

Managing Catastrophic Care in Bermuda

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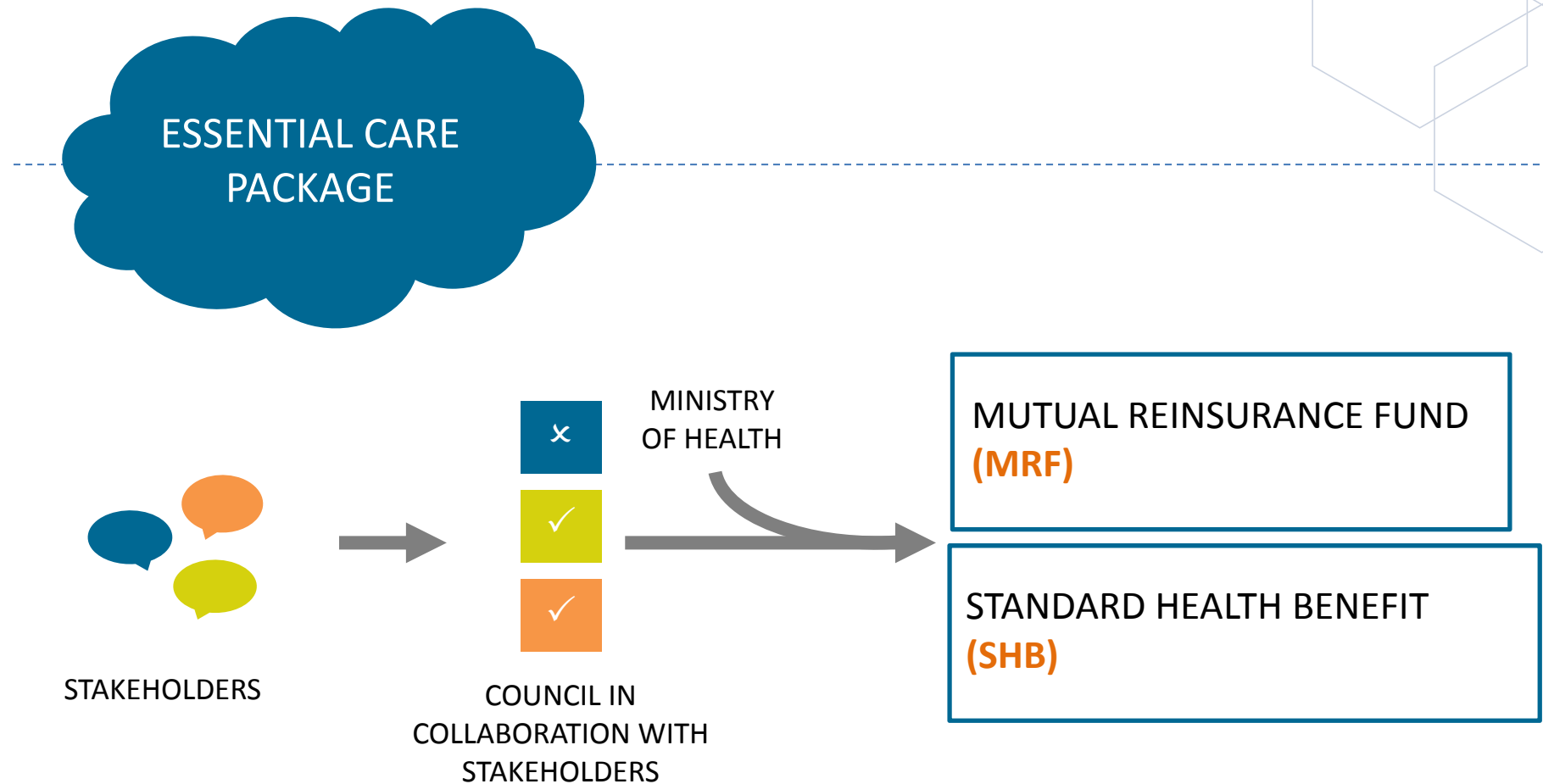
BERMUDA HEALTH COUNCIL

Mission: to regulate, coordinate and enhance the delivery of health services

Vision: to achieve a quality, equitable and sustainable health system

OPERATIONS ★ HEALTH REGULATIONS ★ HEALTH ECONOMICS

What is catastrophic care in Bermuda?



All providers are approved and reimbursement rates are regulated

Overview

- ❖ How we access catastrophic care
- ❖ What the access gaps and system challenges are
- ❖ What we are doing to close the gaps

Who provides the care and who regulates their rates?



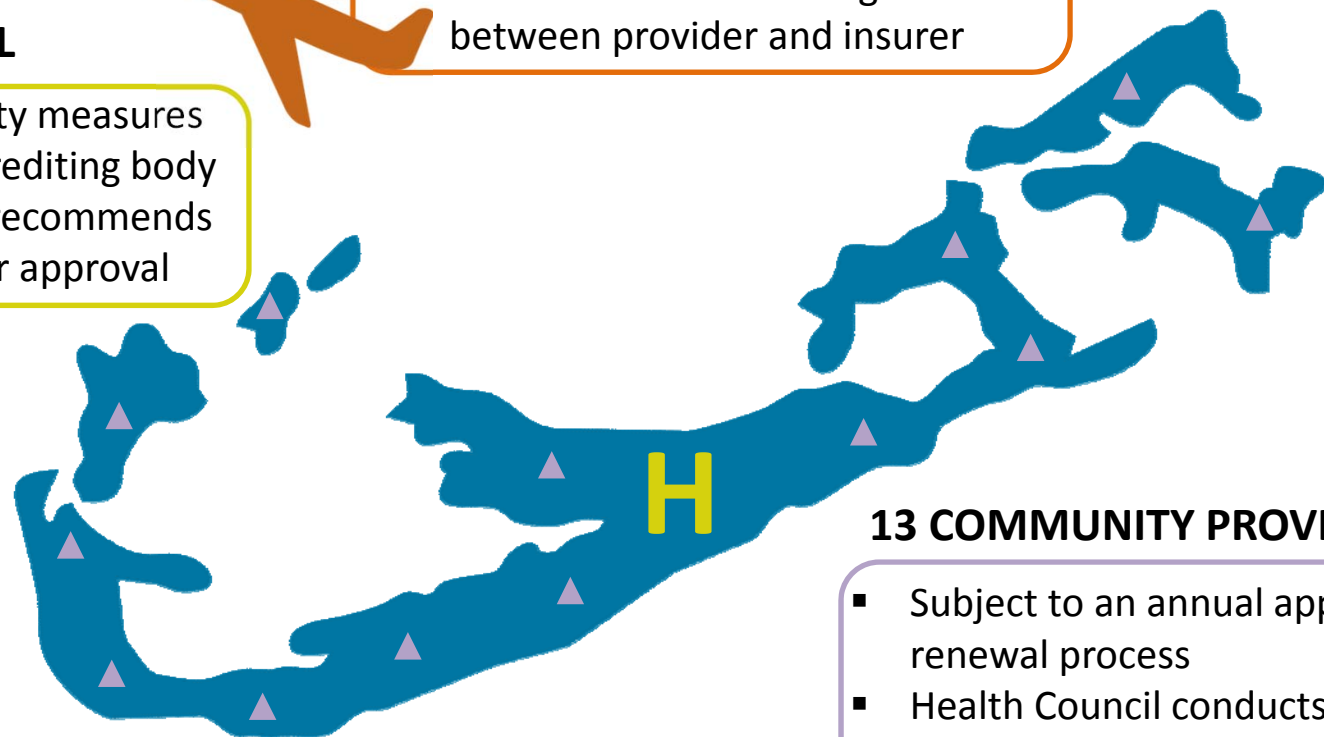
OVERSEAS PROVIDERS

- Approval/selection as a provider is based on patient's insurer
- Discounted rates are negotiated between provider and insurer



1 LOCAL HOSPITAL

- Subject to quality measures set by their accrediting body
- Health Council recommends fees for Minister approval



13 COMMUNITY PROVIDERS

- Subject to an annual approval renewal process
- Health Council conducts an annual actuarial review rates

Population: 63,917 | 22sq miles long | ~1,100km to North Carolina (~3,000 km to Suriname)

What is covered?

STANDARD HEALTH BENEFIT (SHB)



Artificial limbs and appliances

2015: DM related amputations per 100,000: BDA 13 vs OECD 6¹



Hospital inpatient and outpatient services

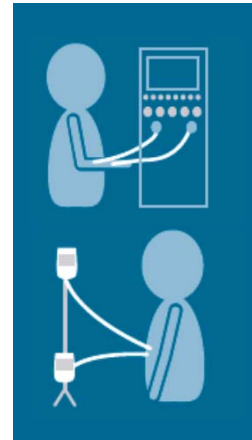
Emergency room services and care resulting from an emergency
2017: \$340M



Home medical services

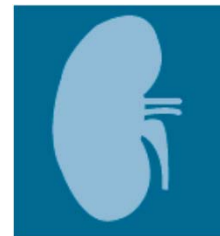
Palliative care, wound care
2017: \$337K

MUTUAL REINSURANCE FUND (MRF)



Haemodialysis & Peritoneal Dialysis

2017: 190 patients, \$30M



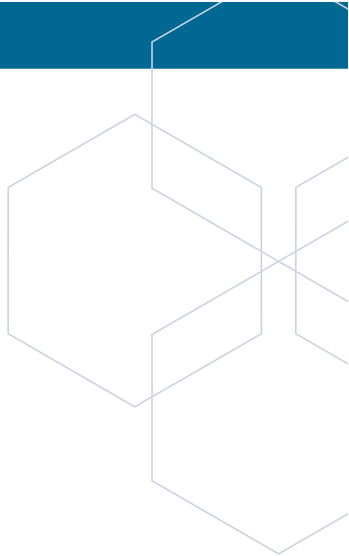
Kidney transplants and antirejection drugs

2017: 4 patients, \$80K - \$200K

AVAILABLE ON ISLAND

AVAILABLE OVERSEAS ONLY

How is this care funded?



OUT OF POCKET
PAYMENTS
2016: \$68M

SUPPLEMENTAL HEALTH INSURANCE
\$80 - \$1,100+

MANDATORY HEALTH
INSURANCE PACKAGE

*Employees and non
employed spouses*

2017: \$338.07/month
\$198.8M premium

STANDARD HEALTH BENEFIT
\$355.31

MUTUAL REINSURANCE FUND

Kidney transplants

GOVERNMENT
SUBSIDISATION
(local hospital only)
Vulnerable populations

2016: \$109.5M

Can care be accessed overseas?

SUPPLEMENTAL HEALTH INSURANCE

- Air ambulance services

STANDARD HEALTH BENEFIT







- Portable until April 2014
- Attempts to repatriate services to Bermuda

MUTUAL REINSURANCE FUND

- Only for individuals with insurance
- Dialysis and kidney transplants

Uninsured population less likely to access overseas care

Summary of care and access

Payment Mechanism	STANDARD HEALTH BENEFIT (SHB)			MUTUAL REINSURANCE FUND (MRF)		
						
Mandatory health insurance <i>(employees and non-employed spouses)</i>	Hospital	Hospital	Community	Hospital Community Overseas	Overseas	
Supplemental insurance	Overseas Add'tl local	Overseas	Add'tl local	Overseas in access of local legislated rates		
Government subsidization <i>(aged, youth and indigent)</i>	Hospital	Hospital	-	Hospital	-	
Out-of-pocket payments	All					

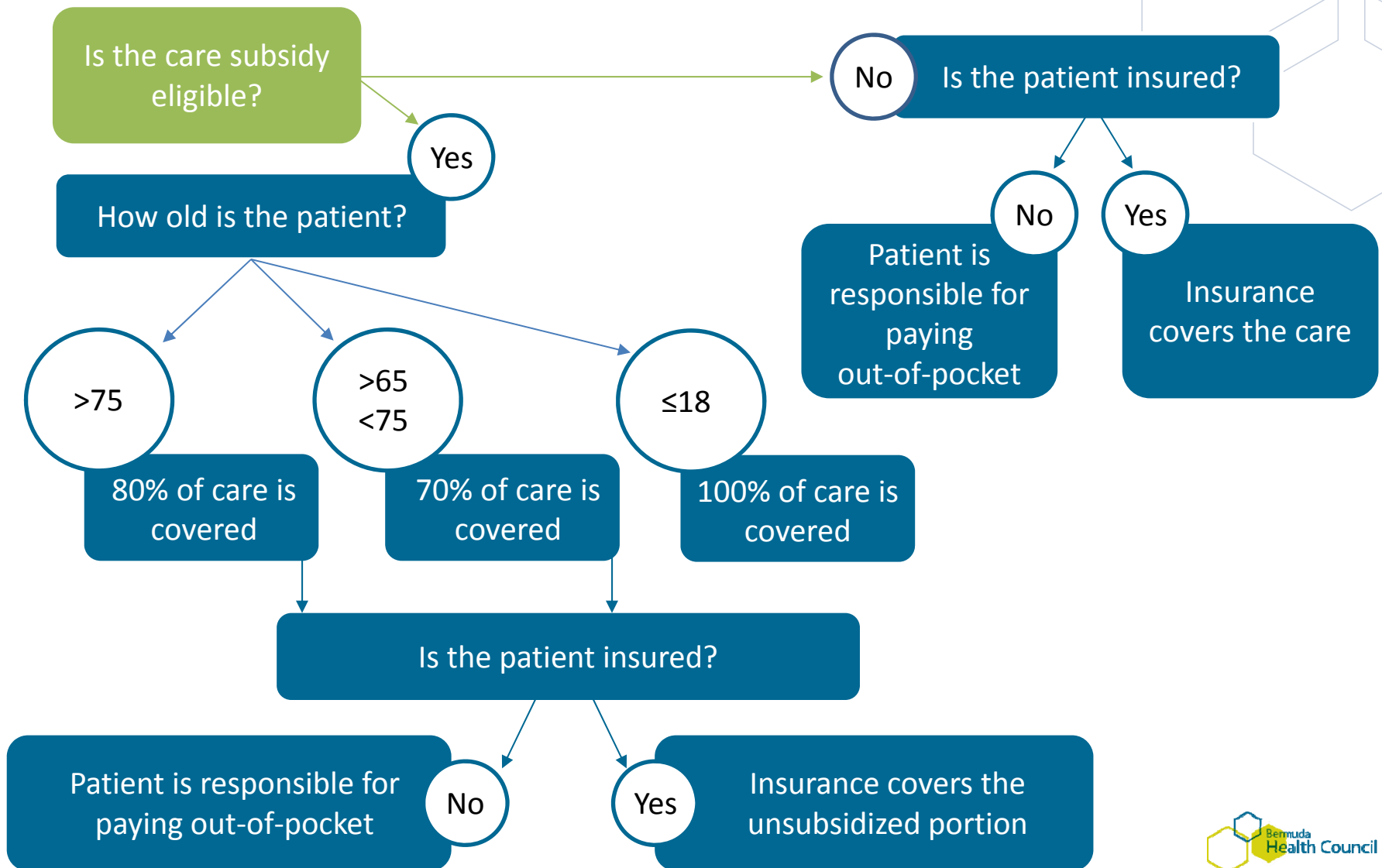
Catastrophic Care: Case Study 1

- ❖ 12 year old, female, *subsidy eligible*
- ❖ Insured as dependent on parent's policy
- ❖ Diagnosed with kidney failure

Option 1: Receive dialysis at the local hospital

**Option 2: Receive dialysis at a non-hospital facility
or kidney transplant overseas**

Option 1: hospital dialysis



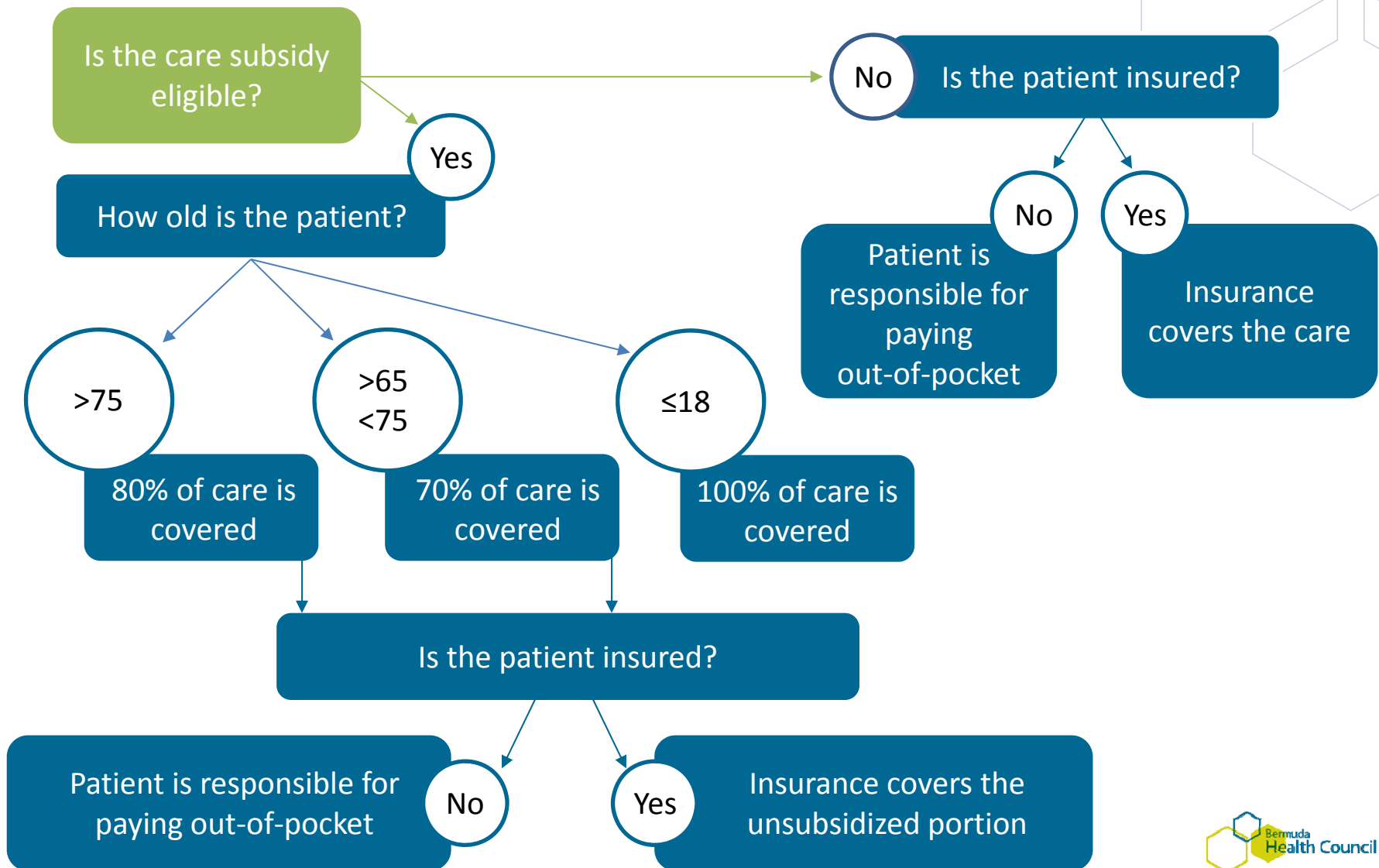
Catastrophic Care: Case Study 1

- ❖ 12 year old, female, *subsidy eligible*
- ❖ Insured as dependent on parent's policy
- ❖ Diagnosed with end stage chronic kidney disease

Option 1: Receive dialysis at the local hospital

**Option 2: Receive dialysis at a non-hospital facility
or kidney transplant overseas**

Option 2: non-hospital dialysis or kidney transplant

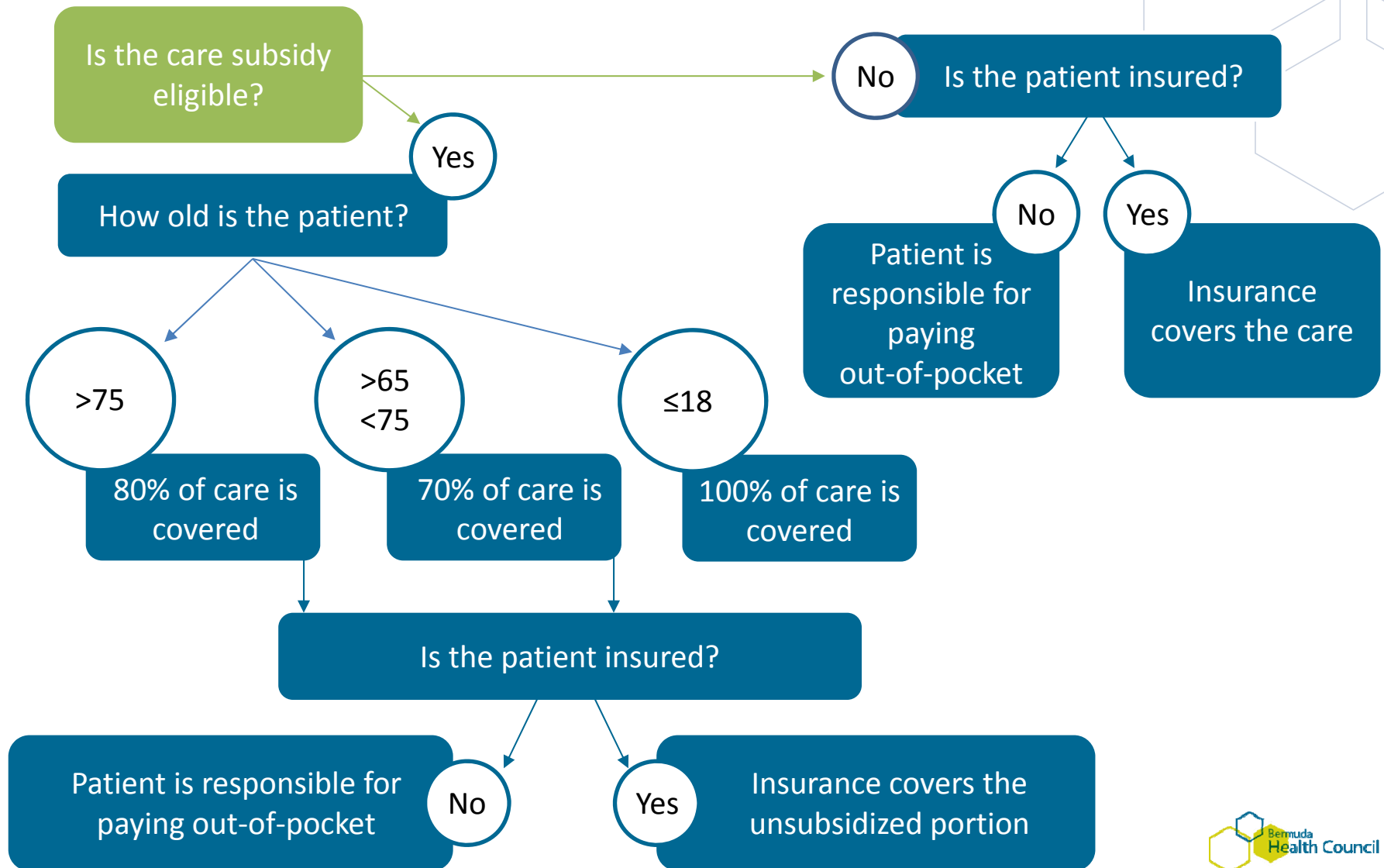


Catastrophic Care: Case Study 2

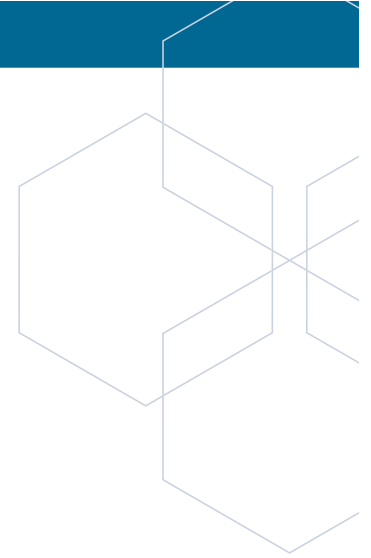
- ❖ 68 year old, male, *subsidy eligible*
- ❖ Unemployed, *uninsured*
- ❖ Requires hip surgery

Option 1: Receive surgery at the local hospital

Option 1: surgery at local hospital



What are the access gaps?



❖ COVERAGE

- Insurance coverage is based on employment status
- Subsidy is based on age and only applies to hospital services

❖ COST

- Healthcare is too expensive to pay out of pocket
- Supplemental insurance can be expensive

❖ LOCATION

- Small and isolated island

What are the system challenges?

❖ BENEFIT CHANGES IN ESSENTIAL CARE PACKAGE

- Stakeholder influence based system does not work
- Need parameters to guide changes in benefit packages

❖ FRAGMENTED FINANCE STRUCTURE

- Subsidy, insurance coverage, OOP
- Multi-payor SHB vs single payor MRF

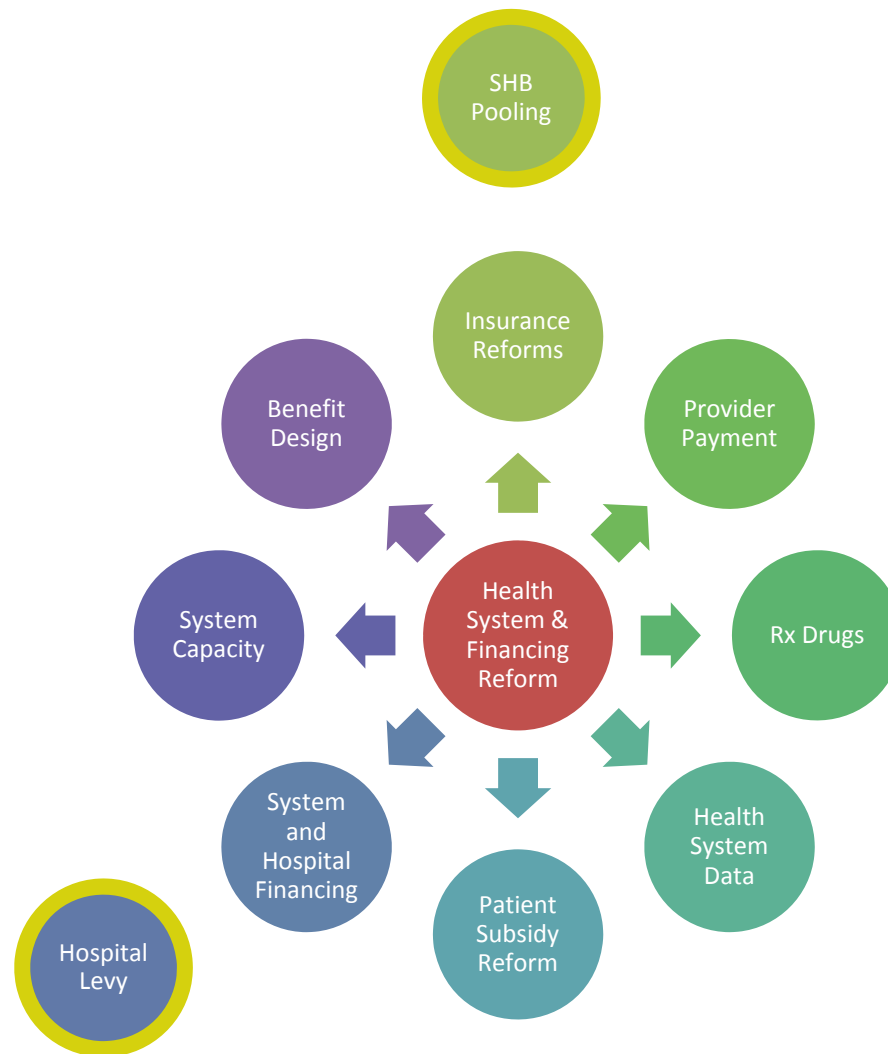
❖ TACKLING COST INCREASES

- Current solution: increase health insurance premiums
- Pushing patients toward hospital care

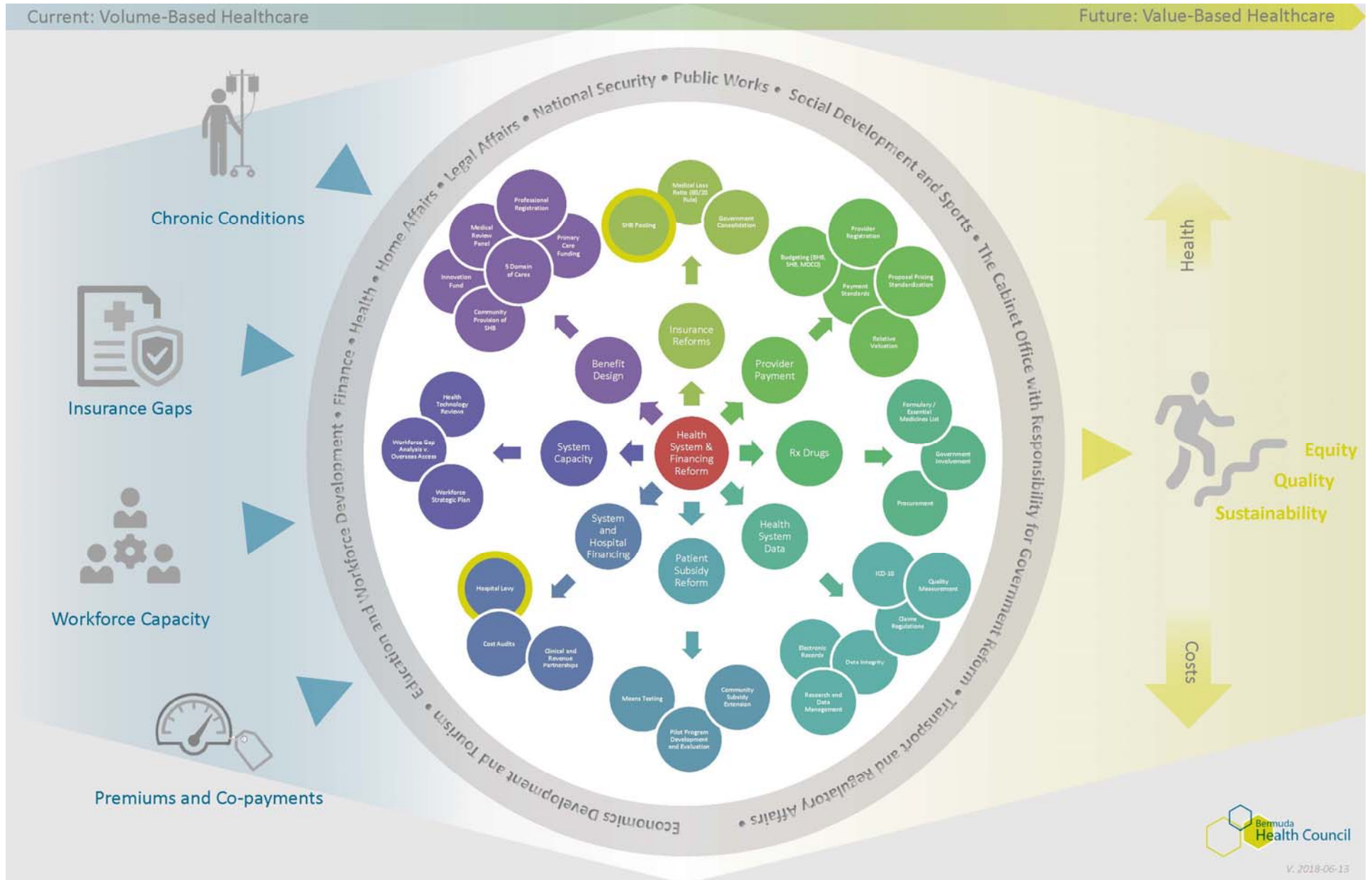
❖ IMPROVE SYSTEM PLANNING

- Forecast population health needs
- Reduce the need for catastrophic care

What are we doing differently?



What are we doing differently?



Overview

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- ❖ How we access catastrophic care
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- ❖ What we are doing to close the gaps