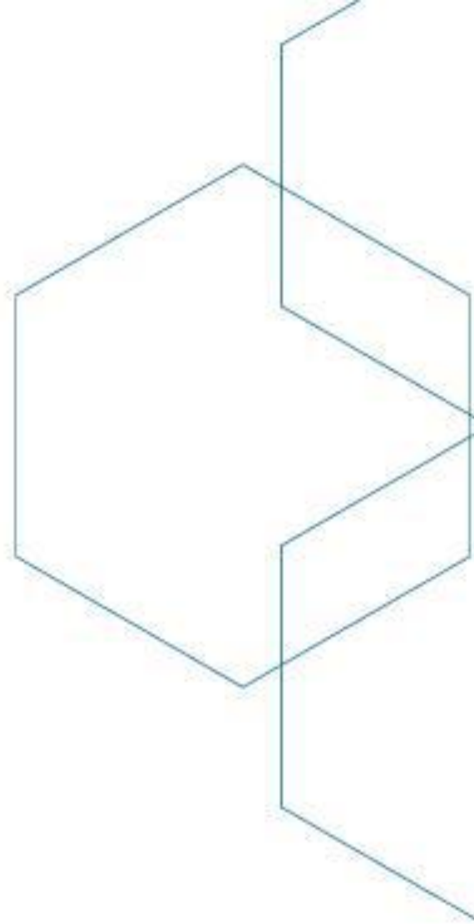

STANDARD HEALTH BENEFIT PROPOSAL GUIDE

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1.0 Purpose

1.1 The purpose of this document is to provide guidance on (1) the application process for addition of benefits to Standard Health Benefit (SHB), and (2) the application process for approving health professionals or health facilities to provide existing benefits as SHB.

2.0 Definitions

- **Bermuda Health Council (Council or Board)**: Four ex-officio members and between 9 and 11 ordinary members appointed by the Minister to facilitate the Health Council's mandate in accordance with the *Bermuda Health Council Act 2004.*
- **Minister:** Refers to the Minister responsible for Health.
- **Mutual Re-insurance Fund (MRF)**: A fund into which every licensed insurer and approved scheme pays a prescribed amount as part of the Standard Premium Rate, for each insured person (Section 3A (1) of the Health Insurance Act 1970).

  Each year, a set of health benefits are approved to be paid for using the funds collected through this MRF transfer (Section 3A (2E) of the Health Insurance Act 1970). For fiscal year ending 2018, the MRF covers dialysis, kidney transplants, anti-rejection drugs, and artificial limbs and appliances.
- **Secretariat:** Health Council staff that carry out the day-to-day functions and operations as directed by the CEO.
- **Standard Health Benefit (SHB):** The package of insurance benefits included in all health insurance policies sold in Bermuda.
- **Standard Premium Rate (SPR):** The monthly premium (or cost) of SHB and MRF combined.

3.0 Legislative Authority

Based on provisions within the Health Insurance Act 1970 including its Regulations and the Bermuda Health Council Act 2004, the Health Council has legislative authority to:

- Approve health services providers to deliver services that are included as SHB
- Determine the specific health services that will be included as SHB
- Recommend reimbursement rates in respect of included health services
- Recommend the cost of the package of health benefits (Standard Premium Rate)

4.0 SHB Review Committee (SRC)

4.1. **COMMITTEE STRUCTURE**: SRC is a sub-committee of the Health Council, governed by the Health Council's Governance Policy. Members include representatives from the Board responsible for finance and economics, and subject matter experts invited to participate in the process based on the nature of the services proposed in the applications received.

4.2. **PURPOSE:** The SRC reviews all applications and gives "in principle" approvals, recommending benefits to be priced by actuaries during the annual SPR setting process. Based on this actuarial review the

Secretariat forwards recommendations for benefit inclusions to the Health Council's Board, who then approves a set of benefits to be forwarded to the Minister for approval.

4.3. **CONFIDENTIALITY**: SRC members sign a Confidentiality Agreement stating that they shall not engage in private discussion of or otherwise use or disclose to any third party, any confidential information pertaining to Council business, and that they shall refrain from using any information gleaned for their own benefit or for that of any third party. SHB applications are reviewed blindly to ensure added protection for applications.

4.4. **CONFLICT OF INTEREST:** SRC members are required to declare their conflicts of interest on any SHB proposal applications. Where a conflict is established, individuals will be excluded from all discussions or voting for the relevant meetings.

4.5. **COMMUNICATION:** The SRC Secretary is responsible for receiving applications, recording all committee discussions and decisions, collating results of committee discussions and providing committee decisions in writing to applicants.

5.0 Health Technology Review Committee (HTRC)

5.1. **COMMITTEE STRUCTURE:** HTRC is an ad hoc committee where subject matter experts are invited by the Secretariat, to participate in a health system capacity review of proposed health services. The committee members are governed by the Health Council's Governance Policy.

5.2. **PURPOSE:** The HTRC reviews all applications for new benefits and high cost benefits and gives input on system capacity for the proposed benefits.

5.3. **CONFIDENTIALITY:** HTRC members sign a Confidentiality Agreement stating that they shall not engage in private discussion of or otherwise use or disclose to any third party, any confidential information pertaining to Council business, and that they shall refrain from using any information gleaned for their own benefit or for that of any third party. All applications are reviewed blindly to ensure added protection for applicants.

5.4. **CONFLICT OF INTEREST:** HTRC members are required to declare their conflicts of interest on all SHB proposal applications. Where a conflict is established, individuals will be excluded from the relevant committee.

5.5. **COMMUNICATION:** The HTRC Secretary is responsible for receiving applications, recording all committee discussions and decisions, collating results of committee discussions and providing committee decisions in writing to the SRC.

6.0 Background

6.1 SHB forms the base of all health insurance packages provided by local insurers and approved schemes. As an essential benefits package, employers are mandated to provide it to their employees, and

insurers are obligated to reimburse for the benefits which are included[1]. Individuals eligible for subsidy have a percentage of this benefit paid by Government as prescribed by the SHB Regulations[2]. For partially subsidized individuals, services will be reimbursed at the subsidized percentage only[2] and if the individual is insured, their supplemental insurance will cover the remaining percentage of the SHB approved reimbursement rate. Non-subsidized individuals' coverage is paid for as part of their total monthly insurance premium.

6.2 As the base insurance package, SHB has three main goals:

6.2.1 **Access** - SHB should include a set of benefits that ensures an individual has access to essential health services and procedures. There are no exclusions for coverage with this set of benefits as the aim is to provide care to all individuals, regardless of their health status. There is further opportunity for providers to increase access by helping patients gain entry to the system at times which help them achieve the best health outcomes.

6.2.2 **Affordability** - The benefits included in this package are priced based on a community rating process. The benchmarked utilisation costs of a benefit are divided by the total insured population which reduces the cost per person. For example, if utilisation of a benefit is estimated at $500,000 for the total insured population of 50,000 people, that cost is divided by the total number of insured people for an individual cost of $10 per person per annum. If utilisation of a benefit is estimated at $1,000,000 for the same population, the cost per person would be $20 per annum. The community rating provides a large pool of funds to cover the cost of utilisation across the insured population. The more expensive the benefits or the greater the utilisation of benefits, the higher the cost per person.

6.2.3 **Quality** - SHB should be delivered by trained health professionals using safe equipment in quality health facilities. The quality of the care provided should not be compromised. Training and implementation of guidelines and/or standards in the service provision as outlined by health professional bodies can help to demonstrate quality care delivery. Applicants can voluntarily apply for approval to be reimbursed for SHB services if they provide information about the provision of these services and meet a set of requirements. Approvals are granted on an annual basis and all providers must reapply annually.

Based on an ongoing review process and actuarial modelling, reimbursement rates for select approved SHB services are determined by the Health Council (home medical services); some services have fees which are approved by the Minister (such as for select hospital based services). The Health Council may also require applicants to provide data and returns in an effort to ensure that goals are achieved.

7.0 Application Process

7.1 **TYPES OF APPROVALS***:*

[1] Health Insurance Act 1970

[2] Health Insurance (Standard Health Benefit) Regulations 1971

a. *Approval to provide an existing benefit:* During the annual review of SHB, benefits may be added or removed as we aim to ensure inclusion of only the most cost-effective and clinically proven essential services. Appropriately trained health professionals or health facilities can apply to provide one or more of the existing benefits.

b. *Approval to add a new benefit***:** Appropriately trained health professionals or health facilities may submit an application and supporting documentation for a new benefit to be considered for addition to SHB and for the applicant to be approved to provide the proposed benefit.

7.2 APPLICATION REQUIREMENTS:

a. The following must be submitted for **both** types of approvals listed in 7.1.

☐ Active Health Service Provider Registration with the Health Council (registration form must be completed in full and information up-to-date) (Link)

Note: The following will be verified based on the information provided in your health service provider registration application.

- Active health service provider registration with the Health Council
- Applicant should be legally eligible to work in Bermuda
- Current compliance with all legal requirements for a business operating in Bermuda (up-to-date social insurance, health insurance, payroll tax payments, contributory pension etc)
- Compliance with any regulatory obligations set by the Government of Bermuda, Ministry of Finance and the Ministry of Health
- Active and unconditional professional registration with the relevant statutory body and full compliance with relevant Standards of Practice for all health professionals providing the proposed benefit

☐ Completed SHB Approval Application Form (Link)

Note: For the application for *approval to provide an existing benefit*, applicants will be asked to provide information about the following:

- Facility's suitability to provide the benefit
- A description of the quality controls in place for provision of the benefit and how services are more accessible to the target population.
- Indicators that demonstrate how the service has increased accessibility and quality care for patients.
- Whether the applicant currently provides the benefit, presumably being reimbursed through supplemental insurance coverage or patients' out-of-pocket payments
- The need for additional providers to be approved to provide this benefit

Note: For the application for *approval to add a new benefit*, applicants will be asked to provide information about the following:

- Clinical need and cost-effectiveness of the proposed benefit
- Whether the applicant currently provides the benefit, presumably being reimbursed through supplemental insurance coverage or patients' out-of-pocket payments
- Costs associated with providing the benefit (salary, materials, equipment etc) and frequency of payments (one time, annually, monthly etc)
- How approving the proposed service reduces health system cost. Also include proposed quality

assurances and ways the provider will increase access to the provision benefit
- How the proposed benefit targets a specific condition and the risk to patients if untreated
- Indication and support for whether the proposed benefit reduces the need for overseas care
- Facility's suitability to provide the benefit
- Target population and projected change in target population over time

☐ Completed Police Vetting Form. This is to be completed by all employees of a Home Medical Service applicant to provide a level of assurance. Ensure personnel have no record on the Child Abuse or Senior Abuse register. (Appendix 1) (Link).

7.3 BENEFIT EXCLUSIONS

As SHB aims to ensure access to essential services only, certain benefits will **not** be considered. These benefits include the following:

- High cost services when alternative clinically-proven and more cost-effective options are available
- Cosmetic treatment except for reconstruction post trauma or secondary to genetic conditions
- Unapproved experimental treatment
- Treatment of medically futile cases
- Gender change operations
- In vitro fertilization

8.0 Application Review Process

8.1. Application must be made prior to July of each year for consideration of approval for 1st April of the following year (i.e. completed applications and all accompanying documentation must be submitted by 1st July 2018 to be considered for addition to SHB for 1st April 2019)

8.2. Applications may be considered mid-year if there is documented evidence that they (1) will not have a negative impact on the cost of SHB (Standard Premium Rate (SPR)) loss ratios, (2) will reduce cost to the system and (3) will not impact utilisation of SHB.

8.3. The application review process and timeline are as follows:

	Step	Completed By
a.	Applications are received and reviewed for completeness (incomplete applications will not be considered)	15th July
b.	*HTRs will be conducted for new services, technologies or potential risks to the health system.* HTRC will blindly review applications and assess the system capacity for the proposed benefit. HTRC's written recommendation will be forwarded to SRC for review. Some	31st August
c.	SRC will blindly assess all applications, applying the APEX methodology (Appendix 3 and Appendix 4). Based on objective evaluation and any HTRC assessments, the committee will determine, "in principle" which proposed benefits and provider approvals will be sent for actuarial pricing.	15th September
	Applicants will be notified of their application status at this stage.	

d.	Following the actuarial review, the SRC will agree to forward options for new benefit approvals to the Minister including the recommendation for, and individual benefit impact to the SPR. OR Following the actuarial review, the SRC will agree on which providers to approve for provision of (an) existing benefit(s).	31st October
	Applicants will be notified of their application status at this stage.	
e.	Benefit changes and the SPR is approved by the Minister; insurers are advised of changes to SHB and the list of approved providers.	31st December
f.	SPR changes are approved by the Legislature	31st March
g.	SHB Fee Schedules are updated to reflect change in benefits and approved providers.	1st April

8.4. An application can be denied at any stage in the process. Explanation of the denial will be provided in writing by the SRC to the applicant and any grievances can be handled through an appeals process (see 9.0)

9.0 Appeal Process

9.1. Applicants may appeal a decision directly to the CEO of the Health Council in writing within twenty-one (21) working days from the date that the decision was written by the SRC to the applicant. Grounds for the appeal, submission procedures and information about the appeals process are outlined in the Health Council's Appeals Policy (Link). It can also be found on our website or obtained by emailing healthcouncil@bhec.bm.

Appendix 1: Sample of Police Vetting Form (to be completed by ALL applicants)

GOVERNMENT OF BERMUDA

SECURITY VETTING REQUEST FORM

This form is to be completed by all BERMUDIAN and NON-BERMUDIAN applicants and consultants (PLEASE PRINT)

Post applied for: ____________________

Mr. ☐ **Mrs.** ☐ **Miss** ☐

Full name: ____________________

Name at birth: ____________________

If applicable, date of name change: ____________________

Date of Birth: ____________________

Place of Birth: ____________________

Nationality at Birth: ____________________ **Present Nationality:** ____________________

Social Insurance / Security Number: ____________________

Passport Number: ____________________

Present Home Address:

____

____

____

Present Telephone Number: ____________________

Home Addresses over the last ten (10) years:

____

____

____

____

Present Employer: ____________________

Name: ____________________

Address: ____________________

Department of Human Resources
03-Jun-2009

Appendix 2: SHB Assessment Guiding Principle

The following guiding principles are used to assess SHB proposal applications, and the merit of adding proposed benefits to SHB and Bermuda's health system.

Criteria for a proposed benefit to be eligible for consideration as SHB

a) Medically necessary
b) Clinically appropriate (screening and assessment)
c) Medically proven as effective
d) Focused on primary and secondary prevention
e) Enabling of early intervention
f) Cost-effective
g) Delivered in the most cost-effective setting

Medical Necessity Definition (AMA)

Any healthcare services or products that a prudent physician would provide to a patient for the purpose of preventing, diagnosing, or treating an illness, injury, disease or its symptoms in a manner that is: (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate in terms of type, frequency, extent, site and duration; and (c) not primarily for the convenience of the patient, physician, or other health care provider.

Exclusion

Benefit limits impact access to healthcare but are necessary to ensure coverage for essential services. In this context, the following exclusions are generally accepted:

a) Cosmetic treatment except for reconstruction post trauma or secondary to genetic conditions
b) Unapproved experimental treatment
c) Treatment of medically futile cases
d) In vitro fertilization
e) Gender change operations
f) High cost diagnostic services when alternative clinically-proven means to diagnose are available
g) Chronic long-term care

Assessment Questions

For the application for *<u>approval to provide an existing benefit</u>*, applicants will be asked to provide information about the following:

- Facility's suitability to provide the benefit
- The quality controls in place for provision of the benefit
- Whether the applicant currently provides the benefit, presumably being reimbursed through supplemental insurance coverage or patients' out-of-pocket payments
- The need for additional providers to be approved to provide this benefit

For the application for *<u>approval to add a new benefit</u>*, applicants will be asked to provide information about the following:

- Clinical need and cost-effectiveness of the proposed benefit
- Whether the applicant currently provides the benefit, presumably being reimbursed through supplemental insurance coverage or patients' out-of-pocket payments
- Costs associated with providing the benefit (salary, materials, equipment etc) and frequency of payments (one time, annually, monthly etc)
- How approving the proposed service reduces health system cost without jeopardizing quality of care
- How the proposed benefit targets a specific condition and the risk to patients if untreated
- Indication and support for whether the proposed benefit reduces the need for overseas care
- Facility's suitability to provide the benefit
- Target population and projected change in target population over time

Appendix 3: SHB Assessment Scoring Instructions

1. Rate each SHB proposal on the following criteria:
   - Size of the risk to patient health (A)
   - Importance of the health problem to the community (B)
   - Effectiveness of the intervention presented by the proposal (C)

   The last two columns will be calculated by the Health Council Secretariat – i.e. the Priority Scores (D) and the Rank (E) – but you may calculate them for yourself if you wish.

2. Use the following definitions to score criteria A, B & C:

   (A) **<u>The size of the risk to patient health if the condition is not treated</u>**: rate the extent to which the <u>absence</u> of the proposed intervention will result in risk to patient health, as follows:

Risk to patient health without treatment	Size rating
Very high risk	9 – 10
High risk	6 – 8
Moderate risk	3 – 5
Low risk	0 – 2

   (B) **<u>The importance of the health problem to the community</u>**: rate the extent to which the health problem is of importance to the Bermuda community, e.g. urgency, public concern, severity, actual or potential economic loss associated, actual or potential impact on others in the community. Use the following criteria:

Importance of health problem	Seriousness rating
Very serious	9 – 10
Serious	6 – 8
Moderately	3 – 5
Not serious	0 – 2

   (C) **<u>The effectiveness of the intervention presented by the proposal</u>**: rate the evidence-base about the intervention's effectiveness for the patient and long term value-for- money to the health system. For example:

Effectiveness of proposed interventions		Effectiveness rating
Very effective (e.g. vaccine)	80% to 100% effective	9 – 10
Relatively effective	60% to 80% effective	7 – 8
Effective	40% to 60% effective	5 – 6
Moderately effective	20% to 40% effective	3 – 4
Relatively ineffective	5% to 20% effective	1 – 2
Almost entirely ineffective	Less than 5% effective	0

3. Return your form electronically to the Committee Secretary by the agreed deadline.

Appendix 4: SHB Assessment Scoring Sheet

The scoring sheet was developed by the Health Council to review SHB proposals objectively. The scoring sheet has been adapted from the Assessment Protocol for Excellence in Public Health (APEX) method. The method enables the user to treat all health issues similarly. APEX is an established tool that provides a fair, reasonable and easy to use process to weigh-up health problems against each other. It was designed to help communities establish priorities among health problems, providing an objective mechanism to ensure that all problems are addressed in the same way. The tool is a modification of a method developed by J. J. Hanlon in 1954ii, iii. The method involves scoring each health problem on the criteria: (1) Size, (2) Seriousness, (3) Effectiveness of available interventions, (4) Test for Propriety, Economics, Acceptability, Resources and Legality, and (5) Calculation of Priority Scores based on an algorithm that gives greater weighting to the Seriousness and Effectiveness scores. The method was adapted for the review of SHB proposals.

Each SHB proposal is rated on the following criteria:

- Size of the risk to patient health if the condition is not treated (A)
- Importance of the health problem to the community (B)
- Effectiveness of the intervention presented by the proposal (C)

SHB Proposal	Reviewer's Assumptions	A Risk Size	B Importance of problem	C Effectiveness of interventions	D Priority Score (A + 2B) C	E Rank
1.						
2.						
3.						
4.						
5.						