



2011 Actuarial Report

for the Bermuda Health Council



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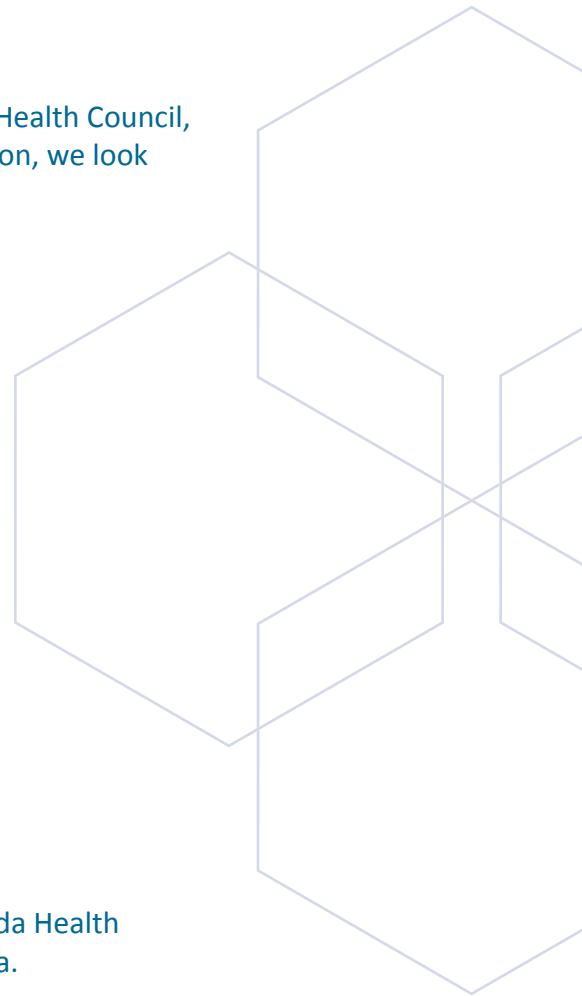
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2011 Actuarial Report for the Bermuda Health Council

➤ The Standard Hospital Benefit (SHB)

➤ The Mutual Reinsurance Fund (MRF)

March 2012

Abridged Version

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Introduction

Morneau Shepell has been engaged by the Bermuda Health Council (BHeC) and we are pleased to present our report on the Fiscal 2011 review (i.e. the period April 1, 2010 to March 31, 2011) of the following programs:

- > the Standard Hospital Benefit (SHB), and
- > the Mutual Reinsurance Fund (MRF).

The purpose of this report is:

- > to review the statistical and claims information submitted by the insurance companies and approved schemes, as it relates to the SHB
- > to review the financial condition of the MRF
- > to comment on trends over the Fiscal 2010 / Fiscal 2011 period
- > to recommend premium rates that are to take effect from April 1, 2012 (i.e. Fiscal 2013)
- > to analyze any changes in SHB and MRF benefit provisions that are under consideration

In preparing this report we relied on the documentation and information provided to us by the BHeC.

Section A – Summary & Premium Recommendation

A summary of Fiscal 2011 and Fiscal 2010 insured headcount, claims and costs per-capita is tabled below:

A.1. : Standard Hospital Benefit Insured Headcount

	Fiscal 2011	Fiscal 2010	% Change
Grand Total	50,966	50,893	0.1%

A.2. : Standard Hospital Benefit Claims Data

Claim Amounts (in \$ '000s)	Local			Overseas		Overall	
	In-Patient	Out-Patient	Total	In-Patient	Out-Patient	Total	Total
Fiscal 2010	\$27,260	\$69,602	\$96,862	\$11,527	\$17,514	\$29,041	\$125,903
Fiscal 2011	\$31,921	\$73,742	\$105,664	\$13,258	\$17,346	\$30,605	\$136,268
Increase	17%	6%	9%	15%	-1%	5%	8%

A.3. : Standard Hospital Benefit Cost per-capita and Loss Ratios

Fiscal 2011		Fiscal 2010		Cost Per-Capita Increase
Cost Per-Capita	Loss Ratio	Cost Per-Capita	Loss Ratio	
\$223	106%	\$206	112%	8%

The Fiscal 2011 and Fiscal 2010 loss ratios are based on a Standard Premium Rate of \$209.63 and \$184.01 respectively. The Standard Premium Rate increased at a pace greater than the change in the total per-capita claim costs (14% for Standard Premium Rate and 8% for the claims). This has led to an improvement in the loss ratio from 112% to 106%.

A.4. : Standard Premium Recommendation (including the MRF)

	Inc. %	Standard Hospital Benefit	Mutual Reins. Fund	Total
Fiscal 2012 Premium		\$225.46	\$26.81	\$252.27
1. Increase in BHB Fees (for Hospital Fund)	1.00%	\$1.69	\$0.27	\$1.96
2. Increase in BHB Fees (adjustment to Fee Schedule)	1.00%	\$1.69	\$0.27	\$1.96
3. Local Change in Utilization / Inflation	2.00%	\$3.38	\$0.53	\$3.91
4. Overseas Change in Fees / Utilization / Inflation	8.00%	\$4.51	\$0.00	\$4.51
5. Provision for MRF Reserves	14.92%	\$0.00	\$4.00	\$4.00
6. Transfer to the Health Insurance Department	11.19%	\$0.00	\$3.00	\$3.00
Recommended Fiscal 2013 SPR		\$236.73*	\$34.88	\$271.61
% Change in Premium		5.0%	30.1%	7.7%
\$ Change in Premium		\$11.27	\$8.07	\$19.34

* The multiplier for those over age 65 and not eligible for the government subsidy is 4 times the Standard Premium Rate.

Please refer to the sections that follow for notes on the above recommendation.

Respectfully submitted,



Howard Cimring, FFA, FCIA

Partner

MORNEAU SHEPELL

March, 2012

Section B – The Standard Hospital Benefit

B.1. : Introduction

The Standard Hospital Benefit (SHB) consists of inpatient and outpatient benefits and is defined by the Standard Hospital Benefits Regulations 1971. The SHB is the minimum package of benefits which must be provided within each employer sponsored or health insurance provider's health plan. Further, it is compulsory for each employed (including self-employed) person to have health insurance.

A Standard Premium Rate (SPR) for the Standard Hospital Benefits is determined annually by the Ministry of Health, after taking advice from the Bermuda Health Council, which commissions an actuarial review for the SPR. The SPR is the ceiling rate that can be charged to insured persons for the Standard Hospital Benefits. The SPR is set with reference to the claims experience of all the insured participants. As such, the claims experience across all the health insurance providers is pooled together and a single premium rate reflective of the pooled experience is determined.

B.2. : Fiscal 2011 Claims and Statistical Data

We have analyzed the Fiscal 2011 and Fiscal 2010 insurance company and approved scheme¹ submissions to the BHeC. A summary of certain data elements and our analysis is tabled below:

Table 1: Headcount

	Average Headcount				
	2011	% Total	2010	% Total	% Change
Insurers	40,336	79%	40,096	79%	1.0%
Approved Schemes	10,630	21%	10,798	21%	-2.0%
Grand Total	50,966	100%	50,893	100%	0.1%

There are six insurers and three approved schemes.

¹ An approved scheme is a scheme established by an employer to cover its employees and retirees.

The claims are summarized below:

Table 2: Claims

Claim Amounts (in \$ '000s)	Local			Overseas			Overall
	In-Patient	Out-Patient	Total	In-Patient	Out-Patient	Total	Total
Fiscal 2010	\$27,260	\$69,602	\$96,862	\$11,527	\$17,514	\$29,041	\$125,903
Fiscal 2011	\$31,921	\$73,742	\$105,664	\$13,258	\$17,346	\$30,605	\$136,268
Increase	17%	6%	9%	15%	-1%	5%	8%
Increase in utilization	14%	3%	6%	10%	-5%	1%	5%
Percentage 2011 Local Claims							78%
Percentage 2011 Overseas Claims							22%

The change in utilization represents the increase in the incidence of claims and the use of services (new or otherwise). It has been derived by adjusting the increase in claims by the change in the average headcount and an estimated increase in the cost of services (i.e. the change in the provider fees) of 2.5% for local fees and 4.5% for overseas fees. While the overall increase in utilization is 5%, the increase in local utilization is 6% and the increase for overseas utilization is 1%. The Local and Overseas in-patient expenditure has increased significantly. The Fiscal 2010 – 2011 total increase in claims is 8% and this compares with a Fiscal 2009 – 2010 increase in claims of 9%². The Fiscal 2011 split between local claim and overseas claims (i.e. 78% and 22% respectively) is similar to the split for Fiscal 2010.

When compared with Fiscal 2010, the Fiscal 2011 Bermuda Hospital's Board (BHB) in-patient admissions (see Appendix 2) have declined by 7.5% and the Diagnostic Related Group fee revenue has declined by 4.1%. Given a stable insured headcount, the total increase in Local in-patient expenditure (i.e. 17%) is, according to the BHB, likely due to the increase in long-stay patient days and additional fees (in particular fees beyond the Diagnostic Related Group fee) and services that are provided by the BHB. The BHB has employed various specialists such as anesthetists, obstetricians and cardiologists. The SHB includes "services rendered by persons who

² Morneau Shepell (2011) 2010 Actuarial Report for the Bermuda Health Council (Abridged Version). Bermuda Health Council: Bermuda.

receive remuneration for that service from the hospital”. Accordingly, as these specialists become employees of the Bermuda Hospital’s Board, the scope of coverage under the SHB expands.

The cost per-capita and loss ratios (i.e. the cost per-capita divided by the SPR) for Fiscal 2011 and Fiscal 2010 are tabled below:

Table 3: Costs Per-Capita

Fiscal 2011		Fiscal 2010		Cost Per-Capita Increase
Cost Per-Capita	Loss Ratio	Cost Per-Capita	Loss Ratio	
\$223	106%	\$206	112%	8%

The Fiscal 2011 and Fiscal 2010 loss ratios are based on a SPR of \$209.63 and \$184.01 respectively. The SPR increased at a pace greater than the change in the total per-capita claim costs (14% for the SPR and 8% for claims). This has led to an improvement in the loss ratio from 112% to 106%.

Since 2009, the data supplied by insurers and approved schemes has included claims data grouped into various age bands. Where such data was provided, the data was analyzed and the charts in Appendix 1 present the average per-capita claims by age band. As expected, the charts show an increasing cost per-capita leading up to age 65 (i.e. healthcare costs on average increase with age). At age 65 a decline is expected due to the government subsidy. The following table comments on the trends over Fiscal 2010 to Fiscal 2011:

Table 4: Costs Per-Capita Trends

Claims Per-Capita	Trends Fiscal 2010 to Fiscal 2011 (ages 20-79)
Total Claims	2011 is higher across all age bands except 75-79 The most significant increase is in the age band 65-69
Local In-Patient Claims	2011 is significantly higher in almost all age bands Age bands 25-34, 65-69 and 75-79 increased beyond 30%
Local Out-Patient Claims	All age bands indicate a similar level of increase
Overseas In-Patient Claims	2011 is significantly higher in age bands 40-44 and 60-69
Overseas Out-Patient Claims	2011 is lower across most age bands except 55-59 and 65-74

We have also analyzed In-Patient data supplied by the Bermuda Hospitals Board and In-Patient and Out-Patient data supplied by the insurers. The results of this analysis can be found in Appendix 2 and Appendix 3.

B.3. : The Standard Premium Rate History

The history of the SPR is as follows:

Table 5: SPR and Loss Ratio History

	SPR	% Change	Loss Ratio*
Fiscal 2004	\$91.90	5.0%	101%
Fiscal 2005	\$102.95	12.0%	103%
Fiscal 2006	\$119.49	16.1%	101%
Fiscal 2007	\$140.92	17.9%	93%
Fiscal 2008	\$152.59	8.3%	100%
Fiscal 2009	\$164.37	7.7%	109%
Fiscal 2010	\$184.01	11.9%	112%
Fiscal 2011	\$209.63	13.9%	106%
Fiscal 2012	\$225.46	7.6%	To be determined next year

* based on a comparison of the SPR to the determined claims cost per-capita

B.4. : BHB Fee Caps

The BHeC, Bermuda Hospitals Board and insurers have introduced measures which have the goal of containing the rate of escalation of Bermuda related claim costs. A Memorandum of Understanding (MoU) has been developed which establishes a threshold on the total fees that can be billed by the Bermuda Hospitals Board during Fiscal 2012. For Fiscal 2012 the MoU provides an element of certainty for the insurers as the expenditure with the BHB is limited to the threshold.

B.5. : The Standard Premium Rate Recommendation

Based on discussions and directions from the BHeC regarding the Bermuda Hospitals Board fees, the utilization, and overseas costs projections, our recommendation for the Fiscal 2013 SPR is as follows:

Table 6: SPR Recommendation

	Increase %	
Fiscal 2012 SPR		\$225.46
1. Increase in BHB Fees (for Hospital Fund)	1.00%	\$1.69
2. Increase in BHB Fees (adjustment to Fee Schedule)	1.00%	\$1.69
3. Allowance for Change in Local Utilization / Inflation	2.00%	\$3.38
4. Allowance for Change in Overseas Fees / Utilization / Inflation	8.00%	\$4.51
Recommended Fiscal 2013 SPR		\$236.73
% Change in SPR		5.0%
\$ Change in SPR		\$11.27

Notes

1. The increase in the BHB general fees has been provided by the Ministry of Health.
2. The increase for local utilization reflects the expectation that the total fees that can be billed by the BHB will be limited to a 2.0% increase (after the fee schedule adjustment) over the Fiscal 2012 level. (See B.4. above)
3. Based on a recent moderation in the increase in overseas claims, an allowance for an overall increase of 8.0% in overseas claims (this being a combination of overseas fee increases and overseas utilization) has been included.
4. We understand that no additional changes or benefits are to be approved for inclusion in the Standard Hospital Benefit or the MRF.
5. We recommend maintaining the multiplier at 4 times the SPR for those over age 65 and not eligible for the government subsidy (to be eligible for the government subsidy one has to have been resident for a continuous period of not less than 10 years during the period of 20

years immediately preceding the application for payment of the subsidy). The cost (without subsidies) for persons aged 65 and over is estimated to be approximately four times the population as a whole (and the SPR is representative of the cost of the population as a whole).

Section C – Mutual Reinsurance Fund

C.1. : Introduction

The Mutual Reinsurance Fund (MRF) is funded by a premium which is added onto each health insurance contract. The insurance providers collect a premium from each insured participant and deposit this premium with the MRF. The determination of the premium rate of the MRF rests with the Ministry of Health, under advisement of the Bermuda Health Council. The MRF currently serves the following purposes:

- a) it acts as a catastrophic fund to cover certain high dollar value claims which are included as benefits under the SHB,
- b) it allows the introduction and assessment of new and experimental treatments which have no prior established actuarial experience or pricing model,
- c) it transfers funds to the Health Insurance Department of the Ministry of Health (due to HID's role as insurer of last resort with their acceptance of high-cost participants and open enrollment policies which impose no terms of underwriting or exclusion of pre-existing conditions).

The SHB procedures that are currently paid from the MRF are as follows:

- 1) Haemodialysis
- 2) Kidney Transplant (up to \$30,000)
- 3) Anti-rejection drugs
- 4) Long-term stay (in hospital)
- 5) Home Health care (up to March 31, 2011)

As the name suggests the MRF acts as a reinsurance facility for all the insurance providers. The risks relating to the above mentioned items can be significant and could be too onerous for any one insurance provider (especially a small one) to bear. This is particularly relevant given that the SPR sets the ceiling price for the SHB. The MRF provides an element of stability to the financing of the SHB.

C.2. : Claims and Financial Information

A history of claims under the MRF is as follows:

Table 7: Claims History

Fiscal Year	Claims Paid	% Change
2004	\$7,498,000	3%
2005	\$7,151,000	-5%
2006	\$8,069,000	13%
2007	\$8,805,000	9%
2008	\$10,195,000	16%
2009	\$11,577,000	14%
2010	\$15,744,000	36%
2011	\$15,859,000	1%

The surplus under the MRF as at the end of Fiscal 2010 has declined and at the end of Fiscal 2011, the MRF is in a deficit position (based on draft financial statements).

The history of the MRF Premium is as follows:

Table 8: Premium History

	MRF Premium Rate	% Change
Fiscal 2004	\$16.40	
Fiscal 2005	\$17.05	4.0%
Fiscal 2006	\$16.75	-1.8%
Fiscal 2007	\$19.77	18.0%
Fiscal 2008	\$21.25	7.5%
Fiscal 2009	\$22.84	7.5%
Fiscal 2010	\$24.43	7.0%
Fiscal 2011	\$26.51	8.5%
Fiscal 2012	\$26.81	1.1%

C.3. : The Mutual Reinsurance Fund Premium Recommendation

Based on discussions and directions from the BHeC regarding the Bermuda Hospitals Board fees, the utilization, and the Health Insurance Department, our recommendation for the Fiscal 2013 MRF Premium is as follows:

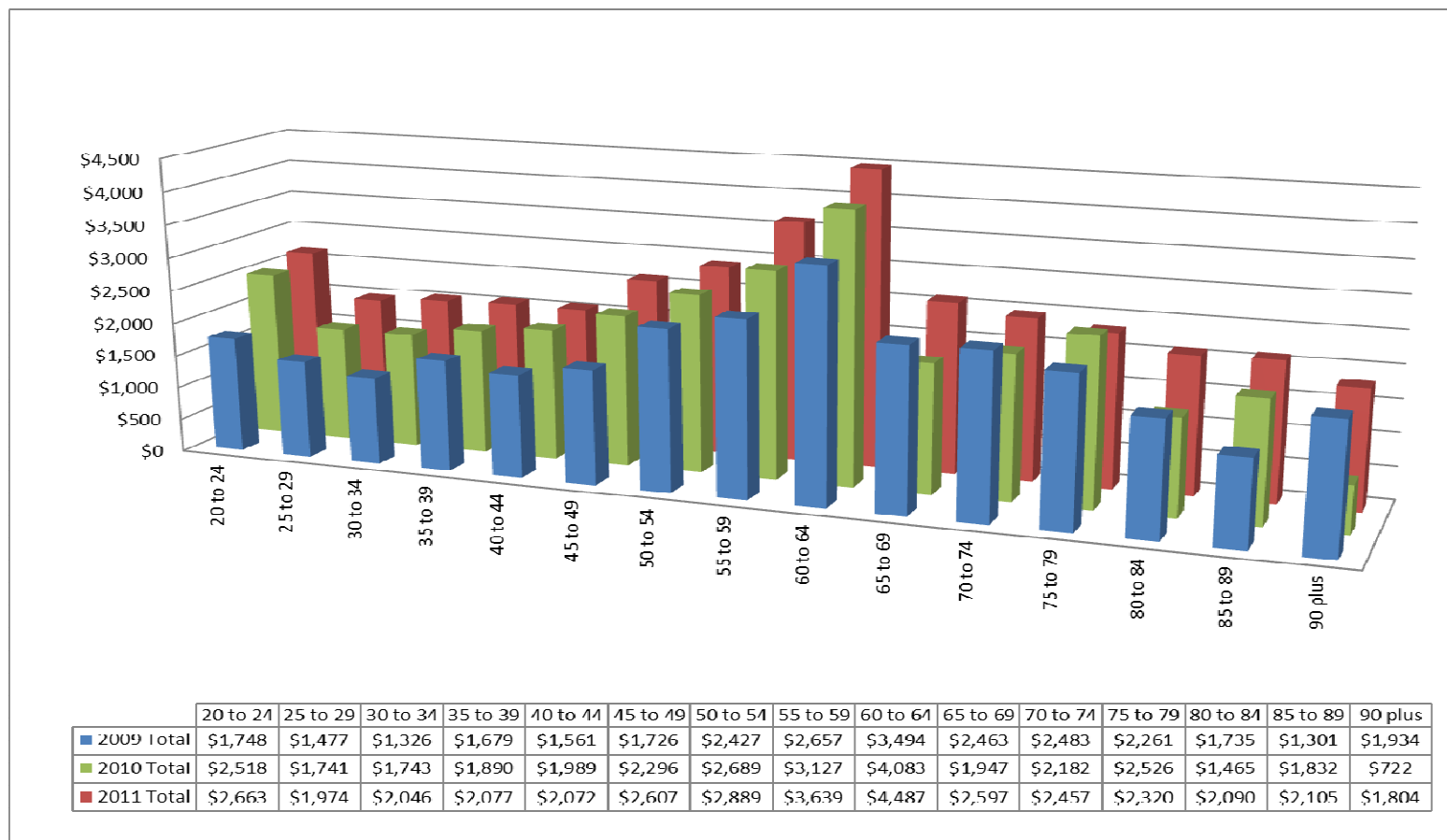
Table 9: MRF Recommendation

	Increase %	
Fiscal 2012 MRF Premium		\$26.81
1. Increase in BHB Fees (for Hospital Fund)	1.00%	\$0.27
2. Increase in BHB Fees (adjustment to Fee Schedule)	1.00%	\$0.27
3. Allowance for Change in Local Utilization / Inflation	2.00%	\$0.53
4. Changes in Benefit Provisions	0.00%	\$0.00
5. Provision for MRF Reserves	14.92%	\$4.00
6. Transfer to the Health Insurance Department	11.19%	\$3.00
Recommended Fiscal 2013 MRF Premium		\$34.88
% Change in MRF Premium		30.1%
\$ Change in MRF Premium		\$8.07

Notes

1. Due to the volatile nature of claims under the MRF and given that the MRF acts in a “re-insurance capacity” we recommend an inclusion of a provision to strengthen the financial position of the MRF. The recommendation is an increase in the MRF premium of \$4.00 which is intended to add funding of approximately 1.9 months worth of claims.
2. The transfer to the Health Insurance Department has been increased by \$3.00 (to \$7.00 per month for each insured person). This is to assist the Health Insurance Department in offsetting the high claim costs of persons insured under HIP. HIP acts as an insurer of last resort and its semi-annual open enrollment policies lead to the attraction of high-cost participants.
3. For additional notes on the recommendation, please refer to Section B.5.

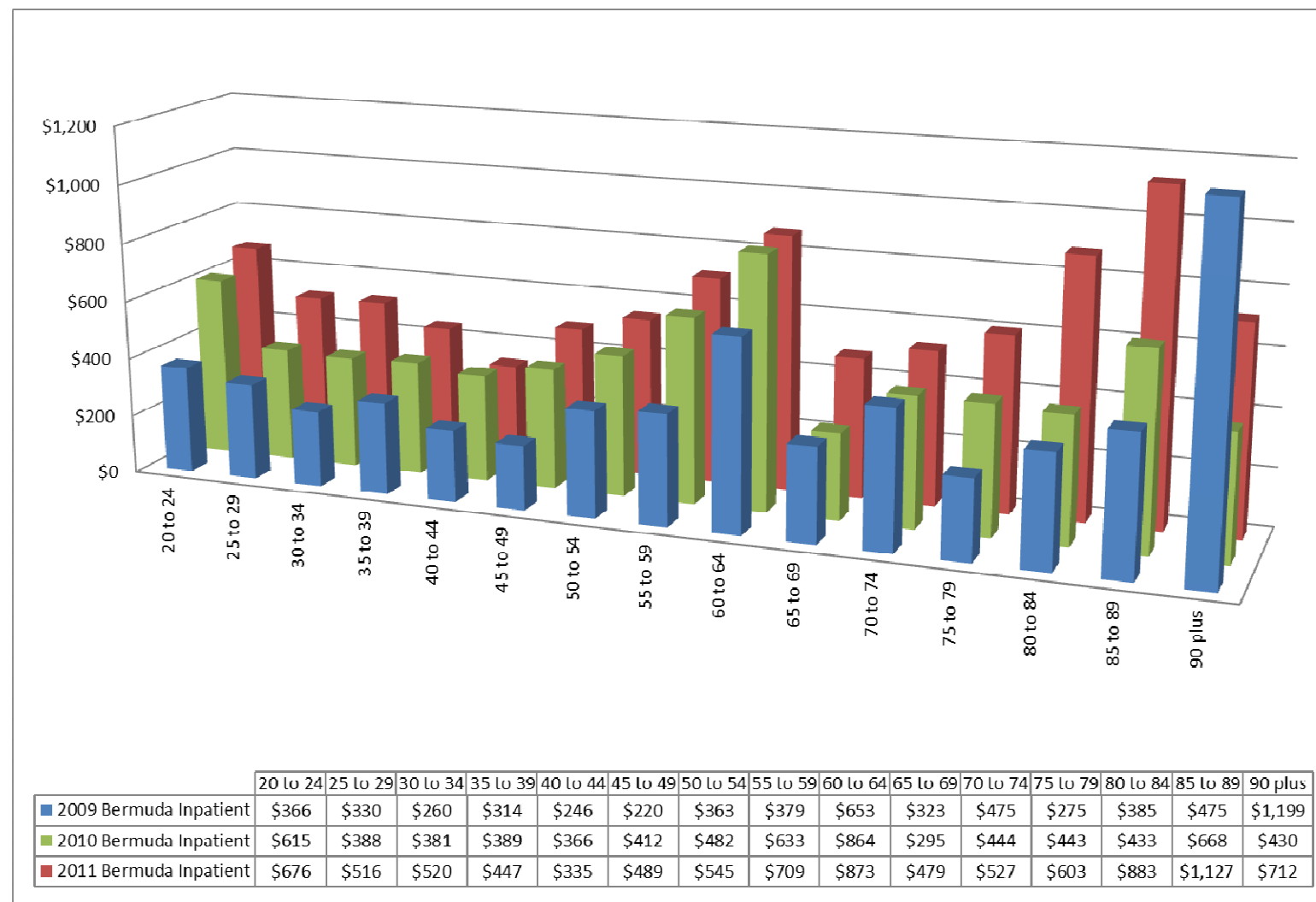
Appendix 1 – Standard Hospital Benefits (Total Per-Capita Claim Costs)



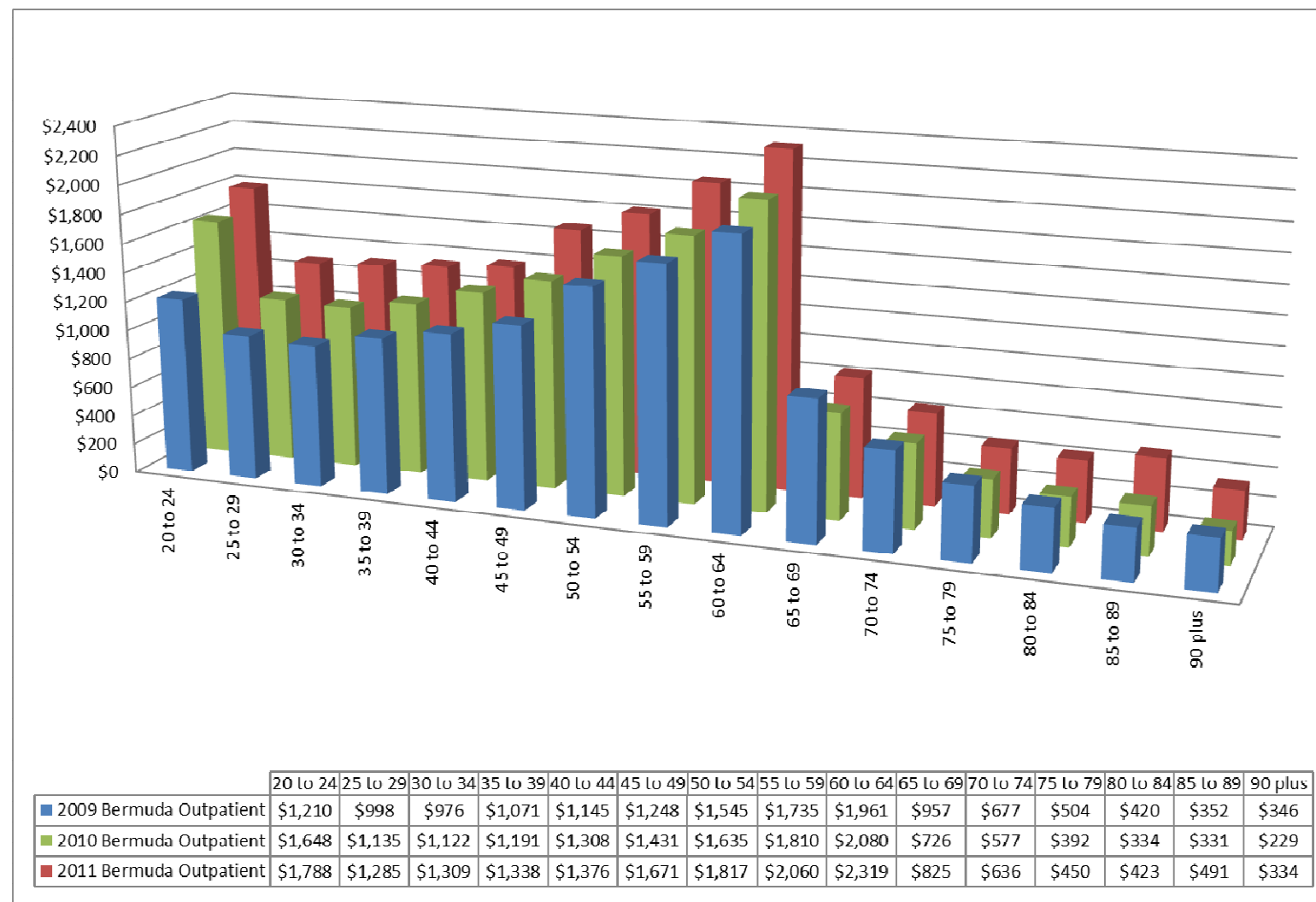
Notes

1. The decline in the cost per-capita at age 65 is due to the government subsidy.
2. Given the relatively lower headcount in the age groups 80 and over (and not all insurers provided claims grouped into age bands) the cost per-capita in these groups indicate significant volatility.

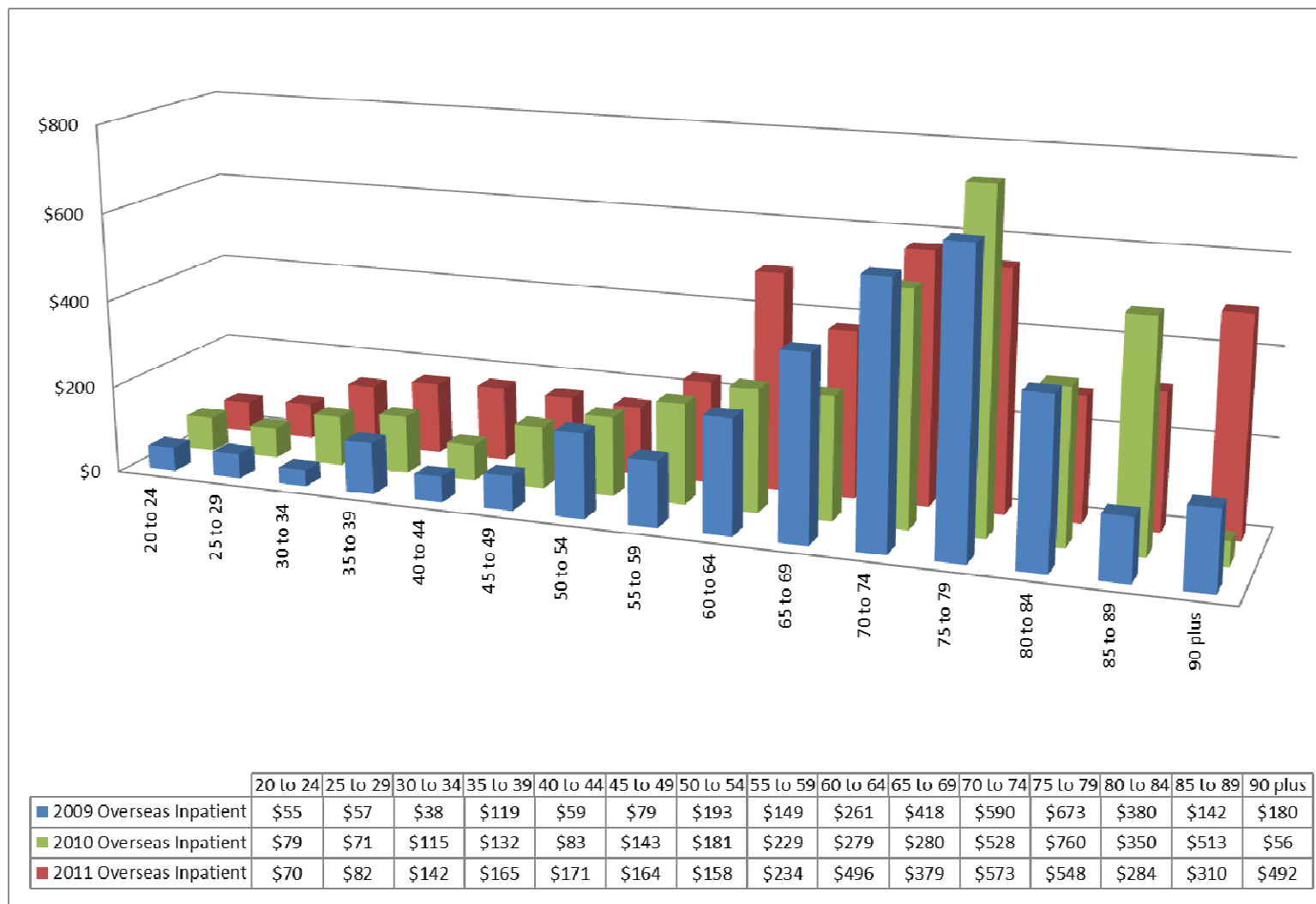
Appendix 1a – Standard Hospital Benefits (Bermuda In-Patient Per-Capita Claim Costs)



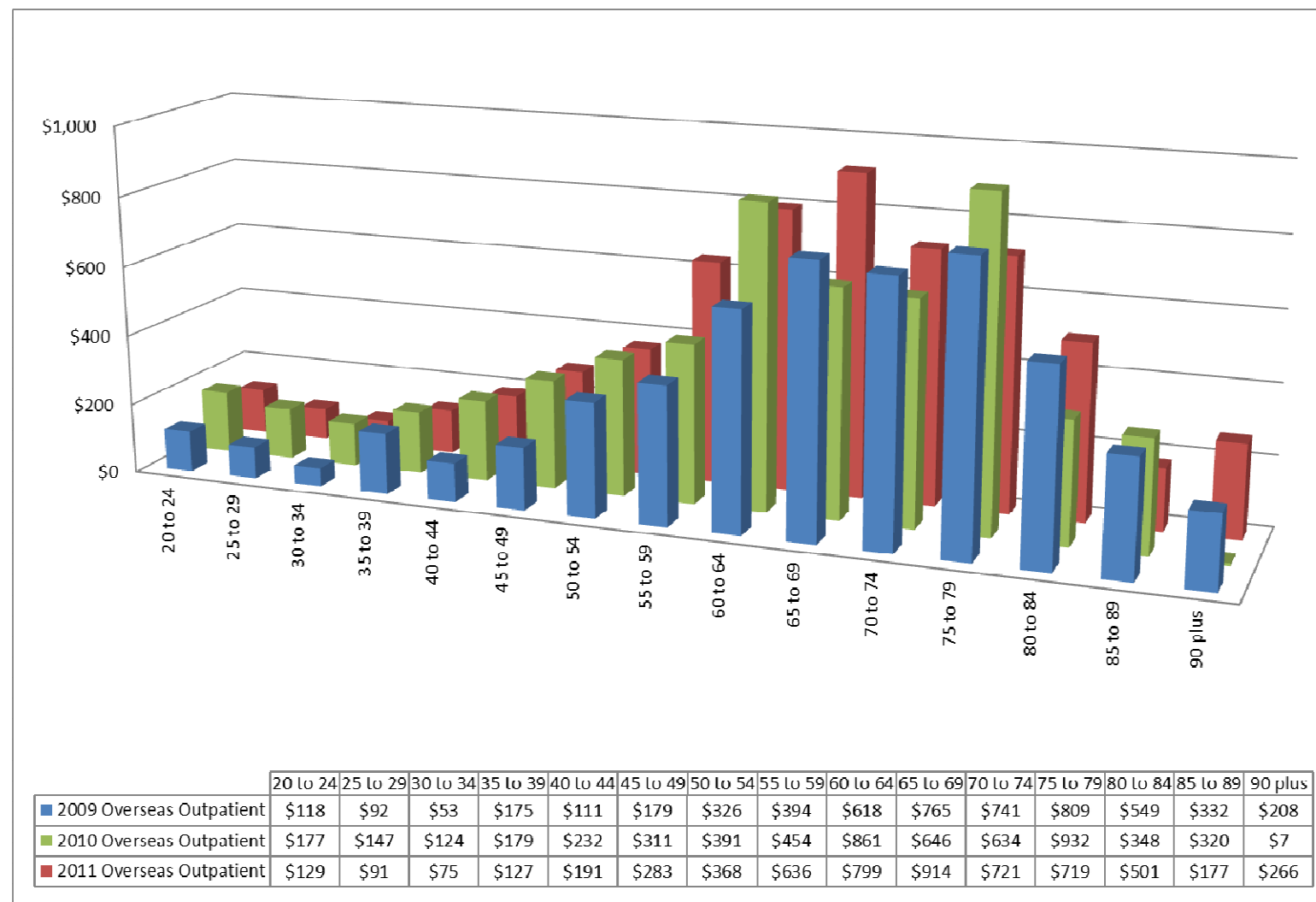
Appendix 1b – Standard Hospital Benefits (Bermuda Out-Patient Per-Capita Claim Costs)



Appendix 1c – Standard Hospital Benefits (Overseas In-Patient Per-Capita Claim Costs)



Appendix 1d – Standard Hospital Benefits (Overseas Out-Patient Per-Capita Claim Costs)



Appendix 2 – Bermuda Hospitals Board In-Patient Analysis - Admissions by Age

Age	Fiscal 2011				Fiscal 2010			
	Number of Admissions	Total DRG Fee (in '000)	% of Admissions	% of Total Cost	Number of Admissions	Total DRG Fee (in '000)	% of Admissions	% of Total Cost
<5	1,018	\$5,660	17%	13%	1,014	\$5,050	15%	11%
5-14	150	\$660	2%	2%	177	\$800	3%	2%
15-24	346	\$1,940	6%	5%	479	\$2,700	7%	6%
25-34	753	\$4,060	12%	9%	844	\$4,400	13%	10%
35-44	650	\$3,660	11%	9%	796	\$4,940	12%	11%
45-54	659	\$5,120	11%	12%	753	\$5,750	11%	13%
55-64	720	\$6,270	12%	15%	744	\$6,250	11%	14%
65-74	659	\$5,970	11%	14%	663	\$5,780	10%	13%
75-84	727	\$6,020	12%	14%	756	\$6,110	11%	14%
85-95	413	\$3,280	7%	8%	378	\$2,800	6%	6%
>95	46	\$400	1%	1%	32	\$270	0%	1%
Total	6,141	\$43,040	100%	100%	6,636	\$44,850	100%	100%

Data Source : BHB

Notes

- The total fees are the DRG charge only and do not include the per-diem fee or any other fee charged for in-patient services.
- The percentage of admissions is relatively uniform over the age groups 25 to 84. It is likely that more treatment is sought overseas by seniors as suggested by the chart in Appendix 1c.
- The under 5 age group is mostly comprised of newborns.

Appendix 2a - Admissions by Major Diagnostic Categories

Major Diagnostic Category (sorted by Fee)	Fiscal 2011				Fiscal 2010			
	Number of Admissions	Total DRG Fee (in '000)	% of Total Cost	Average DRG Fee	Fee Rank in F2010	Number of Admissions	Total DRG Fee (in '000)	% of Total Cost
Musculoskeletal System And Connective Tissue	682	\$6,430	15%	\$9,400	1	679	\$6,120	14%
Digestive System	529	\$4,870	11%	\$9,200	5	534	\$5,000	11%
Newborn And Other Neonates	787	\$4,620	11%	\$5,900	6	807	\$4,150	9%
Circulatory System	629	\$4,570	11%	\$7,300	2	569	\$4,380	10%
Respiratory System	555	\$3,640	8%	\$6,600	4	591	\$4,230	9%
Pregnancy, Childbirth And Puerperium	877	\$2,850	7%	\$3,200	7	885	\$2,900	6%
Nervous System	377	\$2,730	6%	\$7,200	3	404	\$3,050	7%
Hepatobiliary System And Pancreas	195	\$1,630	4%	\$8,400	13	181	\$1,530	3%
Not Classified	50	\$1,590	4%	\$31,800	27	56	\$610	1%
Kidney And Urinary Tract	218	\$1,510	4%	\$6,900	10	189	\$1,240	3%
Ear, Nose, Mouth And Throat	264	\$1,290	3%	\$4,900	14	252	\$1,150	3%
Endocrine, Nutritional And Metabolic System	221	\$1,240	3%	\$5,600	12	183	\$1,030	2%
Infectious and Parasitic DDs	102	\$1,120	3%	\$11,000	9	100	\$1,240	3%
Skin, Subcutaneous Tissue And Breast	166	\$1,090	3%	\$6,600	8	203	\$1,310	3%
Mental Diseases and Disorders	20	\$90	0%	\$4,500	11	249	\$1,160	3%
Alcohol/Drug Use or Induced Mental Disorders	6	\$20	0%	\$3,300	15	156	\$570	1%
All Other	463	\$3,730	9%	\$8,100		598	\$5,180	12%
Total	6,141	\$43,020	100%	\$7,000		6,636	\$44,850	100%
Change over Year	-7.5%	-4.1%						

Data Source : BHB

- Notes:**
1. We have summarized the DRG codes into mutually exclusive diagnosis areas (referred to as Major Diagnostic Categories).
 2. The data indicates a significant decline in admissions for “Mental Diseases and Disorders” and “Alcohol/Drug Use or Induced Mental Disorders”.

Appendix 2b - Fiscal 2011 Days in Hospital

Days in Hospital	Number of Admissions	% of Admissions	% of Total Cost	Average days in Hospital	DRG Fees (in '000)
0-4	4,038	66%	53%	2.3	\$22,860
5-9	1,165	19%	22%	6.4	\$9,680
10-14	359	6%	8%	11.7	\$3,400
15-19	157	3%	4%	16.6	\$1,800
20-24	97	2%	3%	21.8	\$1,130
25-29	66	1%	2%	26.9	\$780
30-35	54	1%	1%	32.3	\$550
>35	205	3%	7%	76.3	\$2,830
	6,141	100%	100%	7.3	\$43,030

Data Source : BHB

Notes

1. Eighty-five percent of admissions are under 10 days. In Fiscal 2010, this figure was 80%.
2. The average days in hospital during Fiscal 2010 was 9.1 days.

Appendix 3 – Split of Local Out-Patient data and Overseas In-Patient and Out-Patient data

Claims in \$'000	1. Diag. Imaging (outpatient)	2. Diag. Imaging (approved facility)	3. Labs	4. Surgery	5. Anesthetic	6. Prescription	7. Other outpatient claims	Total
Local Out-Patient Claims F2010	\$14,090	\$7,130	\$21,110	\$5,270	\$1,720	\$1,600	\$22,370	\$73,290
Local Out-Patient Claims F2011	\$14,730	\$6,460	\$18,940	\$6,470	\$2,010	\$1,720	\$24,480	\$74,810
% of Local Claims F2011	20%	9%	25%	9%	3%	2%	33%	100%
Overseas Out & In-Patient Claims F2010	\$3,380		\$2,250	\$2,820	\$670	\$1,080	\$15,760	\$25,950
Overseas Out & In-Patient Claims F2011	\$4,860		\$3,250	\$3,750	\$800	\$1,300	\$14,350	\$28,310
% of Overseas Claims	17%		11%	13%	3%	5%	51%	100%
Total Claims F2010	\$24,590		\$23,360	\$8,090	\$2,390	\$2,680	\$38,130	\$99,250
Total Claims F2011	\$26,050		\$22,190	\$10,230	\$2,810	\$3,020	\$38,820	\$103,110
% of Total F2011	25%		22%	10%	3%	3%	38%	100%

Data Source : Insurers

Notes

1. If an insurer was unable to separate their data into the above respective components, their data was excluded.
2. Diagnostics and Labs constitute 54% of local out-patient spending. The category “Other” contains 33% of the local out-patient spending.
3. For overseas claims, the “Other” category contains 51% of the in-patient and out-patient spending.
4. In the local context, item 1 and items 3 through 6, are services provided by the BHB. Item 7, Other Outpatient Claims, are in respect of all other service providers (e.g. primary care physician services, paramedical services, vision services, etc...). In the overseas context item 7 is similarly in respect of all other outpatient services.

About Morneau Shepell

Morneau Shepell is Canada's largest human resource consulting and outsourcing firm focused on pensions, healthcare, and workplace health management and productivity solutions.

We offer consulting and administrative services for the full range of retirement, healthcare, and employee benefits programs, as well as absence and disability management, workplace training and education, and employee assistance program. This suite of services allows us to offer solutions that help improve the financial security, health and productivity of organizations and their people around the globe.

Morneau Shepell has approximately 2,700 employees in 70 locations across Canada and the United States. We provide services across Canada, the United States, Bermuda, the Caribbean and around the globe. Our clients range from government entities, associations, large corporations and small businesses. The origins of our company trace back to 1962.