



PRESS RELEASE

BERMUDA HEALTH COUNCIL ANNOUNCES THE PUBLICATION OF THE **National Health Accounts 2015**

Report and In Brief available at: www.bhec.bm

(Hamilton, Bermuda 7th October 2015) – The Bermuda Health Council (BHeC) announces the release of the National Health Accounts Report 2015. The Report is essential for monitoring Bermuda's health system financing and expenditure trends. The current report shows a marginal year on year decrease in the total expenditure in healthcare.

The Report details health system costs for the fiscal year ending 31st March 2014 (FYE 2014) and explains changes since 2007. Data going back to 2004 is available in previous reports and Excel tables posted on our web site.

The current state of positive collaboration between stakeholders has been one of the biggest investments for creating a better health system at better costs. For the next fiscal year, this collaboration will focus efforts on how we can better assist individuals with chronic conditions, those requiring post-acute and long term care, and developing local infrastructure so that our quality ranks high when compared to other jurisdictions.

Some of the additional key financial findings from the 2015 report are:

Total Health Costs in FYE 2014 (Table A.4 (Annex) of the report)

- ❖ Bermuda's total health spending was \$693.1 million
- ❖ This amounted to 12.4% of GDP
- ❖ Health expenditure per capita was \$11,188
- ❖ This represents a decrease of 1.7% from FYE 2013, when total health expenditure was \$705.0 million, representing 12.7% of GDP; and per capita health expenditure was \$11,297

Funding sources: Where did the money come from? (Table 2.0.1 of the report)

- ❖ 70% of financing was from the private sector (\$485.7 million)
- ❖ 29% of financing was from the public sector (\$207.4 million)
- ❖ Health insurance accounted for 60% of financing sources (\$414.6 million)
- ❖ Individual out-of-pocket payments represented 10% of funding (\$66.4 million)

- ❖ Donations to non-profit organizations contributed <1% of health financing (\$4.7 million)

Expenditure: How was the money spent? (Table 2.0.1 of the report)

- ❖ 51% of health spending was in the private sector (\$352.7 million)
- ❖ 49% of health spending was by the public sector (\$340.5 million)
- ❖ The Bermuda Hospitals Board accounted for 43% of total health expenditure (\$299.7 million)
- ❖ Overseas Care accounted for 14% of total health expenditure (\$96.3 million)
- ❖ Private, local health providers accounted for 21% of total health expenditure (\$146.7 million)
- ❖ Prescription drugs represented 6% of total health spending (\$42.7 million)
- ❖ Health Insurance Administration accounted for 10% of total health expenditure (\$67 million)

Trends and context

- ❖ The most significant areas of growth in health spending were “other health providers, services, and appliances” (increased by 14.3%) and health insurance administration (increased by 8.5%)
- ❖ The proportion of health spending on local physicians declined by 13.3%
- ❖ Health spending as a percentage of Bermuda’s GDP decreased from 12.7% in FYE 2013 to 12.4% in FYE 2014
- ❖ The average expenditure as a share of GDP in countries of the Organization for Economic Co-operation and Development (OECD) was 8.9%
- ❖ Life expectancy in Bermuda is lower than in many OECD countries; countries such as Canada, United Kingdom, and Portugal have higher life expectancy despite spending less per capita than Bermuda

Mrs. Tawanna Wedderburn, Acting Chief Executive Officer of the Bermuda Health Council, commented: *“The Health Council is grateful for the public’s growing trust in Bermuda’s healthcare system. Efforts to earn this trust are reflected in the latest National Health Accounts Report showing Bermuda’s overseas care expenditures decreasing by \$5 million from last year. Domestic and overseas trends usually show that achieving healthcare cost containment is challenging. To achieve cost reduction is remarkable. This achievement also reflects the significant effort being made by health professionals, providers, and insurers as we collaborate with them to introduce improvements that can enhance patient care. Going forward, the Health Council remains committed to continuing along the path of achieving affordable quality healthcare for all Bermuda residents.”*

Dr. Ricky Brathwaite, Health Economist of the Bermuda Health Council, commented: *“The data contained in this report, and the stories the Council hears from the public on a daily basis, indicate that we as a population are extending our resources to utilize a health system that continues to evolve in regards to its effectiveness and efficiency. Lessons from FYE 2014 should include the concept that although we have seen decreases in the size of our healthcare spend;*

the goal of system sustainability will actually require aggregate investments in system modernisation and individual change. Only with investment in improving processes, technologies, and information will we be able to achieve long term savings, improvements in quality, and most importantly a healthier public.”

The 2015 National Health Accounts Report can be found on our website at www.bhec.bm under “BHeC Reports & Publications”; or you may contact BHeC for a copy at:

- ❖ Email: healthcouncil@bhec.bm
- ❖ Call: 292-6420

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About Bermuda Health Council

Established in January 2006, the Bermuda Health Council (BHeC) is tasked with regulating, coordinating and enhancing the provision of health services in Bermuda. Led by a board of 15 members representing a broad range of sectors in Bermuda’s community, and staffed by a team of committed professionals, the Bermuda Health Council works with health system stakeholders towards a sustainable healthcare system for the Island.