



Employers' Compliance with the Health Insurance Act 1970

2016 ANNUAL REPORT

Employers' Compliance with the Health Insurance Act 1970 2016 Annual Report

Contact us:

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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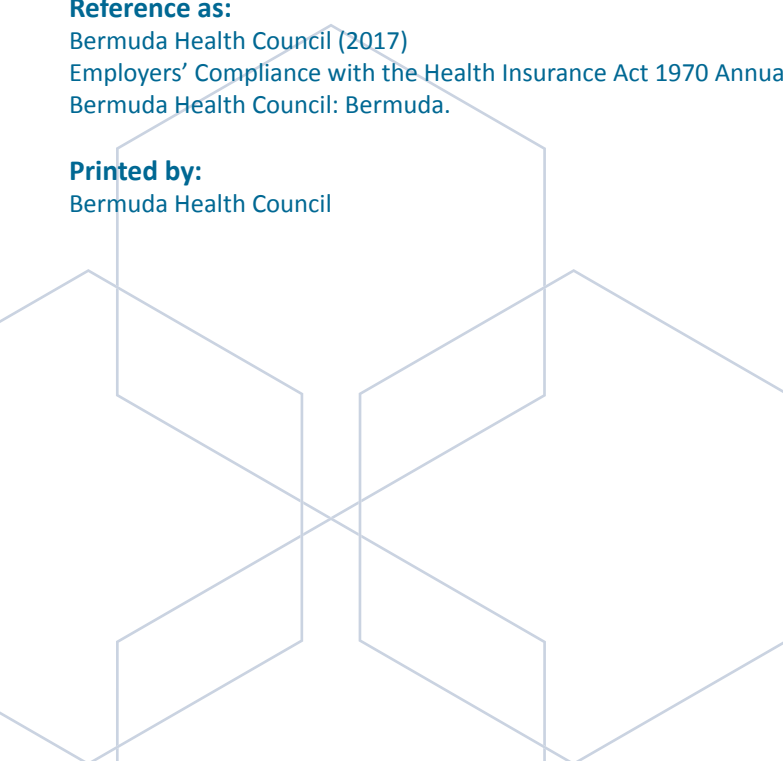
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EMPLOYERS' COMPLIANCE 2016 ANNUAL REPORT

For the period 1st January 2016 to 31st December 2016



Pending
Insurance
\$ 85.00
\$ 85.00

Date:	Balance Due Now: \$291.50
DUE DATE: 5/9/2007	Amount Enclos

782

AUTHORITY:

Per Section 20 of the Health Insurance Act, the Bermuda Health Council monitors the extent to which employers are compliant with obtaining health insurance coverage for employees.

SUMMARY:

- ❖ *1,962 employees regained health insurance coverage in 2016*
- ❖ *458 employers were investigated representing 2,581 employees*
- ❖ *Less employees were without health insurance coverage in 2016 as compared with 2015*
- ❖ *5 inspections were conducted during the reporting period*
- ❖ *24 non-compliant employers were published on the Council's website*
- ❖ *A minimum of \$663,293.34 was recovered in Standard Health Benefit (SHB) Premium on behalf of employees*
- ❖ *No legal action was pursued in criminal court during 2016*

METHODOLOGY:

1. The Health Council monitors employers' compliance with the Health Insurance Act 1970 by investigating queries from the public regarding businesses with inactive health insurance policies and requiring reporting from local insurers about employers with:
 - Inactive policies (with claims not being paid)
 - Terminated policies
 - New policies
2. Data was provided from the public and private insurers for 1st January 2016 – 31st December 2016. Monthly data was also submitted by Bermuda Hospitals Board for employed persons who require medical attention and who do not have health insurance coverage.
3. The Health Council investigates all reports and conducts on-site inspections of employer financial and employment records. For persistent non-compliance, the Health Council facilitates legal action in the criminal courts. Figure 1 illustrates the investigative process.

Figure 1 – Investigative process



RESULTS:

4. Per Table 1 below, the reported number of non-complaint employers steadily declined throughout 2016. However, the ratio of uninsured employees to non-compliant employers increased. In January 2016, there were 88 employers reported without health insurance coverage for 345 employees; in December 2016 there were 46 employers without health insurance coverage for 352 employees representing a 52% decrease and 2% increase, respectively, from the beginning of the year.

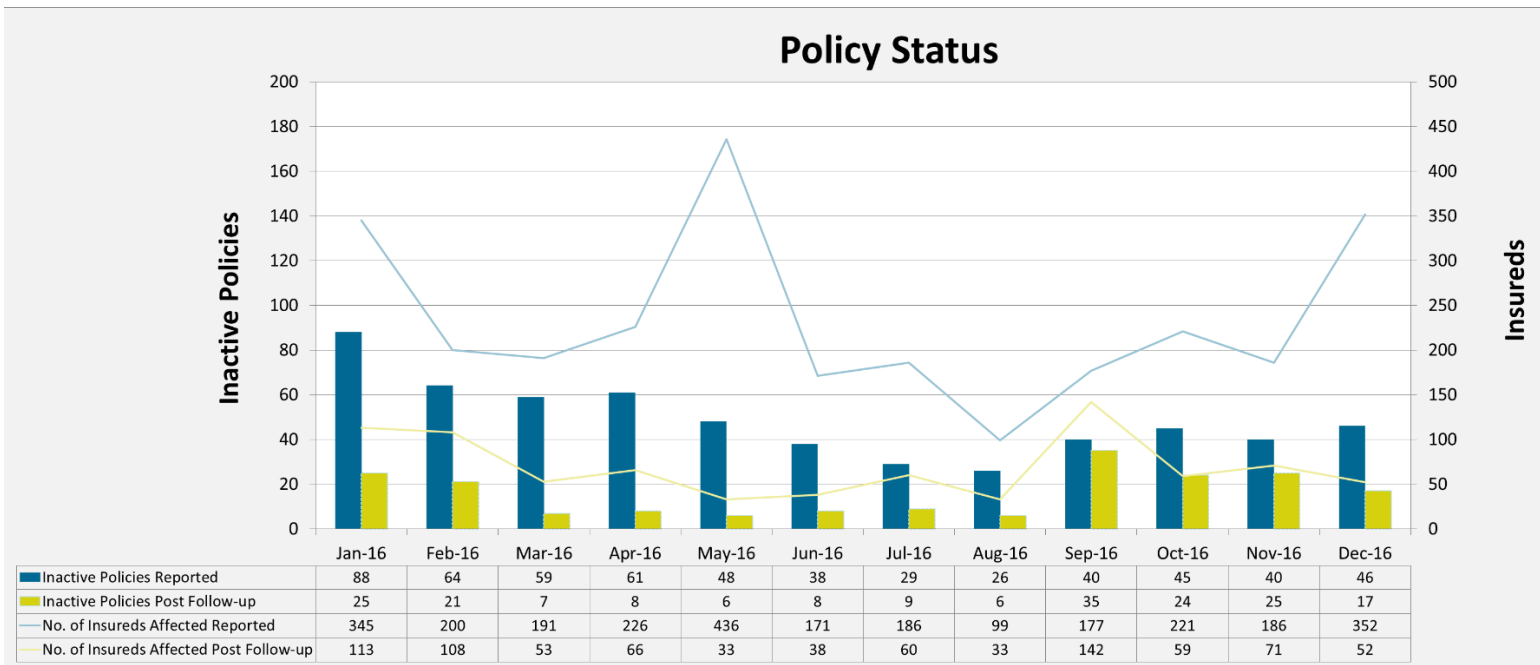
Table 1 - Summary of Reported Health Insurance Policies

		2016											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Inactive Policies	Reported	88	64	59	61	48	38	29	26	40	45	40	46
	Post Follow-up	25	21	7	8	6	8	9	6	35	24	25	17
Insureds Affected	Reported	345	200	191	226	436	171	186	99	177	221	186	352
	Post Follow-up	113	108	53	66	33	38	60	33	142	59	71	52

5. Of the employers investigated during the year for having inactive health insurance policies, 393 (67%) settled their arrears and re-established their policies. This resulted in 1,962 (70%) employees regaining health insurance coverage, as per Figure 2.

6. As a result, a minimum of \$663,293.34 was recovered in SHB premium. This figure is based on an uninsured employee’s monthly SHB coverage: 1,962 employees x \$338.07 = \$663,293.34. (The Standard Premium Rate (SPR) remained the same from January – December 2016.) The total amount of premium recovered, including supplemental benefits, exceeds \$663,293.34.

Figure 2. Policy Status/Number of Insureds (Pre/Post Follow-up)



7. Web publication of non-complaint employers on the Health Council’s website was implemented on 3rd June 2015. Throughout the 2016 reporting period, 24 employers were named on the website, with 21% (5) becoming compliant.

CONCLUSION:

8. Overall, the number of non-compliant employers continues to decline. This can be attributed to increased awareness of the legislation by our publishing of the names of non-compliant employers on the website and increased communication, online and in print. The public and affected employees continue to report inactive health insurance coverage and generally, employers are responsive to the Health Council’s investigations.

9. The Health Council has received feedback from employees that there are a number of employers who have never obtained a health insurance policy for employees. In the upcoming months we anticipate targeted inspections in specific industry areas to address these concerns. We invite employers to contact local insurers to obtain a policy.