	12.8
Apr	15.6	17.2	21.2	12.7
Mar	14.6	16.2	15.0	14.2
Feb	14.6	15.8	13.3	12.7
Jan	15.2	15.5	12.8	12.8
2013				
Dec	14.8	15.8	20.2	13.2
Nov	14.2	15.7	21.9	11.5
Oct	14.9	17.0	24.0	12.0
Sep	15.1	17.3	22.2	13.0
Aug	17.0	23.8	23.6	28.0
Jul	19.6	24.6	29.1	40.8
Jun	36.7	51.1	33.1	59.0
May	20.9	33.3	34.1	65.5
Apr	21.9	36.8	23.3	34.2

NOTE: May – June 2013 TAT for Subsidy claims inaccurate because claims were not loaded until July 2013 after annual changes completed

High Cost Participants

- **Top 250 participants (1%) accounted for 33% of all claims paid (\$52,290,982 out of \$157,255,552)**
- Aged Subsidy accounts for 77% of all Subsidy claims (excluding Geriatric)
- Service Types DRG and Schedule 2-Per Diem account for 44% (18% and 26%, respectively) of all claims paid

System Strategic Developments



- **Standard Hospital Benefit Redesign**
- **Restructure of System Financing Model**

Standard Hospital Benefit Redesign



- **Policy Landscape**
 - Government has not communicated strategic vision for the Health System
 - Government committed to provision of universal health benefits
- **Existing health care system challenged**
 - Financially unsustainable
 - Highly complex and fragmented delivery and financing systems = poor efficiency / high cost
 - Inadequate data collection
 - Financing structure incents shifting bad risks to Government with inadequate pooling for cost efficiency

Standard Hospital Benefit Redesign



- **SHB**

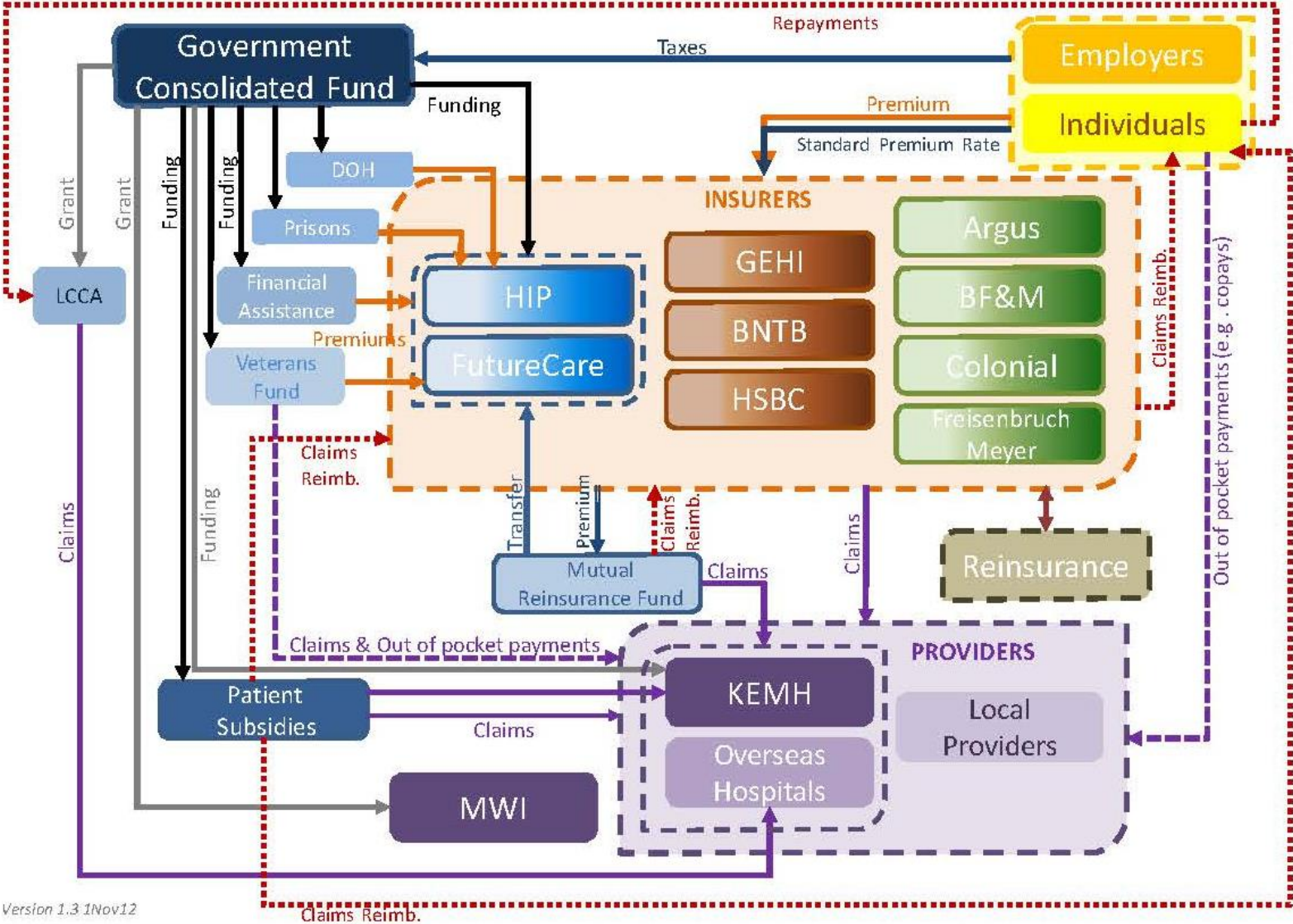
- **Bedrock of the health system providing the minimum package of acceptable benefits**
- **Drives care to a setting that is not always medically appropriate or economical**
- **Provides limited mandated coverage for primary and secondary prevention**
- **Incentivizes the use of the acute setting for long-stay, non medical care**
- **Does not meet the WHO definition of universal health coverage**

Standard Hospital Benefit Redesign Objectives



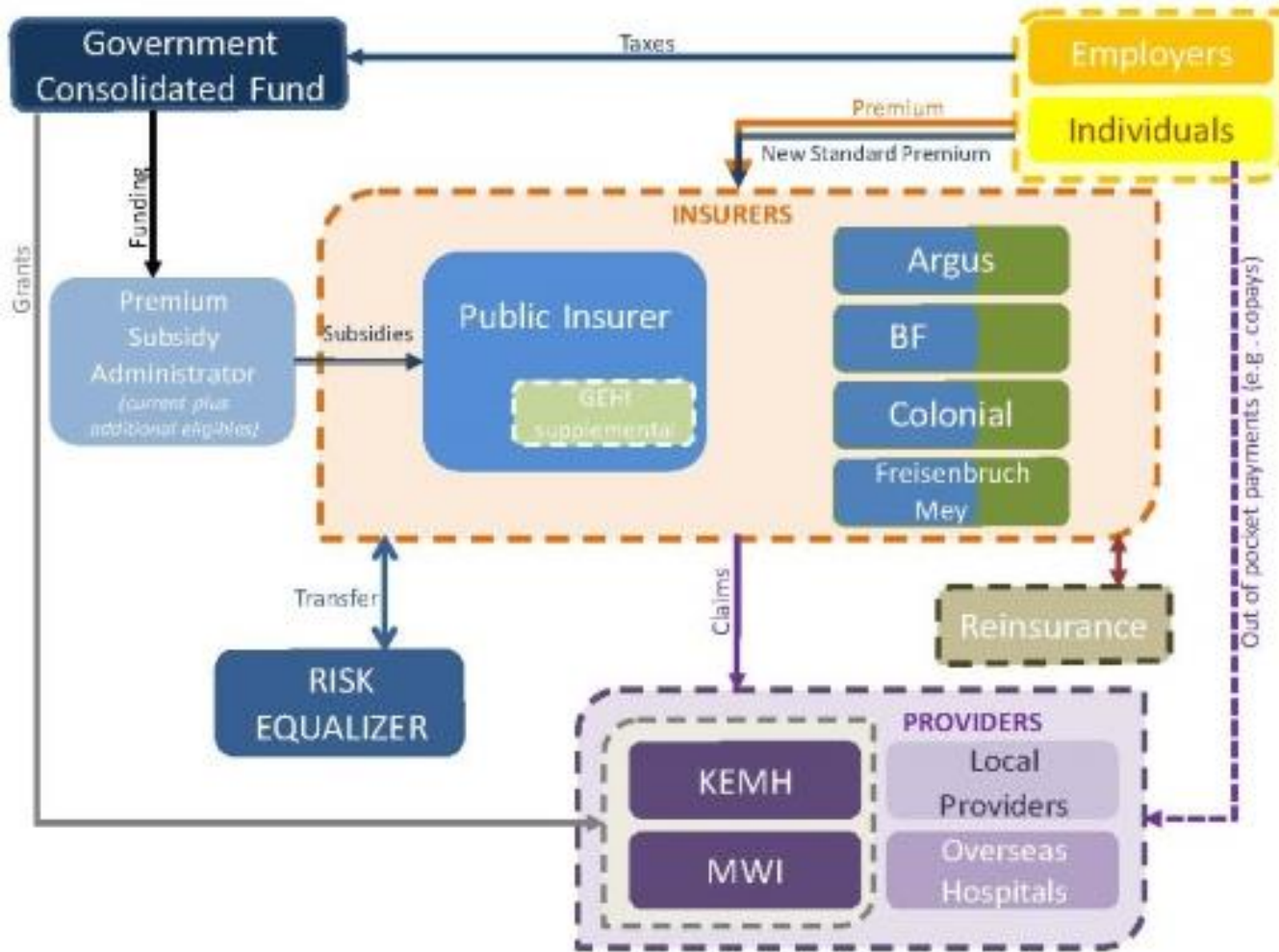
- **Recommendation of wholesale benefit changes to the regulated minimum package to:**
 - **More efficient use of existing health care services**
 - **Improved quality of care**
- **Recommendation of legislative changes to accommodate benefit changes**

Current Financing Model



Version 1.3 1Nov12

Proposed Financing Model





HID Strategic Developments

- **Case Management**

- Target Groups for
 - Wellness Programs (targeted clients)
 - Direct Case Management
 - Care Coordination
 - Utilization Management:
 - Collaboration with Hospital, Doctors, ER, Patients, BHC
 - Implement Utilization Management for High Cost Diagnostic Tests
- Participate in Long Term Care Policy Development
- Introduce Overseas Claims Management for Bermuda office (HIP)
- Develop New Overseas Hospital Network
- Research and develop plans for best Telemedicine and Telenursing opportunities to save on overseas travel expenses



HID Strategic Developments

- **Public awareness campaign**
 - Frequent communication with Policyholders to increase understanding of policy coverage, legislation and procedural changes
 - Improved policyholder satisfaction – through public brand awareness
 - Attendance at Senior/Community Group Meetings - provide Q & A sessions
 - CSR's Increased training and tools to accurately answer policyholder complex queries for successful resolution
- **Additional methods of payment to reduce outstanding premium**
 - Direct Debit – policyholders with the ability to have their payments deducted automatically from their bank account each month on a set day
 - On Line Payments – registered payee with all Bermuda Banks through on line banking
 - Payment by Phone – Accept debit and credit card payment via phone
 - On site Cashiers – for payment and queries



HID Strategic Developments

- **Manage provider relations vs. queries**
 - Working with Providers to understand ‘clean claim’ process – to reduce errors and denial of claims improves claim payment timeline
 - Electronic medical claims submission – directly to our claims processing provider
 - Electronic dental claims submission – directly to our claims processing provider
 - Review of the CTP codes and most required benefits to right size benefits package for our HIP and FutureCare policyholders
 - Reduce exception claims request to ensure compliance to policy and regulations
- **Develop and enhance provider relationships for efficient use of services and cost containment.**
 - Increase negotiating power with providers and BHB (et al)
Develop and maintain provider and stakeholder relations
 - Review and re-negotiate existing contracts for move favourable contract terms and cost – with out reduction in service levels



Inside the “Crystal Ball”

- Increased Headcount for both HIP and FutureCare
- Stand alone SHB
- “Buffet” of supplemental benefits
- Precertification of diagnostic imaging / lab testing
- Increased regulation governing providers
- Increased focus on “wellness”



THANK YOU!!

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