



GOVERNMENT OF BERMUDA

Ministry of Health

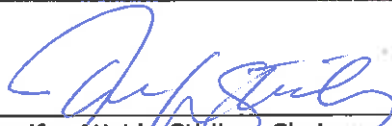
Health Insurance Department

Health Insurance Committee Meeting Minutes

Meeting Date:	7 th September 2018	Time:	2:00pm – 3:30pm
Location:	Health Insurance Department Board Room	Note Taker:	Laquita Burrows
Attendees:	PS Jennifer Attride-Stirling (Chair), Laquita Burrows, Stephen Gift, Dr. Cheryl Peek-Ball, Dr. Michael Ashton, Holly Diatelevis, Ricky Braithwaite, Roxanne Eve, Eleanor Furtado		
Apologies:	Dr. Louise White, Tawanna Wedderburn, Shivon Washington, Pandora Glasford		
Topics	Highlights		
1. Opening	1.1 The Chair called the meeting to order at 2:01pm.		
2. Overview	2.1 The Chair turned the meeting over to HID’s Finance Team to present the 2015-2016 Draft Audited Financial Statements for all three Funds. HID’s audit history has involved denials from 2010-2014 due to deficiencies on both revenues and expenses. 2015 was the first Qualified Opinion for all three Funds. HIC noted that by industry standards, five years is not a long time to correct processes and financials of previous years, as well as maintain the current year operations. The team is preparing the 2016-2017 financials for inspection by the OAG by 31 st October 2018. The 2017-2018 year will be ready for inspection at 31 st March 2019.		
3. Review of Financial Statements of the MRF	<p>3.1 The Mutual Reinsurance Fund (MRF) Financial Statements were reviewed and discussed.</p> <p>3.2 The Fund ended the year with a cash balance of \$7,644,284 at BCB and HSBC. MRF fees receivable of \$3,766,767 all collected in 2016. All liabilities with the exception of the Accounts Payable are Prescribed Sum payable at year end, which were paid in the following quarter. The accumulated surplus at year end was \$3,223,197 compared to a deficit of \$185,254 the prior year due in part to Prescribed Sum increases and decreases in admin fees. SPR was increased from \$29.18 in 2015 to \$63.74 effective July 1, 2015 resulting in the MRF fees increase. Revenues exceeded expenses by \$3,408,451 and when added to the prior year deficit the accumulated surplus was \$3,223,197. MRF received a Qualified Opinion from the OAG due to insufficient audit evidence with respect to MRF premium payments; but noted that in all other respects the financial statements presented fairly the financial position of the fund</p> <p>3.3 The audited financial statements were approved unanimously as presented and signed and dated by the Chair.</p>		
4. Review of Financial Statements of the HIF	<p>4.1 The Health Insurance Fund (HIF) Financial Statements were reviewed and discussed.</p> <p>4.2 The Fund ended the year with a cash balance of \$2,321,445. Prescribed Sum due for the last quarter was lower due to more timely payments by insurers. Liabilities exceed assets resulting in a deficit of \$1,657,640 at March 31, 2016. Premiums increased by \$2.5mm due to the monthly increase from \$390 to \$433.31 effective September 1, 2015 and an increase in headcount of 185 policy holders. Prescribed Sum increased from \$14 in 2015 to \$18.40 in 2016. Expenses exceeding revenues resulted in a net deficit of \$443,036. When added to the accumulated deficit at beginning of the year, the ending amount is \$1,657,640. HIF received an Unqualified Opinion from the OAG.</p> <p>4.3 The audited financial statements were approved unanimously as presented and signed and dated by the Chair.</p>		
5. Review of Financial Statements of	<p>5.1 The FutureCare Financial Statements were reviewed and discussed.</p> <p>5.2 The Fund ended the year with a cash balance of \$738,273. Premiums due from policyholders were up by \$53k. Prescribed Sum of \$1,983,982 due for the last quarter</p>		

the FCF	<p>was paid shortly after year-end. Liabilities exceed assets resulting in a deficit of \$1,611,270 at March 31, 2015. Premiums of \$21,328,951 represent an increase over 2015 of \$2.9mm due to monthly increase from \$450 in 2015 to \$504.21 effective September 1, 2015. Prescribed Sum remained the same as 2015 at \$14. Expenses exceeded revenues resulting in a net deficit for the year of \$2.6mm. The ending deficit was \$1,611,270. FCF received an Unqualified Opinion from the OAG.</p> <p>5.3 The audited financial statements were approved unanimously as presented and signed and dated by the Chair.</p>
6. For Decision: Audit and Compliance Decision Document	<p>6.1 There were 15 final Audit Exit Conference Points in total, 9 ongoing from 2015 and some partially remediated.</p> <p>6.2 The HIC discussed the OAG Opinions for all three Funds, and considered measures necessary to ensure the MRF can achieve an Unqualified Opinion. The HIC agreed to continue detailed discussions at a later HIC meeting. The HIC unanimously approved all audited financial statements as presented. HID's Finance Team was congratulated and thanked for their diligent efforts over the years to achieve these excellent results.</p> <p>6.3 HID was invoiced by OAG as follows for each of the Funds: HIF \$35,000, FCF \$35,000 and MRF \$25,000.</p>
7. Discussion of the Management's Responsibility Letter	<p>7.1 The Management's Responsibility Letter was discussed and with no objections signed accordingly.</p>
8. Any Other Business	<p>8.1 None</p> <p>Meeting adjourned at 2:55pm. Next HIC meeting scheduled for September 27th at 2:00pm.</p>

Action Items	Person Responsible	Target Date
1. HIC to discuss measures that to resolve the MRF audit concerns	HID Director	ASAP

Signed: 
 Jennifer Attride-Stirling, Chairman

27th Sept 2018
 Date

Signed: 
 Laquita Burrows, HID Director

27 September 2018
 Date