Quality and Sustainability in Healthcare:
Bermuda Health Council

Strategic Plan 2009-2012

Bermuda Health Council
BHeC

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Strategic Plan 2009 - 2012

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If you would like any further information about the Bermuda Health Council, or if you would like to bring a healthcare matter to our attention, we look forward to hearing from you.

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Message from the Council

"Working together for a sustainable healthcare system"

Dear Reader,

The members of the Bermuda Health Council are delighted to bring to you, stakeholders and the public, our strategic plan for 2009 to 2012. This is our high-level roadmap for the next three years; it explains the context within which we function, and the priority areas we have identified for improving Bermuda's healthcare system.

As members of the Bermuda Health Council, we are committed to the Council's mandate to regulate, coordinate and enhance the delivery of health services in Bermuda. We are part of the Council because we care about the quality and cost of healthcare in our community. Collectively we wish to contribute to Bermuda's continued success on many aspects of healthcare delivery – such as the good standard of our population's health – and we also want to contribute to enhancing Bermuda's healthcare system so it may be equitable and sustainable in the long run.

Together, we bring a broad range of skills, knowledge and experience to the table, and we work diligently to ensure that the Council can be an effective steward of healthcare in our community.

With the publication of our strategic plan, we seek to convey greater accountability and objectivity in our functions. In addition, this is an open invitation to all stakeholders in Bermuda's healthcare system to join our effort to help create a better Bermuda for all her residents.

Ms. Linda Merritt, JP
Chairman

Dr. Ian Campbell
Dental Board
Deputy Chairman

Dr. Jennifer Attride-Stirling
Acting Chief Executive Officer

Dr. Gerard Bean
Optometrists and Opticians Council

Dr. John Cann
Ex-Officio, Chief Medical Officer

Ms. Shirlene Dill
Council for Allied Health Professionals

Ms. Holly Flook
Health Insurance Association Bermuda

Mr. David Hill
Bermuda Hospitals Board

Mr. Warren W. Jones
Ex-Officio, Permanent Secretary

Mr. Donald Scott
Ex-Officio, Financial Secretary

Mr. D. Mark Selley
Community Representative

Ms. Stephanie Simons
Pharmacy Council

Mrs. Sharon Swan
Bermuda Nurses Association

Introduction

"The Bermuda Health Council exists to enhance the quality of healthcare in our community."

The purpose of this strategic plan is to provide for our stakeholders a description of the goals the Bermuda Health Council (BHeC) intends to accomplish in the next three years. The strategy outlines our vision for the healthcare system and how we plan to achieve it.

The stategy describes who we are and the context within which we operate. It then sets out our strategic priorities for the period 2009 to 2012. The strategy has been produced in response to calls for greater transparency from our stakeholders[1].

The way in which we operate is largely determined by the legislation that established the BHeC, as well as the historical and current context of Bermuda's healthcare system.

From this perspective, it is noteworthy that as this document goes to press there are significant health sector reforms taking place, which will influence the healthcare environment and the legislative statutes determining our mandate.

Ultimately, the Bermuda Health Council exists to enhance the quality of healthcare in our community. Therefore it is important to be cognizant of the attributes of a quality health system: patient-centred, effective, accessible, safe, equitable, focused on population health, efficient, appropriately resourced, and integrated[2]. The extent to which a healthcare system achieves these qualities determines how good, fair and sustainable the system is.

The stakeholders in the healthcare system – the public, patients, providers, professionals, funders, and insurers – all contribute to the quality of the healthcare system, to its capacity and to its costs. The aim of the Bermuda Health Council is to bring together all these stakeholders to enable enhanced coordination of the overall health system.

Council members are committed to the agenda of partnership and collaboration. They bring diverse but complementary expertise and experience to ensure that, collectively, the BHeC works in the best interest of the healthcare system. The Bermuda community is our fundamental priority, and our ultimate goal is for a high-performing and sustainable healthcare system serving all Bermuda's residents.

Purpose of the BHeC

"To regulate, coordinate and enhance the delivery of health services"

The BHeC was established by the Bermuda Health Council Act 2004 to regulate, coordinate and enhance the delivery of health services.

The BHeC came into operation in 2006. Core activities since then have revolved around assuring public access to essential health services through requirements for minimum health insurance coverage, and enhancing the regulatory framework for healthcare locally. For details of the Council's achievements to date, please refer to the Annual Reports published on www.bhec.bm.

The vision of the Bermuda Health Council is "Working together for a sustainable healthcare system."

We work to achieve this by assuring that the healthcare system provides for equitable access to essential health services for all residents, delivers high-quality outcomes for the population, and does so in a sustainable manner. Equity and sustainability require efficient use of resources and cost-effective means of achieving quality standards. Therefore, we have a fundamental role in helping to curtail healthcare costs for the community.

In this context, the role of the BHeC is to bring together all the stakeholders in the healthcare system to improve coordination, enhance performance and increase efficiency. This enables the creation of a healthcare environment that meets the needs of the community and is accessible to all residents.

Indeed, residents – the patients, care givers and the public – are the core priority for the BHeC. They are the common denominator for all elements in the healthcare system and the key stakeholder whose interests are at the heart of the BHeC's mandate and vision.

Healthcare System Stakeholders

Structure and Resources of the BHeC

The BHeC is a Quasi-Autonomous Non-Governmental Organisation (QUANGO) Accordingly, we conduct our functions in collaboration with the Ministry of Health, but with the independence required to provide impartial advice and recommendations to the Government.

The BHeC has a council appointed by the Minister of Health, and a secretariat composed of employed staff. The council is made up of representatives from key healthcare stakeholders, whose divergent backgrounds and perspectives come together to work in the best interest of the healthcare system overall.

The structure of the Council aims to ensure that the perspectives of all relevant stakeholders are considered equally in determining policies and direction for the healthcare system, while balancing competing interests to ensure the best outcomes for residents.

The BHeC operates with an annual grant from the Ministry of Health (MOH) of approximately $1.3 million.

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Mrs. Sharon Swan
Bermuda Nurses Association

Not pictured: Ms. Shirlene Dill, Council for Allied Health Professionals

The Healthcare Environment

"Today, there are approximately 2,600 professionals and over 300 businesses delivering healthcare in Bermuda."

Structure

Bermuda's health system is made up of private and public sub-sectors, both of which play a significant role in providing and financing services.

Healthcare providers in the private sector deliver preventive and primary care to the public locally, as well as some secondary care. An example is the private healthcare professional, like doctors, pharmacists, dentists, etc., to whom the average person goes for regular screenings or when they are in need of treatment for a health condition. There are also private providers overseas with whom there are established relationships for delivery of some secondary and tertiary care.

The public sector, on the other hand, delivers population-based services including preventive and some primary care. Examples are child health and fluoride programmes delivered universally via schools and nursing programmes delivered to vulnerable populations in their homes. In addition, the public sector indirectly delivers most secondary and psychiatric care in Bermuda through the Bermuda Hospitals Board, which is a Government QUANGO.

Today, there are approximately 2,600 professionals and over 300 businesses delivering healthcare in Bermuda. Many of these are required by law to meet specific standards in order to operate (see current regulatory frameworks in Appendices 1&2).

Health systems around the world have long employed varying levels of *regulatory oversight* to ensure patient safety and professional accountability. In Bermuda, the seminal Oughton Report of 1996 established the need for a health council to oversee and coordinate healthcare, above and beyond the framework in existence at that time[3]. This laid the foundation on which the Bermuda Health Council was founded.

Financing

In Bermuda the costs of the health system are financed with private and public monies. Just over half of all financing is provided via private health insurance arrangements, while the Bermuda Government covers 30% of the health system costs. An additional 15% is paid by Bermuda households as out-of-pocket expenses (e.g. co-payment of visit to the doctor if covered by health insurance, full payment for a dental visit if not covered by insurance, payments for care of the elderly, etc.). Finally, Bermuda charities finance just under 5% of the costs of the health system.

Bermuda is unlike most high-income countries in the way it finances its health system. In an average country from the Organisation for Economic Cooperation and Development (OECD)*, public financing covers 72% of health system costs, and private financing represents 28%[4]. In Bermuda these proportions are reversed: 30% comes from the public sector (Government), and 70% of health system financing comes from the private sector (health insurance, out-of-pocket and charities)[5].

Basic health insurance is compulsory for employed persons and the cost is borne equally by employees and employers. In addition, there are Government subsidies available for vulnerable groups like the indigent and seniors, as well as universal health coverage for children and for young adults pursuing education. Over 85% of residents have comprehensive health insurance, while 9% have basic insurance and 4% have no insurance at all[6,7].

Bermuda's healthcare expenditure has been estimated at BDA $376.8 million per year, or BDA $5,944 per capita[8].

* *OECD countries were selected for comparison because they represent the most similar jurisdictions in terms of socio-economic status, healthcare investment and infrastructure.*

"Does the healthcare system provide value for money?"

Outcomes

Bermuda's population enjoys a good standard of health. With a life expectancy of 78 years[9], it ranks 31st in the world[10]. Bermuda also has very low rates of infant and maternal mortality, with a negligible number of cases annually, which place the island among the best-performing countries globally. These key population health outcomes are a testament to the high-level of performance of Bermuda's health system overall.

The most significant health problems in Bermuda are attributed to lifestyle conditions. In 2006, circulatory diseases (heart) and neoplasms (cancer) accounted for 65% of all deaths in Bermuda[11]; this is similar to other developed countries. However, in Bermuda 74% of the population is overweight or obese[12], making this the most important health problem in the population, due to its relationship to chronic non-communicable diseases like heart disease, diabetes and cancer[13].

These indicators help us to understand the effectiveness of the healthcare system. However, it is equally important to understand its efficiency: does the healthcare system provide value for money? That is, what outcomes is the health system achieving for the amount of money being spent on it? As there is no standard on what is appropriate, it is helpful to compare Bermuda to other jurisdictions.

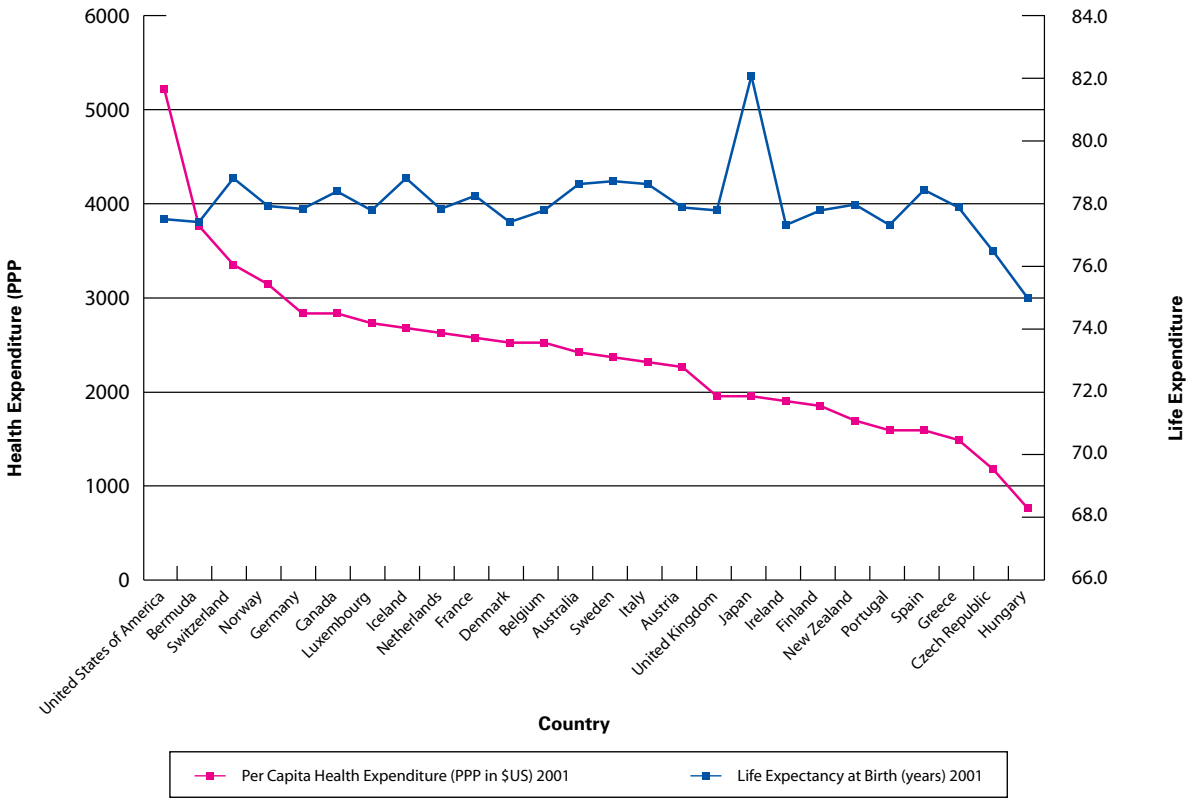
Graph 1 illustrates that Bermuda has the second most expensive healthcare system when compared to OECD countries; however, this level of expenditure is not borne out in health outcomes as measured by life expectancy. Other countries spend less and get more; for example, healthcare expenditure in Spain is less than half of Bermuda's, yet, on average, members of its population live two years longer than ours. (See Appendix 3 for data breakdown by country).

The significance of this information is in assessing both the efficiency of the healthcare system and the potential for sustainability.

The increases in healthcare expenditure, which characterise and concern health systems around the world, are as applicable in Bermuda. Indeed, healthcare reforms globally have been motivated by these concerns; and, as populations age and health technologies flourish, health systems everywhere struggle to maintain a standard of provision that is both satisfactory and equitable for their populations.

Bermuda must find ways to ensure improved efficiency in the healthcare system, so that high-quality healthcare can be provided equitably for all residents, in a sustainable manner.

Graph 1: Health Expenditure and Life Expectancy in OECD countries and Bermuda



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Strategic Goals for 2009 to 2012

Within the context outlined above, key priorities have been identified for the next three years. Our strategic goals are detailed below, with specific objectives provided for each, in order to assess our performance over time. To monitor progress, there will be a corporate plan published yearly, which will detail annual plans to address these objectives and evaluate our performance.

The fundamental values underpinning our strategic goals are quality, equity, efficacy and accountability. When these four core criteria are met by our healthcare system, we believe we will have achieved our vision of working together for a sustainable healthcare system.

Strategic Goal 1 - **Quality:**

To enhance the regulation of health services, insurers, professionals and prescription drugs, in order to assure quality and patient safety

Regulation will be undertaken in close collaboration with professional associations, boards and councils, as well as the Ministry of Health. A shared agenda and agreed standards will create the best safeguards for patient safety and promote quality improvement in healthcare services.

Quality Objectives

1.1 Collaborate with the Ministry of Health to enhance the regulatory framework for healthcare professionals, businesses and insurers
1.2 Develop and implement an impartial and effective system to oversee and monitor compliance with established regulations for healthcare professionals and businesses
1.3 Develop mechanisms to monitor and report on the quality of healthcare provision
1.4 Establish mechanisms to monitor utilization and expenditure on prescription drugs

Strategic Goal 2 **Equity:**

To enhance coordination of health services to assure equitable access to essential healthcare for all residents

Essential health services refer to the minimum insurance requirements as defined by the Standard Hospital Benefit. The Bermuda Health Council's role in determining those services under the Health Insurance Act 1970, should serve to ensure that all residents have a minimum level of healthcare coverage.

Equity Objectives

2.1 Enhance the process to determine essential healthcare services
2.2 Enhance processes to assure equitable access to essential healthcare services
2.3 Develop and implement methods to monitor and report population health outcomes and inequalities
2.4 Establish mechanisms to enhance equity in access to appropriate prescription drugs

Strategic Goal 3 - **Efficacy**

To promote healthcare developments in service provision and insurance that will enhance the financial sustainability of the healthcare system

The rise in healthcare costs must be appropriately managed for the benefit of all stakeholders. Opportunities for increased efficiency will be identified and exploited to promote sustainability in the healthcare system.

Efficacy Objectives

3.1 Enhance the process to conduct the annual actuarial review of standard hospital benefits, the mutual reinsurance fund and the health insurance plan

3.2 Enhance mechanisms to promote cost-containment measures across the healthcare system, including prescription drugs

3.3 Develop clear and transparent procedures to establish fees for regulated services

3.4 Develop and implement methods to monitor and report on health system expenditure and financing

Strategic Goal 4 **Accountability:**

To ensure all of our functions are conducted in an impartial manner

Stakeholders want to know what we do and how decisions are reached. Our credibility as a watchdog demands that our processes are impartial and clearly communicated.

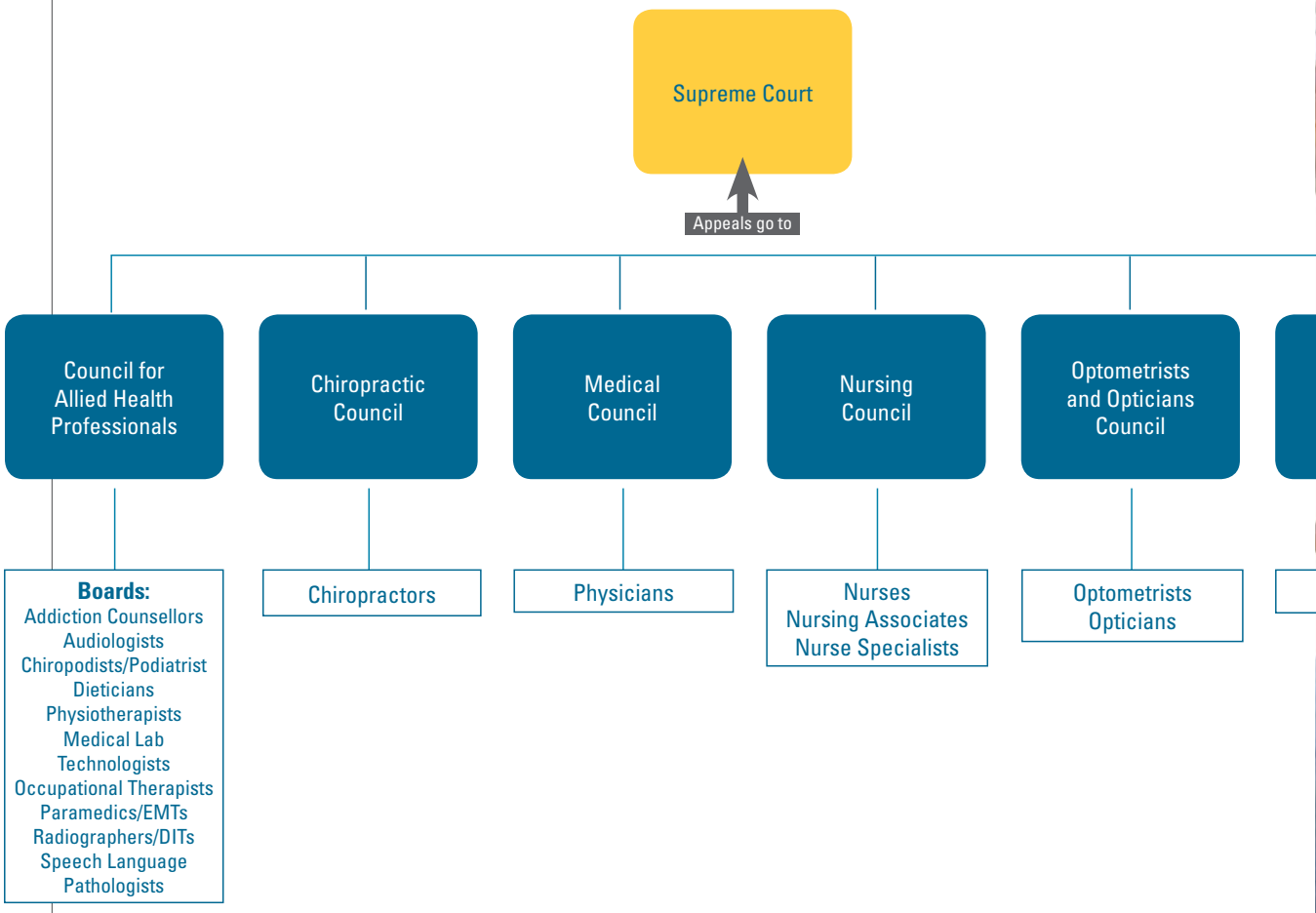
Accountability Objectives

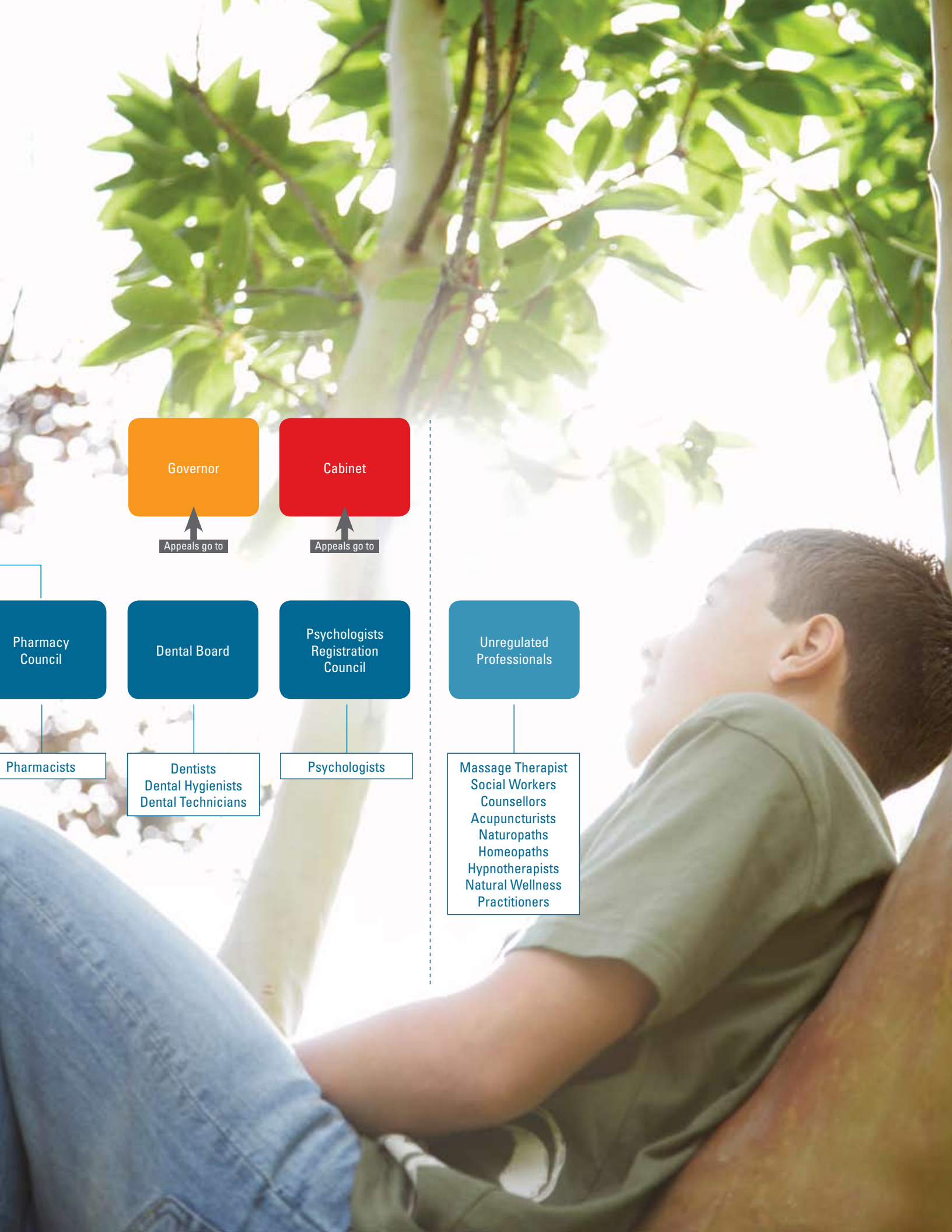
4.1 Develop and implement mechanisms to ensure that operational decisions are based on objective criteria

4.2 Enhance mechanisms to communicate with stakeholders and keep the public abreast of developments in the healthcare sector

"The fundamental values underpinning our strategic goals are quality, equity, efficacy and accountability"

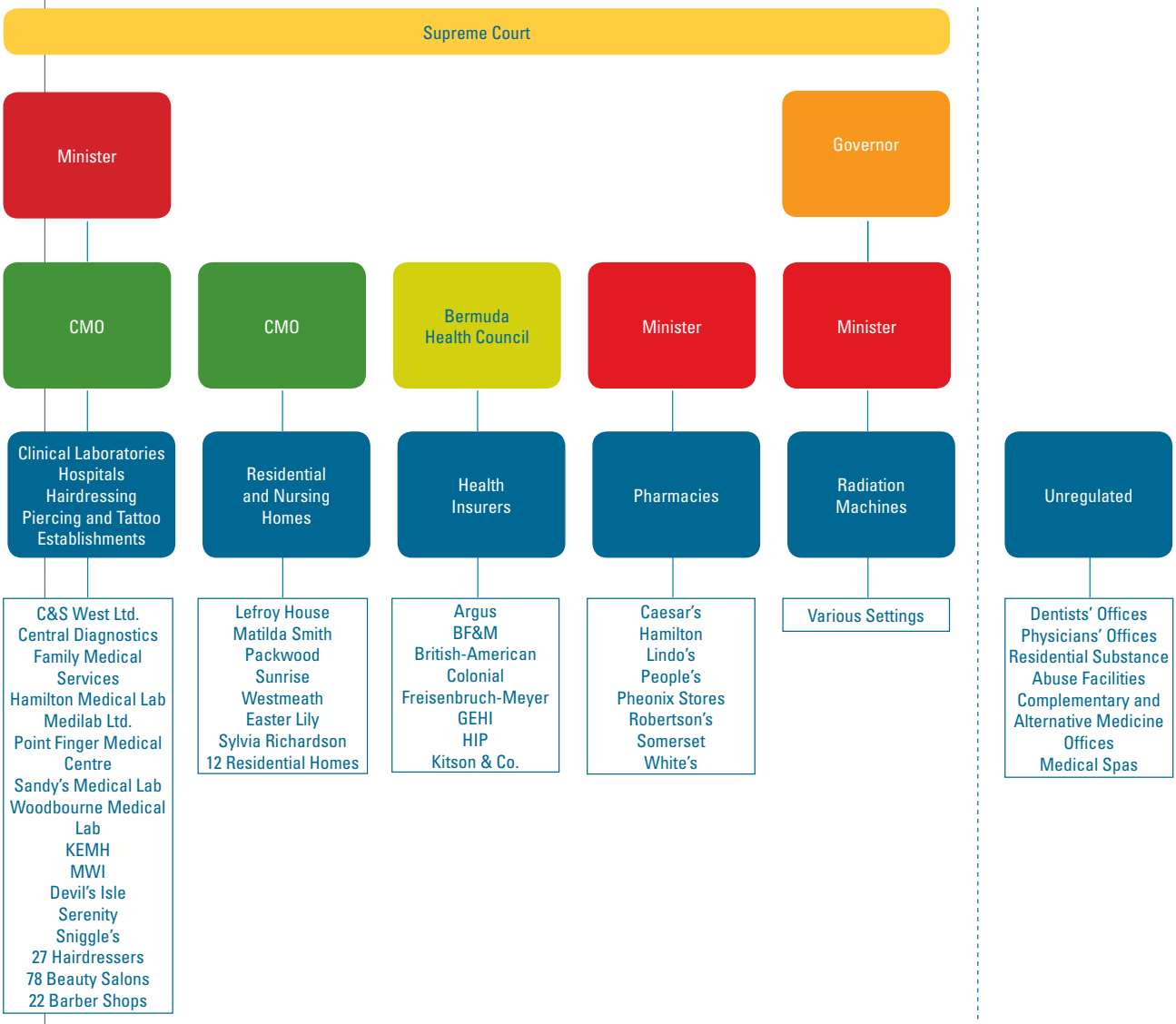
APPENDIX 1: Current (2009) Regulatory Framework for Healthcare Professionals




Governor
Cabinet
Appeals go to
Appeals go to
Pharmacy Council
Dental Board
Psychologists Registration Council
Unregulated Professionals
Pharmacists
Dentists
Dental Hygienists
Dental Technicians
Psychologists
Massage Therapist
Social Workers
Counsellors
Acupuncturists
Naturopaths
Homeopaths
Hypnotherapists
Natural Wellness Practitioners


TAKE WITH
FOOD OR MILK

APPENDIX 2: Current (2009) Regulatory Framework for Healthcare Businesses



APPENDIX 3: Health expenditure and life expectancy

Health expenditure in ppp US$ vs health outcomes as measured by life expectancy for OECD Countries and Bermuda (2001)

	Per Capita Health Expenditure (PPP in $US)	**Life Expectancy at Birth** (years)
United States of America	4,987	77.1
Bermuda	3,581	77.0
Switzerland	3,248	80.2
Norway	3,012	78.9
Germany	2,808	78.4
Canada	2,792	79.6
Luxembourg	2,719	78.0
Iceland	2,643	80.2
Netherlands	2,626	78.3
France	2,561	79.2
Denmark	2,503	77.0
Belgium	2,490	78.1
Australia	2,350	79.7
Sweden	2,270	79.9
Italy	2,212	79.8
Austria	2,191	78.6
United Kingdom	1,992	78.1
Japan	1,984	81.5
Ireland	1,936	77.1
Finland	1,841	78.1
New Zealand	1,733	78.7
Portugal	1,613	76.9
Spain	1,600	79.5
Greece	1,511	78.5
Czech Republic	1,106	75.3
Hungary	911	72.3

NOTE 1: PPP stands for purchasing power parity; it is a conversion method that enables comparison of goods in different countries to be compared to each other by converting the currencies to an equal standard. For this reason, although Bermuda spends BDA$5,944 per capita on health; applying purchasing power parity, this is represented as PPP US$3,581.

NOTE 2: This list excludes Korea, Mexico, Poland, Slovak Republic & Turkey because per capita expenditure in ppp was not available for these OECD countries.

Source: Original table compiled with information from OECD, PAHO and Ramella (2005)
1. http://stats.oecd.org/WBOS/index.aspx
2. http://www.paho.org/English/SHA/coredata/tabulator/newTabulator.htm

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