

## PRESS RELEASE

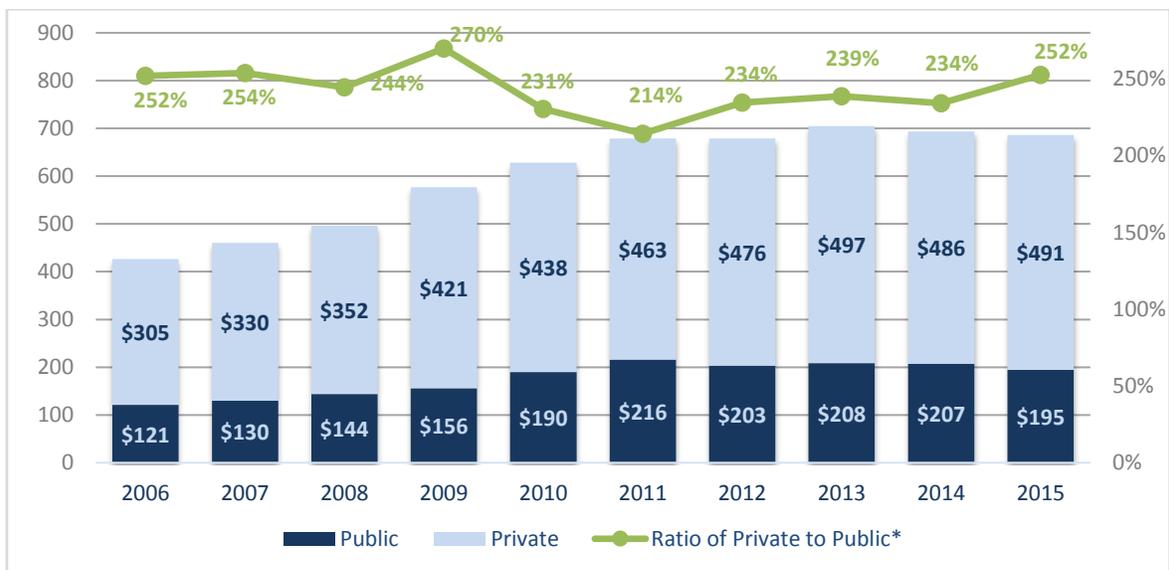
# Servicing Bermuda's debt depends on healthy people

(Hamilton, Bermuda 28<sup>th</sup> February 2017) – The Health Council announces release of its [2016 National Health Accounts Report](#). The report tracks how much money flows into the health system, and what it is used for. The report shows a marginal, year-on-year decrease in Total Health Expenditure (THE).

According to the World Health Organization (WHO), countries “cannot manage what they cannot measure”. The *2016 National Health Accounts Report* allows Bermuda to compare itself to other countries using a standard framework for tracking resources for health; we can learn from past expenditures, while exploring opportunities to improve the quality of health services and health outcomes.

The Report details health system costs for fiscal year ending 31<sup>st</sup> March 2015 (FYE 2015) and explains key changes over time. Of particular note, healthcare financing, allocated from taxes and duties, is a leading spend almost equal to servicing the country's fiscal debt. The current trend of allocating more than \$190M in government funds annually to healthcare within a small jurisdiction, is an area to monitor and review as a potential economic risk. Figure 1 shows the relative size of public financing (i.e. patient subsidies, grants, and public health promotion and services) and private financing (i.e. health insurance premiums, out-of-pocket payments, and charitable donations) over time, with private sector financing currently 2.5 times larger than public financing of health services.

Figure 1 – Public and private sector financing



**Dr. Ricky Brathwaite**, Director, Health Economics for the Bermuda Health Council, commented: “During FYE15, total healthcare spending declined, insurer spend on administering claims was reduced, and residents spent less money overseas. Despite this progress, healthcare spending, in the current economic environment, remains a significant risk. Unless we all make greater strides to reduce the risk factors for disease, increase wellness, and support mental well-being, we will not have the capacity to properly create conditions for entrepreneurship, innovation and leadership. Without that change, we cannot fully realize our extensive investment in health”.

The Report also highlights the following trends:

**Total Health Costs in FYE 2015** (Table A.5 (Annex) of the report)

- ❖ Bermuda’s total health spending was \$685.8 million, down 0.8% from \$693.1 million
- ❖ Health spending represents 11.6% of GDP, down from 12.2%
- ❖ Health expenditure per capita was \$11,102, down from \$11,188 the previous year

**Where did the money come from?** (Table A.1 of the report)

- ❖ 72% of financing was from the private sector (\$491.3 million)
- ❖ 28% of financing was from the public sector (\$194.6 million)
- ❖ Health insurance premiums accounted for 62% of financing sources (\$425.5 million)
- ❖ Individual out-of-pocket payments represented 8.9% of funding (\$60.8 million)
- ❖ Donations to non-profit organizations contributed <1% of health financing (\$5.0 million)

**How was the money spent?** (Table A.1 of the report)

- ❖ 50.2% of health spending was in the private sector (\$344.3 million)
- ❖ 49.8% of health spending was in the public sector (\$341.6 million)
- ❖ 43.9% of total health expenditure was for hospital-based care provided (\$301.4 million)
- ❖ Overseas Care accounted for 13% of total health expenditure (\$89.4 million)
- ❖ Private, local health providers accounted for 21.2% of total health expenditure (\$145.6 million)
- ❖ Prescription drugs represented 6.4% of total health spending (\$44.1 million)
- ❖ Health Insurance Administration accounted for 9.5% of total health expenditure (\$65.2 million)

The 2016 National Health Accounts Report can be found on our website at <http://www.bhec.bm/reports-studies/> or you may contact the Health Council for a copy at: [healthcouncil@bhec.bm](mailto:healthcouncil@bhec.bm) or call 292-6420.

---

**Media Contact:**

Jessica Steede [jesteede@bhec.bm](mailto:jesteede@bhec.bm)

Telephone: 292-6420

Email: [healthcouncil@bhec.bm](mailto:healthcouncil@bhec.bm)

***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.