

PRESS RELEASE

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BERMUDA HEALTH COUNCIL ANNOUNCES THE PUBLICATION OF THE 2010 Actuarial Report for the Bermuda Health Council

Report available at: http://www.bhec.bm/resources/reports_pub.html

(Hamilton, Bermuda 17th May 2011) – The Bermuda Health Council (BHeC) today announced the release of the 2010 Actuarial Report for the Bermuda Health Council. The report was published for the first time last year as part of the Council's strategic goal commitment to greater accountability. Stakeholders want to know what we do and how decisions are reached; publishing the actuaries' report goes a long way in achieving that goal.

The report presents the actuarial analysis undertaken to calculate the price of the mandated minimum health insurance package, the Standard Hospital Benefit (SHB) and Mutual Reinsurance Fund (MRF). The price of this package, the Standard Premium Rate, is set by Government based on the actuarial report. The 2011/2012 Standard Premium rate of \$252.27 took effect April 1, 2011.

The actuarial analysis is based on the previous year's SHB claims experience among all insurers in Bermuda, and projected increases for the upcoming year. The increase of \$16.13 for 2011/12 was due to:

1. Bermuda Hospitals Board (BHB) fees increased by 1.5%
2. Local utilization increase capped at 3% for the BHB
3. Overseas claims increased by 15%

The Health Council has collaborated with the Bermuda Hospitals Board (BHB) and local health insurers to agree a cap of 3% increase in total fees that the BHB can bill insurers for fiscal year 2011. Under this arrangement, the BHB will still be able to manage itself in a fiscally viable manner without compromising the delivery of services or capital programmes. For the insurers this mechanism introduces certainty, as they can expect their expenditure with BHB not to exceed the cap. This process was adopted to enable fiscally sustainable limits on insurance premium increases.



The report provides key information about the SPR with the corresponding rate of change between Fiscal Year 2009 and 2010 for the number of persons insured with standard hospital benefits, the SHB claims amounts and the SHB loss ratios of the health insurers.

Linda Merritt, Chairman of the Bermuda Health Council commented: "The Health Council is committed to providing the public with the information necessary to understand, measure and assess our health system. The actuarial review of the standard premium rate is a key activity undertaken to ensure the minimum insurance package is appropriately priced and is financially sustainable. We are very pleased with the initiative, started last year, to publish the Actuarial Report annually, as it demonstrates our commitment to public accountability".

Dr. Jennifer Attride-Stirling, Chief Executive Officer of the Bermuda Health Council, commented: "BHeC strives to conduct its work in an impartial manner and enable transparency in the health system. We publish as much of our work as possible so that all stakeholders have access to the facts and data that underpin our decisions. Publication of the Actuarial Report is part of this standard practice, which we know to be valued by our partners and stakeholders".

The 2010 Actuarial Report can be found on our website at www.bhec.bm.

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About Bermuda Health Council

Established in January 2006, the Bermuda Health Council is tasked with overseeing Bermuda's healthcare system to ensure its sustainability. Staffed by a team of eight professionals with over 100 years of experience in administration, healthcare and finance, the Health Council draws upon the expertise and experience of its 15 Council members to regulate, coordinate and enhance the delivery of health services in Bermuda.

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