



GOVERNMENT OF BERMUDA

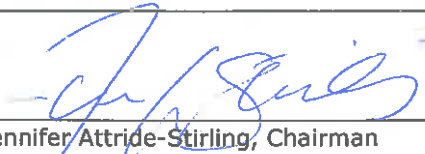
Ministry of Health

Health Insurance Department

Health Insurance Committee Meeting Minutes

Meeting Date:	27 th September 2018	Time:	2:00pm – 4:00pm
Location:	Health Insurance Department Board Room	Note Taker:	Laquita Burrows
Attendees:	PS Jennifer Attride-Stirling (Chairman), Laquita Burrows, Shivon Washington, Holly Diatelevi, Pandora Glasford, Dr. Cheryl Peek-Ball, Tawanna Wedderburn, Roxanne Eve, Eleanor Furtado, Diana Liacos, Jaime Cook		
Apologies:	Stephen Gift, Dr. Michael Ashton, Dr. Louise White		
Topics	Highlights		
1. Opening	1.1 The Chair called the meeting to order at 2:03pm.		
2. Minutes	2.1 26 th July 2018 and 7 th September 2018 minutes were approved as circulated and signed. 2.2 Action Items were reviewed and updated per below.		
3. Financial / Governance	<p>3.1 Subsidy / HIP / FCF Review – There is a total subsidy budget of \$105.7M for the fiscal year. At June 2018 all subsidy claims for the three months April to June had been submitted. Claims incurred totalled \$28.9M with \$27.6M approved for payment, resulting \$1.2M over budget for the quarter. At year end there is an anticipated short fall of 5% or \$4.9M. HIP and FC approved \$5.4M and \$7.7M claims respectively for payment. Total expenses were HIP \$6.5M and FC \$9.0M with premiums received of \$3.9M HIP and \$6.1M FC. The total combined net impact was \$4.5M for a combined loss ratio of 75%. MRF experienced a net loss of \$643K with loss ratios of 111%. Annualized MRF combined loss ratio is 85% as a result of anticipated prescribed sum changes effective 1 July 2018.</p> <p>3.2 Funds’ Performance – Quarter ended June 2018 – The Funds are paying more claims than collecting premium which affects the plan profitability. Loss ratios reflect average losses with the FA cohort still the super users. Supplemental benefits loss ratios reflect the HIP FA cohort averaging 7.79 as more claims are paid. The MRF Prescribed Sum increases at 1st July to \$101.97 for an estimated total collection for the fiscal year of \$57.5M. The FC headcount is up 2.3% while HIP is down 2.4%.</p> <p>3.3 Cash Flow Projections for HIP & FutureCare – Despite claims outstripping premiums, overall premium collection is up 1% and claims expense is down 5%. Combined with the supporting capital and funds transfers, this resulted in a positive cash flow at the end of the period and the same is expected for fiscal year end.</p>		
4. Plan Design	<p>4.1 HID’s Preferred Provider Network – The HID Clinical Care Manager presented the HIC with a proposed facility listing (categorized in green, yellow and red) to update the current preferred provider network to be in alignment with HID’s contracted cost containment vendor. The HIC was also asked to consider increasing the current price disincentive for overseas care at an out of network facility. Common industry practice provides either very limited coverage for out of network usage or no cover at all. The HIC considered the following recommendations:</p> <ol style="list-style-type: none"> 1. Approve Annex 1, the proposed listing of preferred provider facilities for overseas care. 2. Consider increasing the percentage disincentive for ‘out of preferred network’ coverage. 		

	The HIC voted: Green (in network) – unanimously approved by HIC; Yellow (out of network) – increase disincentive to 20% and request vendor to re-approach facilities to move them into the green category; Red (out of network) – no coverage and no payment by the plans.	
5. Appeals / Policy Decisions	<p>5.1 Policyholder appeal: Case review for coverage exception – The HIC reviewed a request for an exception to the 75% overseas coverage benefit for a FutureCare policyholder who required emergency care while overseas, that resulted in the rental of a Life Vest for life sustaining care until surgery for a pacemaker/defibrillator can be safely performed. Provision of the Life Vest was required for discharge; otherwise policyholder would need to stay in hospital until surgery. The cost of the Life Vest rental is \$3,750 per month, or \$11,250 which is significantly less than 3 months of hospital room charges (approx. \$1,000 daily). HID’s Nursing and Finance Teams recommended an exception to cover the medical device at 100%, given the medical benefits to the patient and the financial benefit to the Fund, as it achieves significant savings by avoiding prolonged hospitalization in this case. The HIC acknowledged this was lifesaving treatment and best practices. Coverage was approved unanimously under supplemental benefits.</p> <p>5.2 Provider appeal: Haemodialysis Claim Payment Exception – The HIC reviewed appeal from an approved haemodialysis provider requesting an exception for MRF claim payments exceeding the legislated \$12,532 per month for haemodialysis treatment due to a medically necessary session occurring during a month exceeding 4 weeks. The HIC noted there will be instances, depending on the length of the month, when the legislated monthly maximum amount will be exceeded, resulting in-HID denials. Conversely, there will be some months where the maximum amount is not reached. Following discussion one member abstained from voting and the remainder voted in favour, resulting in the following HIC approvals:</p> <ol style="list-style-type: none"> 1. Payment to the provider of \$964 which is in excess of the legislated monthly maximum as the treatments were medically necessary and the annualized maximum will not be exceeded. 2. Legislation should be amended to correct the anomaly caused on “long months” by the monthly maximum. 3. The same procedure for payment should apply to all “long months” going forward to obviate the need for appeals. <p>5.3 Policy Decisions – None</p>	
6. Any Other Business	<p>6.1 Any Other Business</p> <ul style="list-style-type: none"> • MRF Audit Concerns – The HIC briefly discussed a suggestion to consider shifting the Prescribed Sum calculation from a headcount base to a percentage of premiums. The Chair requested the Health Council work with HID to provide the HIC with a combined brief, including insurer’s feedback, at the October meeting. Viability and pros and cons of the suggested approach to be distributed to the HIC prior to the meeting. • HID’s 2017-2018 Year End Review was distributed to the HIC. <p>Meeting adjourned at 3:57pm. Next HIC meeting scheduled for October 25th 2018 at 2:00pm.</p>	
Action Items		
Action Items	Person Responsible	Target Date
1. HID and Health Council to prepare combined brief for the HIC including insurer’s feedback on calculating MRF Prescribed Sum as a percentage of premiums.	HID Director / Health Council CEO	October 2018

Signed: 
 Jennifer Attridge-Stirling, Chairman

25th October 2018
 Date

Signed: 
 Laquita Burrows, HID Director

25th October 2018
 Date