

Frequently Asked Questions

Upfront Payment Legislation

New Health Insurance Claims Regulations

In March 2012 the Health Insurance (Health Service Providers and Insurers) (Claims) Regulations 2012 were passed, and will come into effect on 1st August 2012. The Regulations ensure providers are paid-promptly by insurers

and prohibit charging insured patients for the insured portion of a health bill at the time of service (upfront charges). This FAQ addresses some of the most frequently asked questions regarding the Regulations.

FAQs

1. What are upfront payments?

The term "upfront payment" refers to the requirement for insured patients to pay 100% of a healthcare bill at the time of receiving services. The issue has been a concern for the Ministry of Health because some insured persons avoid seeking care or experience family cash flow problems when they have to pay for healthcare "upfront".

2. So what exactly happens from 1st August?

Three key things will happen from that date: (1) insurers will have to make eligibility and coverage information available to providers. (2) Insurers will have to pay electronic claims in 30 days. And (3) providers won't be allowed to charge insured patients for the insured portion of a bill at the time of service.

3. Will healthcare providers have to submit claims electronically by 1st August?

No. The law doesn't require providers to submit claims electronically at any time.

4. So from 1st August will I have to pay anything when I go to the doctor or dentist?

You will still have to pay the "co-payment" if you have insurance. That is the portion of the bill which is not covered by your insurance. So if your visit costs \$150 dollars, and your insurance covers \$100, you will still have to pay \$50 at the practice.

5. Insurance plans differ a lot; how will my healthcare provider know if I have insurance coverage for services I need?

Insurers will have to let providers know who has insurance and for what services as of 1st August. The new regulations require that this information be made available electronically and up to date.

6. What do I do if the healthcare provider tries to charge me for the entire cost of the visit?

You should advise the Bermuda Health Council (BHeC). Ideally ask the provider to make the request in writing,

or pay the bill if you can and keep the receipt as proof of the upfront payment.

7. If insurance companies don't reimburse providers within 30 days, what can the provider do?

Inform the Bermuda Health Council (BHeC). Insurers with persistent delays will be fined.

8. Why did Government legislate against upfront charges, when the problem is said to be due to their own health insurers' delays in payment?

At the time that more providers started to charge upfront both public and private insurers had long reimbursement times, but that has changed in the past four years. Currently most claims submitted with all the information needed (i.e. "clean claims") are paid in less than 30 days by most insurers, including GEHI, HIP and FutureCare. Delays in payment are caused by claims with incomplete information, and for some insurers paper claims can take longer to pay.

9. Some people say this legislation will increase the cost of healthcare. Will it?

Most healthcare providers don't charge upfront now, and it is unlikely that they have higher costs. So the argument is not completely clear. Some say that additional administration will mean increased costs, but it is certain that improved efficiency in the health system would actually decrease costs. Taking the option to submit claims electronically should reduce costs for both insurers and providers, and in the long-run this would mean more cost-efficiency.

10. Can healthcare providers deny me on the basis of the health insurance I have?

Yes. At present providers can choose not to take patients from a particular insurer, but few do so. Most healthcare providers are primarily concerned about patients' health and don't discriminate according to insurer. The new law enables providers to apply for an exemption and will be allowed to charge patients from a particular insurer upfront, if they show that the insurer has failed to pay electronic claims in 30 days.