



# HEALTH INSURANCE REFORMS in brief

The Bermuda Health Council produced a public consultation paper with proposals to “enhance the regulatory framework for health insurers”. The proposals have one core aim: *to make affordable health insurance more readily available to all residents*. Thirteen reforms are proposed, which are outlined here in brief.



## Protect the Public

- 1 Ensure health insurers continue to be in a position to pay your claims.**

Everyone wants this, not least, health insurers themselves. The Bermuda Monetary Authority leads on this development and the BHeC supports their regulations.
- 2 Ensure financial reporting by insurers provides all the information needed to properly oversee the health insurance sector.**
- 3 Establish requirement that insurance policy content is understandable to consumers and easily accessible.**
- 4 Make the “minimum package” better than it is currently.**

Right now it only covers hospital fees; doctors’ fees in and out of hospital are not covered. This can leave individuals struck by serious illness or injury, and the professionals who care for them, at risk of big financial losses.



## Promote Cost-Efficacy

- 11 Ensure the process of paying for healthcare is more efficient by using a standardized form.**

The better we organize paying for healthcare, the more everyone will save.
- 12 Ensure the process of paying for healthcare is faster.**

Better healthcare can be provided when providers are paid promptly.
- 13 Encourage use of electronic systems to pay for healthcare.**

This would make the system more efficient and less expensive.



## Promote Equity

- 5 Ensure all health insurers can provide the “minimum package” with appropriate protection from risk.**
- 6 Ensure everyone has the “minimum package”.**

Any proportion of the population without insurance is a risk for the rest of us, because one way or another, we’re going to pay for it. Either financially or through social problems. Ensuring everyone is insured is a good way of preventing losses for everyone.
- 7 Ensure the “minimum package” is sold by all insurers to anyone, without discrimination.**

With a package that is properly priced, and other safeguards, discrimination based on age, sex or pre-existing conditions would be done away with.
- 8 Prevent restrictive lifetime limits for the minimum package.**
- 9 Ensure the minimum package has a price that is affordable.**

This is already in place in Bermuda. We achieve it because that package (called the Standard Hospital Benefit) is community rated. This means that the premium is based on the average cost of providing care to the whole insured population. It is very different from setting premiums based on the level of risk an individual presents to the insurer, where older, sicker people have to pay more. Bermuda instituted the community rating method decades ago. The result is that the risk is spread, with a small negative impact on the many who are healthy, and a large positive impact on the few who will fall ill. It results in equity. We propose to continue doing this, but with an improved basic package. Health insurance above and beyond that minimum package would still be available as always.
- 10 Consider ways to make health insurance contributions more equitable and affordable in the future.** At present, those on low incomes pay disproportionately more for insurance than the better off. Contribution levels can be reviewed to reflect a fairer Bermuda.



### Who should give feedback?

Health insurers, employers, healthcare providers, and the public are invited to provide feedback on the proposed reforms.

### Final deadline to give feedback:

Write or email Mr. Dane K Commissiong, Director of Health System Regulation by 30th September 2010, at [healthcouncil@bhec.bm](mailto:healthcouncil@bhec.bm) or Bermuda Health Council, PO Box HM 3381, Hamilton HM PX, Bermuda. The consultation paper is on our web site at [www.bhec.bm](http://www.bhec.bm). Look under “Reports & Publications” or call 292-6420 for a copy.